



April 1, 2016

Ms. Donna Lee, Director of Finance  
City of Rio Vista  
1 Main Street  
Rio Vista, CA 94571

Dear Ms. Lee:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177(o) (1), the City of Rio 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 February 4, 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 Nos. 16 – Interfund Loan from Sewer and Water Construction Funds in the amount of \$111,944 is partially approved in the amount of \$104,013. HSC section 34191.4 (b) (3) (A) allows repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in that fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year.

According to the Solano County Auditor-Controller's report, the ROPS residual pass-through amount distributed to the taxing entities for fiscal year 2012-13 and 2015-2016 are \$332,761 and 540,787, respectively. Pursuant to the repayment formula, the maximum repayment amount authorized for the ROPS 16-17 period is \$104,013. Therefore \$7,931 (\$111,944 – \$104,013) of the requested \$111,944 is not eligible for funding from the Redevelopment Property Tax Trust Fund (RPTTF). The Agency may be eligible for additional funding on subsequent ROPS.

- The claimed administrative costs exceed the allowance by \$22,902. HSC section 34171 (b) (3) limits the fiscal year 16-17 Administrative Cost Allowance (ACA) to three percent of actual distributed RPTTF in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the distributed RPTTF in the preceding fiscal year. As a result, the Agency's maximum ACA is zero for the fiscal year 2016-17; therefore, the Agency is not eligible for ACA funding.
- 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, the funding source for the following item has been reclassified to Other Funds and in the amount specified below:

- Item No. 16 – Interfund Loan from Sewer and Water Construction Funds in the amount of \$307. The Agency was approved for \$104,013 of RPTTF; however, Finance is reclassifying \$307 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 \$307 in available Other Funds. Therefore, Finance is approving RPTTF in the amount of \$103,706 and the use of Other Funds in the amount of \$307, totaling \$104,013 for the ROPS 16-17 period.

Except for the item denied in whole or in part, 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/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$103,706 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 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>

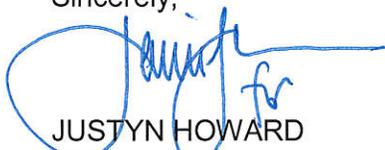
Absent a Meet and Confer, this is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-month period. Finance's determination is effective for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

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Tim Chapa, City Manager, City of Rio Vista  
Ms. Rosemary Bettencourt, Deputy Auditor-Controller, Solano County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 2016 through June 2017</b>			
	<b>ROPS A Period</b>	<b>ROPS B Period</b>	<b>Total</b>
Requested RPTTF (excluding administrative obligations)	\$ 55,972	\$ 55,972	\$ 111,944
Requested Administrative RPTTF	11,451	11,451	22,902
<b>Total Requested RPTTF on ROPS 16-17</b>	<b>\$ 67,423</b>	<b>\$ 67,423</b>	<b>\$ 134,846</b>
Total RPTTF requested	55,972	55,972	111,944
<u>Denied Item</u>			
Item No. 16	(7,931)	0	(7,931)
<u>Reclassified Item</u>			
Item No. 16	(307)	0	(307)
<b>Total RPTTF authorized</b>	<b>47,734</b>	<b>55,972</b>	<b>\$ 103,706</b>
Total Administrative RPTTF requested	11,451	11,451	22,902
Administrative costs in excess of the cap (see Admin Cost Cap table below)	(11,451)	(11,451)	(22,902)
<b>Total Administrative RPTTF authorized</b>	<b>0</b>	<b>0</b>	<b>\$ 0</b>
<b>Total RPTTF approved for distribution</b>	<b>47,734</b>	<b>55,972</b>	<b>\$ 103,706</b>

<b>Administrative Cost Allowance Cap Calculation</b>	
Actual RPTTF distributed for fiscal year 2015-16	\$ 107,993
Less sponsoring entity loan and Administrative RPTTF	107,933
Actual RPTTF distributed for 2015-16 after adjustment	0
Administrative Cap for 2016-17 per HSC section 34171 (b)	0
ROPS 16-17 Administrative RPTTF after Finance adjustments	22,902
<b>Administrative Cost Allowance in excess of the cap</b>	<b>\$ (22,902)</b>