



May 15, 2015

Ms. Donna Lee, Director of Finance  
City of Rio Vista  
1 Main Street  
Rio Vista, CA 94571

Dear Ms. Lee:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 02, 2015. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Rio Vista Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to Finance on February 26, 2015, for the period of July through December 2015. Finance issued a ROPS determination letter on April 02, 2015. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on April 13, 2015.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

Item Nos. 1 through 4 and 7 – Claimed administrative costs in the amount of \$50,700. Finance continues to deny these items. Finance previously determined that pursuant to HSC 34187 (b) when all of the debt of a redevelopment agency has been retired or paid off, the successor agency shall dispose of all remaining assets and terminate its existence within one year of the final debt payment. The Agency received approval for its Long Range Property Management Plan (LRPMP) on March 12, 2015. The LRPMP authorized the transfer of the Agency's sole property to the City of Rio Vista (City) for the purposes of future development. During the Meet and Confer process, the Agency contended that the requested administrative costs are needed while the Agency enters into compensation agreements with the affected taxing entities. However, Dissolution Law does not require that a compensation agreement be reached prior to a property being transferred to the sponsoring entity or in this case, the City. Nevertheless, it is Finance's expectation that the required compensation agreement with the affected taxing entities be entered at some point in the future. In the interim, the Agency should proceed with the transfer of the property to the City as approved in the LRPMP and dissolve pursuant to HSC section 34187 (b).

Further, Finance notes that the Agency has not requested Redevelopment Property Tax Trust Fund (RPTTF) funding for any enforceable obligations for the previous four ROPS

periods indicating that the Agency has no remaining debt obligations. As a result, the request for administrative costs on the ROPS is denied and is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

- Finance notes that during our review of the Agency's Cash Balance, the Agency has approximately \$61,819 of available funds on hand. As stated above, the Agency should dissolve and any remaining funds should be remitted to the county auditor-controller (CAC) for distribution to the affected taxing entities.

In addition, per Finance's letter dated April 02, 2015, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 15-16A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2014 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the CAC and the State Controller. The amount of Redevelopment Property Tax Trust Fund (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 items denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 15-16A.

The Agency's maximum approved RPTTF distribution for the reporting period is zero as summarized in the Approved RPTTF Distribution table below:

<b>Approved RPTTF Distribution</b>	
<b>For the period of July through December 2015</b>	
Total RPTTF requested for non-administrative obligations	0
Total RPTTF requested for administrative obligations	50,700
<b>Total RPTTF requested for obligations on ROPS</b>	<b>\$ 50,700</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>50,700</b>
<u>Denied Items</u>	
Item No. 1	(27,250)
Item No. 2	(600)
Item No. 3	(2,850)
Item No. 4	(10,000)
Item No. 7	(10,000)
	(50,700)
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 0</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 0</b>
ROPS 14-15A prior period adjustment	(26,585)
Excess funds	26,585
<b>Total RPTTF approved for distribution</b>	<b>\$ 0</b>

Please refer to the ROPS 15-16A schedule that was used to calculate the approved RPTTF amount:

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

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 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 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 Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-3274.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Tim Chapa, City Manager, City of Rio Vista  
Ms. Bettencourt, Deputy Auditor Controller, Solano County  
California State Controller's Office