DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 8, 2016

Mr. Jeff Kiser, City Manager
City of Anderson
1887 Howard Street
Anderson, CA 96007

Dear Mr. Kiser:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Anderson Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) to the California Department of Finance (Finance) on January 26, 2016. Finance has completed its review of the ROPS 16-17.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 11 – Funding for the Loan Agreement 2004 is being increased to $230,240. The Agency originally requested $50,000 from Redevelopment Property Tax Trust Fund (RPTTF). However, per the amended loan agreement approved by Finance in our April 5, 2016 Oversight Board Resolution No. ASA14-4 determination letter, $230,240 is needed for this obligation during the ROPS 16-17 period. Therefore, Finance is increasing the RPTTF request from $50,000 to $230,240, an increase of $180,240.

- On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Pursuant to HSC section 34177 (l) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF. Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified to Other Funds in the amount specified below:

    - Item No. 11 – Loan Agreement 2004 in the amount of $104. The Agency requests $230,240 of RPTTF; however, Finance is reclassifying $104 to Other Funds. This item is an enforceable obligation for the ROPS 2016-17 period. However, the Agency has $104 in available Other Funds. Therefore, Finance is approving RPTTF in the amount of $230,136 and the use of Other Funds in the amount of $104, totaling $230,240 for the July 1, 2016 through December 31, 2016 period.

The Agency's maximum approved RPTTF distribution for the reporting period is $886,930 as summarized in the Approved RPTTF Distribution Table on Page 3 (see Attachment).

ROPS distributions will occur twice annually, one distribution for the July 1, 2016 through December 31, 2016 (ROPS A period), and one distribution for the January 1, 2017 through June 30, 2017 (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

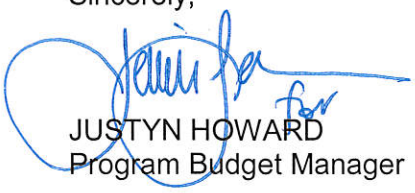
http://www.dof.ca.gov/redevelopment/ROPS

Absent a Meet and Confer, this is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-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 Erika Santiago, Lead Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Liz Cottrell, Finance Director and Treasurer, City of Anderson
Ms. Sheri Jenkins, Managing Accountant Auditor, Shasta County

Attachment

Approved RPTTF Distribution For the period of July 2016 through June 2017			
	ROPS A Period	ROPS B Period	Total
Requested RPTTF (excluding administrative obligations)	$ 458,772	$ 143,522	$ 602,294
Requested Administrative RPTTF	50,000	54,500	$ 104,500
Total RPTTF requested for obligations on ROPS 16-17	**$ 508,772**	**$ 198,022**	**$ 706,794**
Adjustment to Agency Requested RPTTF	180,240	0	180,240
Total RPTTF adjustments	**180,240**	**0**	**$ 180,240**
Total RPTTF requested	639,012	143,522	782,534
Reclassified Item			
Item No. 11	(104)	0	(104)
Total RPTTF authorized	**638,908**	**143,522**	**$ 782,430**
Total Administrative RPTTF authorized	**50,000**	**54,500**	**$ 104,500**
Total RPTTF approved for distribution	**688,908**	**198,022**	**$ 886,930**