



October 20, 2012

Ms. Heather Ippoliti, Finance Director
Town of Windsor
P.O. Box 100
Windsor, CA 95492

Dear Ms. Ippoliti:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Successor Agency to the Town of Windsor Redevelopment Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on September 5, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

- Item No. 3 – Fire Station Agreement in the amount of \$7.8 million. This item does not qualify as an enforceable obligation because a loan agreement was not issued within two years of the former redevelopment agency (RDA) being established. The agreement is to reimburse the Town of Windsor, not to pay back the Lease Revenue Bonds directly. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the RDA and the former RDA are not enforceable obligations. This item is not an enforceable obligation and is not eligible for payment on this ROPS.
- Item No. 7 through 10 – Public Infrastructure projects totaling \$18 million. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the RDA and the former RDA are not enforceable. Although the City claims the obligation is backed by a valid court judgment, no documents were provided to support this claim. Therefore, this item is not an enforceable obligation and not eligible for payment on this ROPS.
- Item No. 13 – Approved Budget Capital Improvements in the amount of \$151,600. No documents were provided to support the planned expenditure as an enforceable obligation. Therefore, this item is not eligible for payment on this ROPS.

Except for items denied in whole or in part as enforceable obligations as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, 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 Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$222,630 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013	
Total RPTTF funding requested for obligations	773,041
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 3	142,411
Item No. 8	344,000
Item No. 10	141,000
Item No. 13	48,000
Total approved RPTTF for enforceable obligations	97,630
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	125,000
Total RPTTF approved:	222,630

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/>.

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. 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 successor agency in the RPTTF.

Please direct inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. David Kelley, Assistant Town Manager, Town of Windsor
Mr. David E. Sundstrom, Auditor-Controller, Sonoma County