DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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November 9, 2015

Ms. Mette Richardson, Finance Director
City of Grass Valley
125 East Main Street
Grass Valley, CA 95945

Dear Ms. Richardson:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m) (1) (A), the City of Grass Valley Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period January 1 through June 30, 2016 (ROPS 15-16B) to the California Department of Finance (Finance) on October 2, 2015. Finance has completed its review of the ROPS 15-16B.

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

Item Nos. 8 and 22 – It is our understanding the Agency requested incorrect amounts for the 2010 and 2013 Tax Allocation Refunding Bonds debt service payments. Base on review of documentation provided, Finance is approving the Agency's request to increase the requested Redevelopment Property Tax Trust Fund (RPTTF) funding amounts as follows:

- Item No. 8 – The requested amount of $206,688 is increased by $1,200 to $207,888.
- Item No. 22 - The requested amount of $207,119 is increased by $217,319 to $424,438.

Pursuant to HSC section 34186 (a) (1), the Agency was required to report on the ROPS 15-16B form the estimated obligations versus actual payments (prior period adjustment) associated with the January through June 2015 period (ROPS 14-15B). HSC section 34186 (a) (1) also specifies the prior period adjustment self-reported by the Agency is subject to review by the county auditor-controller (CAC). Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of RPTTF approved in the table below includes the prior period adjustment resulting from Finance's review of the Agency's self-reported prior period adjustment (PPA). Finance made adjustments to the PPA form to correct Agency reported available amounts for RPTTF as follows:

> Finance corrected the Agency's reported total available administrative RPTTF amount from $55,215 to $125,000 for the ROPS 14-15B period. Therefore, with the Agency's concurrence, the self-reported PPA of $8,610 has been increased by $69,785 ($125,000 - $55,215), resulting in a PPA to be applied to the ROPS 15-16B period distribution of $78,395 ($8,610 + $69,785).

The Agency's maximum approved RPTTF distribution for the reporting period is $704,059 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution For the period of January through June 2016		
Total RPTTF requested for non-administrative obligations		468,935
Total RPTTF requested for administrative obligations		95,000
Total RPTTF requested for obligations on ROPS 15-16B	**$**	**563,935**
RPTTF adjustment to non-administrative obligations:		
Item No. 8		1,200
Item No. 22		217,319
Total RPTTF adjustments	**$**	**218,519**
Total RPTTF authorized for non-administrative obligations		687,454
Total RPTTF authorized for administrative obligations		95,000
Total RPTTF authorized for obligations	**$**	**782,454**
Self-reported ROPS 14-15B prior period adjustment (PPA)		(8,610)
Finance adjustment to ROPS 14-15B PPA		(69,785)
Total ROPS 14-15B PPA		(78,395)
Total RPTTF approved for distribution	**$**	**704,059**

On the ROPS 15-16B form, the Agency reported cash balances and activity for the period January 1 through December 31, 2015. Finance will perform a review of the Agency's self-reported cash balances on an ongoing basis. Please be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved obligations, HSC section 34177 (l) (1) (E) requires these balances be used prior to requesting RPTTF.

Please refer to the ROPS 15-16B schedule used to calculate the total RPTTF approved for distribution:

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, 2016. This determination only applies to items when 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 ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution statutes. 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.

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

Sincerely,

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Anastasia Efstathiu, Consultant, City of Grass Valley
Ms. Marcia L. Salter, Auditor-Controller, Nevada County