



November 5, 2014

Mr. Bill Aiken, Development Analyst  
City of Roseville  
311 Vernon Street  
Roseville, CA 95678

Dear Mr. Aiken:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Roseville Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15B) to the California Department of Finance (Finance) on September 23, 2014 for the period of January 1 through June 30, 2015. Finance has completed its review of your ROPS 14-15B, which may have included obtaining clarification for various items.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 33 – Maintenance Agreement in the amount of \$3,653 is not allowed. The billing invoices submitted by the Agency notes that the repairs were completed by the third party in December 2013, and June 2014. During the ROPS for the period of July 1, 2014 through December 30, 2014 (ROPS 14-15A), Finance approved funding for repairs at the same Agency owned property. The Agency received sufficient funding during ROPS 14-15A to satisfy the obligation. Furthermore, the Agency owned property was approved for transfer to the City of Roseville during the Finance's review of the Long-Range Property Management Plan and is no longer Agency's obligation. Therefore, this line item is not an enforceable obligation and is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

Finance made adjustments to the item number sequence on ROPS 14-15B for consistency with prior ROPS. Items which do not require funding any longer should be classified as "retired" on the ROPS. Furthermore, item numbers may only be used once and new obligations of the Agency should be listed with the next available sequential number. Pursuant to HSC section 34177 (a) (2) documents are to be provided in a manner of Finance's choosing; therefore, the obligations on ROPS 14-15B noted below should have been reported in the following manner:

- Item Nos. 14 and 20 – Tax Allocation Bonds 2002 have been retired. Since the Agency issued the 2014 Refunding Bonds, the Tax Allocation Bonds 2002 are no longer an enforceable obligation. With the Agency's concurrence, Finance added Item No. 54 for the upcoming debt service payment and Item No. 55 for the Agency's request for debt service reserves, both of which are approved for RPTTF for ROPS 14-15B. The Agency

should continue to use Item No. 54 and 55 to request funding for the 2014 Refunding Bonds on subsequent ROPS.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF. Pursuant to HSC section 34177 (l) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. The Agency provided financial records that displayed available Other Funds totaling \$105,395.

Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified to Other Funds, and in the amount specified below:

- Item No. 15 – Tax Allocation Bonds-2006A. The Agency requests \$320,313 of RPTTF; however, Finance is reclassifying \$105,395 to Other Funds. This item is an enforceable obligation for the ROPS 14-15B period. However, the obligation does not require payment from property tax revenues and the Agency has \$105,395 in available Other Funds. Therefore, Finance is approving RPTTF in the amount of \$214,918 and the use of Other Funds in the amount of \$105,395, totaling \$320,313.

Review of ROPS 14-15B incorporated the following actions taken by the Agency's Oversight Board (OB):

- OB Resolution No. 12-46, approving an agreement between the Agency and Fraser & Associates to perform continuing disclosure for its bonds, listed as Item No. 24, is approved.
- OB Resolution No. 12-47, approving the repair of equipment at the United States Post Office, listed as Item No. 33, is denied as described above. Finance approved funding for repairs of Equipment at this Agency owned property during the ROPS 14-15A period. The billing invoices submitted by the Agency notes that the repairs were completed in December 2013, and June 2014. As authorized by HSC section 34179 (h), Finance is returning your OB action to the board for reconsideration.
- OB Resolution No. 12-48, approving the cost of title reports ordered on Agency commercial loans, listed as Item No. 53, is approved.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2014 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the table below includes the prior period adjustment resulting from the CAC's review of the Agency's self-reported prior period adjustment.

Except for the item that has been reclassified, Finance is not objecting to the remaining items listed on your ROPS 14-15B. If you disagree with the determination with respect to any items on your ROPS 14-15B, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

[http://www.dof.ca.gov/redevelopment/meet\\_and\\_confer/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$2,017,995 as summarized in the Approved RPTTF Distribution Table below:

<b>Approved RPTTF Distribution</b>	
<b>For the period of January through June 2015</b>	
Total RPTTF requested for non-administrative obligations	2,007,510
Total RPTTF requested for administrative obligations	125,000
<b>Total RPTTF requested for obligations on ROPS</b>	<b>\$ 2,132,510</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>2,007,510</b>
<u>Denied Item</u>	
Item No. 33	(3,653)
	(3,653)
<u>Reclassified Item</u>	
Item No. 15	(105,395)
	(105,395)
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 1,898,462</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>125,000</b>
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 125,000</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 2,023,462</b>
Self-reported ROPS 13-14B prior period adjustment (PPA)	(5,467)
<b>Total RPTTF approved for distribution</b>	<b>\$ 2,017,995</b>

Please refer to the ROPS 14-15B schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2015. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

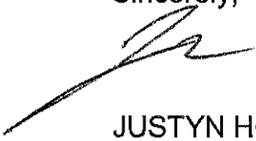
The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to the enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if for whatever reason the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Beliz Chappuie, Supervisor or Todd Vermillion, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Acting Program Budget Manager

cc: Ms. Melissa Hagan, Financial Analyst, City of Roseville  
Ms. Jayne Goulding, Managing Accountant Auditor, Placer County  
California State Controller's Office