DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
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REVISED

October 8, 2015

Ms. Daphne Hodgson, Deputy City Manager-Administrative Services
City of Seaside
440 Harcourt Avenue
Seaside, CA 93955

Dear Ms. Hodgson:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule for the period January 1 through June 30, 2016 (ROPS 15-16B) determination letter dated October 1, 2015. A revision is necessary to correct a clerical error. Pursuant to Health and Safety Code (HSC) section 34177 (m) (1) (A), the City of Seaside Successor Agency (Agency) submitted a ROPS 15-16B to Finance on September 21, 2015. Finance has completed its review of the ROPS 15-16B.

Based on our review, Finance is approving all of the items listed on the ROPS 15-16B at this time.

However, Finance noted the following:

- Item No. 23 – Supplemental Educational Revenue Augmentation Fund loan payment in the amount of $208,350. The Agency erroneously requested the incorrect amount. Per discussion with the Agency staff and review of documentation provided, the $208,350 requested for the six-month period should be $974,729. As a result, the total ROPS 15-16B Redevelopment Property Tax Trust Fund (RPTTF) funding requested for enforceable obligations has been increased by $766,379.

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 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 Agency's self-reported prior period adjustment.

In addition, Finance noted on the Agency's ROPS 14-15B prior period adjustment worksheet, the Agency's expenditures exceeded Finance's authorization for the following item:

- Other Funding totaling $3,330 – Item No.13.

Per HSC section 34177 (a) (3), only those payments listed on a ROPS may be made by the Agency from the funds specified on the ROPS up to the amount authorized by Finance. Therefore, Finance is increasing the Agency's authorization for the ROPS 15-16B period to ensure authorization is consistent with expenditures for the approved enforceable obligations. As these Other Funds were previously expended, the increase in authorization does not result in increased expenditure authority for the ROPS 15-16B period; rather, the increase in authorization should merely allow the Agency to reconcile actual expenditures to the authorization.

HSC sections 34177 (a) (4) and 34173 (h) (1) provide mechanisms when Agency payments must exceed the amounts authorized by Finance. Please ensure the proper expenditure authority is received from your oversight board and Finance prior to making payments on enforceable obligations.

The Agency's maximum approved RPTTF distribution for the reporting period is $2,990,309 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 | | 2,139,513 |
| Total RPTTF requested for administrative obligations | | 125,000 |
| **Total RPTTF requested for obligations on ROPS 15-16B** | **$** | **2,264,513** |
| | | |
| RPTTF adjustment to non-administrative obligations | | 766,379 |
| RPTTF adjustment to administrative obligations | | 0 |
| **Total RPTTF adjustments** | **$** | **766,379** |
| | | |
| Total RPTTF authorized for non-administrative obligations | | 2,905,892 |
| Total RPTTF authorized for administrative obligations | | 125,000 |
| **Total RPTTF authorized for obligations** | **$** | **3,030,892** |
| ROPS 14-15B prior period adjustment | | (40,583) |
| **Total RPTTF approved for distribution** | **$** | **2,990,309** |

On the ROPS 15-16B period, 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 Kylie Oltmann, Supervisor or Nicole Prisakar, Lead Analyst at (916) 445-1546.

Sincerely,

for

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Lisa Brinton, Redevelopment Project Manager, City of Seaside
Ms. Julie Aguero, Auditor Controller Analyst II, Monterey County