

November 4, 2015

Ms. Kate Goldfine, Administrative Services Officer  
City of Santa Rosa  
90 Santa Rosa Avenue  
Santa Rosa, CA 95404

Dear Ms. Goldfine:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m) (1) (A), the City of Santa Rosa 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 September 21, 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 determinations:

- Item Nos. 13, 17, 22, 33, 34, and 35 – Loans and agreements between the City of Santa Rosa (City) and the former City of Santa Rosa Redevelopment Agency (RDA) from Redevelopment Property Tax Trust Fund (RPTTF) funding in the amount of \$125,178 requested for ROPS 15-16B and total outstanding amount of \$7,207,483 are not approved.

HSC section 34177 (l) (3) states ROPS shall be forward looking to the next six month period. Accordingly, obligations listed on ROPS 15-16B pertain to payments required during the period of January through June 2016. Finance was unable to confirm Item Nos. 13, 17, 22, 33, 34, and 35 require RPTTF funding for the ROPS 15-16B period. Therefore, the items are not eligible for RPTTF funding at this time.

- Item No. 90 – Litigation Related Expenses in the amount of \$50,000 is reclassified from RPTTF funding to Administrative Cost Allowance (ACA) funding. Pursuant to HSC 34171 (b) (5) and HSC 34171 (d) (1) (F) (i), the ACA shall be the sole funding source for legal costs associated with litigation challenging redevelopment dissolution statutes. Therefore, Item No. 90 is reclassified from RPTTF funding to ACA funding in the amount of \$50,000.
- Item No. 91 – Housing Successor Administrative Allowance in the amount of \$75,000 requested for ROPS 15-16B and total outstanding obligation of \$600,000 is not approved. Pursuant to HSC section 34171 (p), the housing successor administrative

cost allowance is only allowable when the city, county, or city and county that authorized the creation of the RDA elected not to assume the housing functions of the former RDA.

The City Housing Authority (Authority) elected to retain the housing functions of the former City RDA. The Authority operates under the control of the City, and is thereby included in the definition of city, county, or city and county that authorized the creation of the RDA, pursuant to HSC section 34167.10. Therefore, Item No. 91 is not an enforceable obligation and not eligible for funding.

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.

Except for the items denied or the item reclassified, Finance is not objecting to the remaining items listed on your ROPS 15-16B. If you disagree with Finance's determination with respect to any items on your ROPS 15-16B, except for those items which are the subject of litigation disputing Finance's previous or related determinations, 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/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$2,346,722 as summarized in the Approved RPTTF Distribution table on the following page:

<b>Approved RPTTF Distribution</b>	
<b>For the period of January through June 2016</b>	
Total RPTTF requested for non-administrative obligations	2,396,900
Total RPTTF requested for administrative obligations	200,000
<b>Total RPTTF requested for obligations on ROPS 15-16B</b>	<b>\$ 2,596,900</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>2,396,900</b>
<u>Reclassified Item</u>	
Item No. 90	(50,000)
<u>Denied Items</u>	
Item No. 13	(51,134)
Item No. 17	(49,388)
Item No. 22	(9,656)
Item No. 33	(5,000)
Item No. 34	(5,000)
Item No. 35	(5,000)
Total Denied Items	(125,178)
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 2,221,722</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>200,000</b>
<u>Reclassified Item</u>	
Item No. 90	50,000
<u>Denied Item</u>	
Item No. 91	(75,000)
ROPS 15-16B administrative obligations after Finance adjustments	175,000
Administrative costs in excess of the cap (see Admin Cost Cap table below)	(50,000)
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 125,000</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 2,346,722</b>
ROPS 14-15B prior period adjustment	0
<b>Total RPTTF approved for distribution</b>	<b>\$ 2,346,722</b>

<b>Administrative Cost Cap Calculation</b>	
Total RPTTF for 15-16A (July through December 2015)	3,307,845
Total RPTTF for 15-16B (January through June 2016)	2,346,900
<b>Total RPTTF for fiscal year 2015-2016</b>	<b>5,654,745</b>
Administrative cost cap for fiscal year 2015-16 (Greater of 3% of Total RPTTF or \$250,000)	250,000
Administrative allowance for ROPS 15-16A (July through December 2015)	(125,000)
<b>Remaining administrative cost cap for ROPS 15-16B</b>	<b>125,000</b>
ROPS 15-16B administrative obligations after Finance adjustments	(175,000)
<b>Administrative costs in excess of the cap</b>	<b>\$ (50,000)</b>

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

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Cheryl Reynolds, Accountant, City of Santa Rosa  
Mr. Randy Osborn, Property Tax Manager, Sonoma County