DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. ▪ GOVERNOR

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March 19, 2015

Ms. Betsy Howze, Finance Director
City of Rohnert Park
130 Avram Avenue
Rohnert Park 94928

Dear Ms. Howze:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Rohnert Park Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to the California Department of Finance (Finance) on February 18, 2015 for the period July 1 through December 31, 2015. Finance has completed its review of your ROPS 15-16A, 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 Nos. 27 through 30 & 33 – Various obligations totaling $5,694,989 in bond proceeds is not approved. Finance previously approved the transfer of excess bond proceeds to the City of Rohnert Park (City) in our letter dated November 13, 2014. It is our understanding the transfer took place February 11, 2015, and therefore, the current requests are unnecessary. Therefore, the following items are denied for the 15-16A period as they have already been funded:
    - Item No. 27 – B-Pool Renovation in the amount of $783,349.
    - Item No. 28 – Sports Center Locker Rooms Retrofit in the amount of $399,160.
    - Item No. 29 – Public Safety Main HVAC Replacement in the amount of $330,000.
    - Item No. 30 – A, B, and L-Park Restroom Renovation in the amount of $101,000.
    - Item No. 33 – Agreement with the City regarding expenditure of excess bond proceeds in the amount of $4,081,480.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting Redevelopment Property Tax Trust Fund (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 indicated available unrestricted cash totaling $51,886.

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

- Item No. 3 – 2007R Tax Allocation Bonds in the amount of $51,886. The Agency requests $1,161,959 of RPTTF; however, Finance is reclassifying $14,280 to Other Funds and $37,606 to Reserve Balances. This item is an enforceable obligation for the ROPS 15-16A period. However, the Agency has a total $51,886 in Other Funds and available Reserve Balances. Therefore, Finance is approving RPTTF in the amount of $1,110,073, the use of Other Funds in the amount of $14,280, and Reserve Balances in the amount of $37,606, totaling $1,161,959.

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 county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the table on the next page 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 or the item that have been reclassified, Finance is not objecting to the remaining items listed on your ROPS 15-16A. If you disagree with the determination with respect to any items on your ROPS 15-16A, 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/

The Agency's maximum approved RPTTF distribution for the reporting period is $2,051,336 as summarized in the Approved RPTTF Distribution table on the next page:

Approved RPTTF Distribution For the period of July through December 2015		
Total RPTTF requested for non-administrative obligations		1,978,222
Total RPTTF requested for administrative obligations		125,000
Total RPTTF requested for obligations on ROPS	**$**	**2,103,222**
Total RPTTF requested for non-administrative obligations		**1,978,222**
Cash Balances - Items reclassified to Other Funds/Reserve Balances		
Item No. 3		(51,886)
Total RPTTF authorized for non-administrative obligations	**$**	**1,926,336**
Total RPTTF requested for administrative obligations		**125,000**
Total RPTTF authorized for obligations	**$**	**2,051,336**
ROPS 14-15A prior period adjustment		0
Total RPTTF approved for distribution	**$**	**2,051,336**

Absent a Meet and Confer, 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 Wendy Griffe, Supervisor or Erika Santiago, Lead Analyst at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Elizabeth Smith, Accountant, City of Rohnert Park
Mr. Randy Osborn, Property Tax Manager, County of Sonoma
California State Controller's Office