

December 17, 2015

Ms. Mary Rister, Finance Officer
City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677

Dear Ms. Rister:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated October 28, 2015. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Rocklin Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16B) to Finance on September 22, 2015, for the period of January 1 through June 30, 2016. Finance issued a ROPS determination letter on October 28, 2015. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on November 18, 2015.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determination being disputed.

- 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 Redevelopment Property Tax Trust Fund (RPTTF) approved included the prior period adjustment totaling resulting from the CAC's review of the Agency's self-reported prior period adjustment.

During the Meet and Confer process, the Agency contended that a portion of the prior period adjustment was related to Item No. 47 on ROPS 14-15B, which was for a ROPS 14-15A shortfall, and the funds have already been expended. The Agency requested that the prior period adjustment be reduced to the amount originally reported of \$36,496. During the meeting, the CAC concurred with this adjustment. Therefore, Finance is reducing the prior period adjustment by \$475,082 to \$36,496.

In addition, per Finance's letter dated October 28, 2015, we continue to make the following determination not contested by the Agency during the Meet and Confer:

- Item No. 10 – Low Mod Fund Loan for purposes of the Supplemental Educational Revenue Augmentation Fund (SERAF) in the amount of \$381,040 requested for ROPS 15-16B is not allowed. HSC section 34191.4 (b) (2) (A) allows this repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in that fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year.

According to the County Auditor-Controller's report, the amount distributed to the taxing entities for fiscal year 2012-13 and 2014-15 are \$0 and \$449,866, respectively. Therefore, pursuant to the repayment formula, the maximum repayment amount authorized for fiscal year 2015-16 is \$224,933. The Agency requested and was approved to expend this amount during ROPS 15-16A. As such, the Agency has exhausted the maximum repayment amount authorized for fiscal year 2015-16. The Agency may be eligible for additional funding beginning ROPS 16-17.

Except for the item denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 15-16B. The Agency's maximum approved RPTTF distribution for the reporting period is \$1,519,695 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	1,812,231
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations on ROPS 15-16B	\$ 1,937,231
Total RPTTF requested for non-administrative obligations	1,812,231
<u>Denied Item</u>	
Item No. 10	(381,040)
Total RPTTF authorized for non-administrative obligations	\$ 1,431,191
Total RPTTF requested for administrative obligations	125,000
Total RPTTF authorized for administrative obligations	\$ 125,000
Total RPTTF authorized for obligations	\$ 1,556,191
ROPS 14-15B prior period adjustment	(36,496)
Total RPTTF approved for distribution	\$ 1,519,695

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>

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 Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-3274.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Kim Sarkovich, Chief Finance Officer, City of Rocklin
Ms. Roxanne Nored, Managing Accountant Auditor, Placer County