



April 6, 2015

Mr. Chris Pahule, Principal Planner
Sacramento County
700 H Street
Suite 6750
Sacramento, CA 95814

Dear Mr. Pahule:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Sacramento County Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to the California Department of Finance (Finance) on February 26, 2015 for the period of 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 our review, we are approving all of the items listed on your ROPS 15-16A at this time.

However, Finance notes the Agency did not include Reserve Balances for Item Nos. 2, 6, 12, 14, and 24 authorized during ROPS 14-15B that should be requested as expenditures during ROPS 15-16A. Therefore, with the Agency's consent, Finance is making the adjustments as summarized in the table below:

Item No.	Project Name / Debt Obligation	Request Amount	Revised Reserve Balances Amount
2	2003 Tax Exempt Series A	0	\$1,190,602
6	2003 Taxable Series B	0	403,360
12	2008 Tax Exempt Series A	0	581,473
14	2008 Taxable Series B	0	1,249,148
24	CIEDB Loan Agreement	0	462,739
	Total	\$0	\$3,887,322

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 displayed available Other Funds totaling \$459,367.

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

- Item Nos. 28, 29, 30, 32, 92, 96, 97, and 99 – Various Obligations. The Agency requests \$462,020 from RPTTF; however, Finance is reclassifying \$459,367 to Other Funds. These items are enforceable obligations for the ROPS 15-16A period. However, the obligations do not require payment from property tax revenues and the Agency has \$459,367 in available Other Funds. Therefore, Finance is approving RPTTF in the amount of \$2,653 (\$462,020 - \$469,367) and the use of Other Funds in the amount of \$459,367.

Item #	Project Name / Debt Obligation	Requested	Reclassified	
		RPTTF Non-Admin	RPTTF Non-Admin	Other Funds
28	2006 Auburn Blvd Advance (Ins)	\$38,366	\$(38,366)	\$38,366
29	2007 Florin Advance (MRB)	47,554	(47,554)	47,554
30	2009 Auburn Blvd Advance (MRB)	67,934	(67,934)	67,934
32	2008 Banc of America	67,192	(67,192)	67,192
92	PERS	59,974	(59,974)	59,974
96	Property Holding Costs	8,000	(5,347)	5,347
97	Property Maintenance	25,000	(25,000)	25,000
99	Rental Subsidy	148,000	(148,000)	148,000
Totals		\$62,020	(\$459,367)	\$459,367

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. Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of RPTTF approved in the table below only reflects the prior period adjustment self-reported by the Agency.

Except for the items 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 \$465,488 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution	
For the period of July through December 2015	
Total RPTTF requested for non-administrative obligations	799,855
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations on ROPS	\$ 924,855
Total RPTTF requested for non-administrative obligations	799,855
<u>Cash Balances - Items reclassified to Other Funds</u>	
Item No. 28	(38,366)
Item No. 29	(47,554)
Item No. 30	(67,934)
Item No. 32	(67,192)
Item No. 92	(59,974)
Item No. 96	(5,347)
Item No. 97	(25,000)
Item No. 99	(148,000)
	(459,367)
Total RPTTF authorized for non-administrative obligations	\$ 340,488
Total RPTTF requested for administrative obligations	125,000
Administrative costs in excess of the cap (see Admin Cost Cap table below)	
Total RPTTF authorized for administrative obligations	\$ 125,000
Total RPTTF authorized for obligations	\$ 465,488
ROPS 14-15A prior period adjustment	0
Total RPTTF approved for distribution	\$ 465,488

Please refer to the ROPS 15-16A 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 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 Nichelle Thomas, Supervisor or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Carmencita Rona-Salzberg, Accountant, Sacramento County
Mr. Ben Lamera, Assistant Auditor-Controller, Sacramento County
California State Controller's Office