



March 31, 2016

Mr. David Bilby, Assistant Director of Development  
City of Chula Vista  
276 Fourth Avenue  
Chula Vista, CA 91910

Dear Mr. Bilby:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Chula Vista 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 28, 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. 26 – Bayfront Master Plan legal fees in the amount of \$133,989 is partially approved for \$36,000. The Agency provided documentation such as the Legal Services Agreement (Agreement). However, the Agreement states the total amount of service and costs to be paid shall not exceed \$36,000. Therefore, the amount of \$97,989 (\$133,989 - \$36,000) is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding for the July 1, 2016 through December 31, 2016 (ROPS A period).
- Item No. 48 – Vector Control in the amount of \$305 is partially approved for \$70. Agency requested Mosquito and Vector Disease Control Assessment Fees in the amount of \$305 relating to properties that were approved in the Agency's Long-Range Property Management Plan as government use or sale of property. Finance notes only 14 out of the 23 properties are pending sale/disposition and eligible for maintenance costs. Therefore, the requested amount of \$235 (\$305 - \$70) is not eligible for RPTTF funding for the July 1, 2016 through December 31, 2016 (ROPS A period).

Except for the items denied in whole or in part or the item that has been adjusted, Finance is not objecting to the remaining items listed on your ROPS 16-17. If you disagree with Finance's determination with respect to any items on your ROPS 16-17, 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/)

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 (I) (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 and in the amount specified below:

Item No. 10 – Low-Mod Income Housing Fund Loan in the amount of \$310,696. The Agency requests \$310,696 of RPTTF; however, Finance is reclassifying \$57,038 to Other Funds. This item is an enforceable obligation for the ROPS 16-17 period. However, the obligation does not require payment from property tax revenues and the Agency has \$57,038 in available Other Funds. Therefore, Finance is approving RPTTF in the amount of \$253,658 and the use of Other Funds in the amount of \$57,038, totaling \$310,696 for the July 1, 2016 through December 31, 2016 (ROPS A period).

The Agency's maximum approved RPTTF distribution for the reporting period is \$4,967,149 as summarized in the Approved RPTTF Distribution Table on Page 4 (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 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

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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 Medy Lamorena, Lead Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Rachelle Barrera, Finance, City of Chula Vista  
Mr. Jon Baker, Senior Auditor and Controller Manager, San Diego County

**Attachment**

<b>Approved RPTTF Distribution For the period of July 2016 through June 2017</b>			
	<u><b>ROPS A Period</b></u>	<u><b>ROPS B Period</b></u>	<u><b>Total</b></u>
Requested RPTTF (excluding administrative obligations)	\$ 3,913,174	\$ 959,237	\$4,872,411
Requested Administrative RPTTF	125,000	125,000	250,000
<b>Total RPTTF requested for obligations on ROPS 16-17</b>	<b>4,038,174</b>	<b>1,084,237</b>	<b>\$5,122,411</b>
 Total RPTTF requested	 3,913,174	 959,237	 4,872,411
<u>Denied Items</u>			
Item No. 26	(97,989)	0	(97,989)
Item No. 48	(235)	0	(235)
	(98,224)	0	(98,224)
<u>Reclassified Item</u>			
Item No. 10	(57,038)	0	(57,038)
<b>Total RPTTF authorized</b>	<b>3,757,912</b>	<b>959,237</b>	<b>\$4,717,149</b>
 Total Administrative RPTTF requested	 125,000	 125,000	 250,000
<b>Total Administrative RPTTF authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>\$ 250,000</b>
 Total RPTTF approved for distribution	 3,882,912	 1,084,237	 \$4,967,149