DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

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May 17, 2019

Ms. Cathy Capriola, City Manager
City of Sonoma
No. 1 The Plaza
Sonoma, CA 95476

Dear Ms. Capriola:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 15, 2019. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Sonoma City Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2019 through June 30, 2020 (ROPS 19-20) to Finance on January 31, 2019. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on April 25, 2019.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determination being disputed:

> Item No. 5 – 2011 Tax Allocation Bonds (TABs) debt service payment in the amount of $1,195,054. Finance no longer reclassifies the excess proceeds for use on debt service. In lieu of using excess proceeds for debt service, the Agency is directed to use the excess proceeds to defease or purchase the bonds as set forth in HSC section 34191.4 (c) (2) (C).

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 3 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is $3,347,613 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

This is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

http://dof.ca.gov/Programs/Redevelopment/ROPS/

This determination is effective for the ROPS 19-20 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 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 redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Veronica Zalvidea, Lead Analyst, at (916) 322-2985.

Sincerely,

Cheryl L. McCormick

JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Cathy Lanning, Administrative Services Manager, City of Sonoma
Ms. Dawn Calahan, Property Tax Manager, Sonoma County

Attachment

Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	$ 1,660,547	$ 1,574,037	$ 3,234,584
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	**1,785,547**	**1,699,037**	**3,484,584**
RPTTF Authorized	**1,660,547**	**1,574,037**	**3,234,584**
Administrative RPTTF Authorized	**125,000**	**125,000**	**250,000**
Total RPTTF Authorized for Obligations	**1,785,547**	**1,699,037**	**3,484,584**
Prior Period Adjustment	(136,971)	0	(136,971)
Total RPTTF Approved for Distribution	**$ 1,648,576**	**$ 1,699,037**	**$ 3,347,613**