



April 16, 2015

Ms. Leslie Fritzsche, Senior Project Manager
Sacramento City
915 I Street
Sacramento, CA 95814

Dear Ms. Fritzsche:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Sacramento City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to the California Department of Finance (Finance) on March 4, 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 on your ROPS 15-16A at this time.

Our review of this ROPS included the following Agency's Oversight Board (OB) Resolutions. Finance did not initiate our review of these OB actions, and therefore these actions became effective five business days after the Agency notice to us.

- OB Resolution No. 2015-0002, approval of the repayment schedule for the City of Sacramento (City) Parking Enterprise Fund Loan. This resolution, which approves administrative and litigation costs in the Railyards Redevelopment Project Area. This corresponds to Item No. 309.
- OB Resolution No. 2015-0003, approval of the revised repayment schedule for the Supplemental Educational Revenue Augmentation Fund (SERAF) Loan. This resolution corresponds to Item No. 167.
- OB resolution No. 2015-0004 approving the allocation of \$500,000 in 2006 65th Street Master Lease Taxable Redevelopment Bond Proceeds for the Ramona Avenue Extension Water Line and approving the Excess Bond Expenditure Agreement. This resolution corresponds to Item No. 428.

Finance notes the Agency did not include Reserve Balances for various items 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	Requested Reserves Balances	Revised Reserves Balances
31	2003 Tax Allocation Revenue Bonds (TARBs) Series C	\$0	\$413,972
33	2003 Alkali Flat Tax Exempt (TE) Tax Allocation Bonds (TABs) Series C	0	107,214
89	2005 Refunding Revenue Bonds	0	198,350
93	2005 Del Paso Refunding Bonds	0	603,121
97	2003 Del Paso TE TABs Series A	0	10,350
99	2006 TARBs Series A	0	135,001
101	2006 TARBs Series B	0	107,741
103	2003 Del Paso Low/Moderate (LM) TE TABs Series A	0	75,819
105	2005 Del Paso Refunding Bonds	0	217,229
107	2006 Del Paso LM Housing TE Series A	0	42,565
109	2006 Del Paso LM Housing Taxable (TX) Series B	0	99,023
188	2002 Merged Downtown TABs	0	1,024,841
189	1993 Merged Downtown TABs	0	8,510,926
192	1993 Merged Downtown TABs	0	2,884,075
193	2005 TARBs Series A	0	19,875
195	2005 TARBs Series B	0	1,222,398
209	2002 Merged Downtown TABs	0	837,829
211	2005 Merged Downtown TE LM Housing Series A	0	318,125
213	2005 Merged Downtown TE LM Housing Series B	0	131,575
246	2003 North Sacramento TE TABs Series C	0	153,561
252	2003 North Sacramento TE TABs LM Series C	0	50,815
288	1999 Oak Park Refunding Bonds	0	149,732
290	2006 Oak Park TE Refunding Bonds Series A	0	581,019
292	2005 Oak Park TE Series A	0	174,500
294	2005 Oak Park TX Series B	0	934,212
296	1999 Oak Park Refunding Bonds	0	68,663
298	2006 Oak Park TE Refunding LM Housing Series A	0	260,794
300	2005 Oak Park TX LM Housing Series B	0	124,662
345	2002 Stockton Blvd Master Lease	0	73,671
353	2002 Stockton Blvd Master Lease	0	18,418
	Total	\$0	\$19,550,076

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.

The Agency's maximum approved RPTTF distribution for the reporting period is \$6,932,286 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	7,574,657
Total RPTTF requested for administrative obligations	224,990
Total RPTTF requested for obligations on ROPS	\$ 7,799,647
Total RPTTF authorized for non-administrative obligations	7,574,657
Total RPTTF authorized for administrative obligations	224,990
Total RPTTF authorized for obligations	\$ 7,799,647
ROPS 14-15A prior period adjustment	(867,361)
Total RPTTF approved for distribution	\$ 6,932,286

Pursuant to HSC section 34177 (l) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During the ROPS 15-16A review, Finance requested financial records to support the cash balances reported by the Agency; however, the Agency was unable to support the amounts reported. While the beginning balances for Reserve Balances, Other Funds, and RPTTF were supported by the Agency's financial records, the Agency did not provide adequate documentation to support the revenues and expenditures reported. As a result, Finance will continue to work with the Agency after the ROPS 15-16A review period to properly identify the Agency's cash balances. If it is determined the Agency possesses cash balances that are available to pay approved obligations, the Agency should request the use of these cash balances prior to requesting RPTTF in ROPS 15-16B.

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: Mr. Dennis Kauffman, Accounting Manager, City of Sacramento
Ms. Mary Jean Rodriguez, Accountant, City of Sacramento
Mr. Ben Lamara, Assistant Auditor-Controller, Sacramento County
California State Controller's Office