



REVISED

November 16, 2015

Ms. Heather Ippoliti, Assistant City Manager
City of Healdsburg
401 Grove Street
Healdsburg, CA 95448

Dear Ms. Ippoliti:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) November 4, 2015 Recognized Obligation Payment Schedule determination letter for the period January 1 through June 30, 2016 (ROPS 15-16B). A revision is necessary to authorize the correct funding source to ensure the City of Healdsburg Successor Agency's (Agency) obligations will be funded. Pursuant to Health and Safety Code (HSC) section 34177 (m) (1) (A), the Agency submitted a ROPS 15-16B to Finance on September 27, 2015.

Based on a sample of line items reviewed and application of the law, Finance is approving all items listed on the ROPS 15-16B at this time. However, based on a review of the Agency's accounting records, Finance made the following adjustment to the funding source for the Agency's enforceable obligations.

The Agency's request for Redevelopment Property Tax Trust Fund (RPTTF) funding is increased from \$0 to \$2,034,077. Finance determined the Agency erroneously requested the use of Reserve Balances to fund their obligations on the ROPS. Therefore, a change in funding source from Reserve Balances to RPTTF is necessary for the Agency to meet their approved enforceable obligations.

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). The amount of RPTTF approved in the table on the following page includes the prior period adjustment resulting from the CAC's review of the Agency's self-reported prior period adjustment.

The Agency's maximum approved RPTTF distribution for the reporting period is \$2,034,077 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	0
Total RPTTF requested for administrative obligations	0
Total RPTTF requested for obligations on ROPS 15-16B	\$ 0
RPTTF adjustment to non-administrative obligations	1,909,077
RPTTF adjustment to administrative obligations	125,000
Total RPTTF adjustments	\$ 2,034,077
Total RPTTF authorized for obligations	\$ 2,034,077
ROPS 14-15B prior period adjustment	0
Total RPTTF approved for distribution	\$ 2,034,077

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.

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Please direct inquiries to Wendy Griffe, Supervisor, or Jonathan Cox, Lead Analyst, at
(916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Mr. David Mickaelian, City Manager, City of Healdsburg
Mr. Randy Osborn, Property Tax Manager, Sonoma County