



November 9, 2015

Mr. Martin Tuttle, City Manager
City of West Sacramento
1110 West Capitol Avenue
West Sacramento, CA 95691

Dear Mr. Tuttle:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m) (1) (A), the City of West Sacramento 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 30, 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 No. 9 – Local Baseball Agreement funded from Redevelopment Property Tax Trust Fund (RPTTF) is approved and is increased by \$7,651, from \$141,544 to \$149,195. It is our understanding the Agency requested the incorrect amount for their 2014-15 fiscal year payment. Therefore, Finance is increasing the RPTTF for Item No. 9 by \$7,651 to account for the unfunded portion of the Agency's 2014-15 fiscal year payment.
- Item 24 – Claimed administrative costs exceed the allowance by \$17,162. HSC section 34171 (b) (2) limits fiscal year 2015-16 administrative costs to three percent of RPTTF allocated to the Agency or \$250,000, whichever is greater. As such, the Agency's fiscal year 2015-16 administrative costs cap using the three percent calculation is \$302,895.

The Yolo County Auditor-Controller (CAC) distributed \$233,965 for July through December 2015 (ROPS 15-16A) administrative costs, leaving a balance of \$68,930 (\$302,895 - \$233,965) available for ROPS 15-16B administrative costs. Therefore, although the Agency requests \$86,092 for ROPS 15-16B administrative costs, only \$68,930 is available pursuant to the administrative cost cap. Consequently, the excess request of \$17,162 (\$86,092 - \$68,930) is not allowed.

- Item No. 31 – Stone Lock Property Maintenance funded from RPTTF in the amount of \$46,981 is not approved. Finance approved a Purchase and Sale Agreement (Agreement) for the Stone Lock properties on July 17, 2015. Pursuant to Section 4 of the Agreement, the close of escrow for the Stone Lock properties shall occur no later

than December 31, 2015. ROPS 15-16B is forward looking to the period of January through June 2016, after the close of escrow date of December 31, 2015. Therefore, Item No. 31 is not eligible for funding.

- Item No. 34 – Weed Abatement funded from RPTTF in the amount of \$6,650 is partially approved for \$1,062. The budget provided by the Agency displays weed abatement costs for numerous properties. All but three of the properties listed in the budget will be sold prior to the ROPS 15-16B period or should be transferred to the City of West Sacramento for future development purposes, pursuant to the Agency's approved Long-Range Property Management Plan. Weed abatement costs for the three remaining properties totaling \$1,062 is allowed. However, the excess request of \$5,588 is 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 CAC. Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of RPTTF approved in the table on the following page only reflects the Agency's self-reported prior period adjustment.

Except for the items denied in whole or in part, 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/

The Agency's maximum approved RPTTF distribution for the reporting period is \$2,895,598 as summarized in the Approved RPTTF Distribution table on the following page:

Approved RPTTF Distribution	
For the period of January through June 2016	
Total RPTTF requested for non-administrative obligations	2,871,586
Total RPTTF requested for administrative obligations	86,092
Total RPTTF requested for obligations on ROPS 15-16B	\$ 2,957,678
RPTTF adjustment to non-administrative obligations (Item No. 9)	7,651
Total RPTTF requested for non-administrative obligations	2,879,237
Denied Items	
Item No. 31	(46,981)
Item No. 34	(5,588)
	(52,569)
Total RPTTF authorized for non-administrative obligations	\$ 2,826,668
Total RPTTF requested for administrative obligations	86,092
Administrative costs in excess of the cap (see Admin Cost Cap table on the following page)	(17,162)
Total RPTTF authorized for administrative obligations	\$ 68,930
Total RPTTF authorized for obligations	\$ 2,895,598
ROPS 14-15B prior period adjustment	0
Total RPTTF approved for distribution	\$ 2,895,598

Administrative Cost Cap Calculation	
Total RPTTF for 15-16A (July through December 2015)	7,472,057
Total RPTTF for 15-16B (January through June 2016)	2,826,668
Less approved unfunded obligations from prior periods	(202,209)
Total RPTTF for fiscal year 2015-2016	10,096,516
Administrative cost cap for fiscal year 2015-16 (Greater of 3% of Total RPTTF or \$250,000)	302,895
Administrative allowance for ROPS 15-16A (July through December 2015)	233,965
Remaining administrative cost cap for ROPS 15-16B	68,930
ROPS 15-16B administrative obligations after Finance adjustments	(86,092)
Administrative costs in excess of the cap	\$ (17,162)

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: Mr. Paul Blumberg, Public Finance Manager, City of West Sacramento
Mr. Howard Newens, Auditor-Controller, Yolo County