



May 17, 2013

Ms. Wendy Ross, Economic Development Manager
City of Woodland
300 First Street
Woodland, CA 95695

Dear Ms. Ross:

Subject: Recognized Obligation Payment Schedule

This letter supersedes California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS 13-14A) letter dated April 14, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Woodland Successor Agency (Agency) submitted ROPS 13-14A to Finance on March 1, 2013 for the period of July through December 2013. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on April 24, 2013.

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 item being disputed.

- Item No. 6 – Casa Del Sol HELP Loan in the amount of \$1,327,050. Finance previously denied the item because the loan was in default, the new terms had not been negotiated, and a current repayment schedule did not exist. Finance's letter dated May 1, 2013 related to the Other Funds and Accounts (OFA) Due Diligence Review (DDR) Meet and Confer permitted the Agency to retain a balance of \$270,703 for payment of the outstanding loan to CalHFA. The Agency has provided a repayment schedule for the CalHFA loan which was approved by the Oversight Board on May 15, 2013. The repayment schedule provided to Finance includes the initial payment of \$270,703 retained from the OFA DDR which the Agency intends to make on June 1, 2013. Additionally, the Agency intends to make a \$50,000 payment in accordance with their new approved repayment schedule during the ROPS 13-14A. Finance has determined the scheduled payments to CalHFA are enforceable obligations and is permitting the payment of \$270,000 of reserve funds and \$50,000 of RPTTF funds to CalHFA.

In addition, per Finance's ROPS letter dated April 14, 2013, the following item continue to be denied and was not contested by the Agency:

- Item No. 17 – Pre-Engineering/Planning RDA Projects in the amount of \$85,289. No documentation was provided to support the amounts claimed. In addition, it seems this item is regarding an agreement between the City of Woodland and the former redevelopment agency (RDA). 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, unless issued within two years of the RDA's creation date or for issuance of indebtedness to third-party investors or bondholders. This agreement was issued after the first two years of the former RDA's creation and is not associated with the issuance of debt. Therefore, this item is not an enforceable obligation at this time and not eligible for funding on this ROPS.

Except for items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 13-14A. Obligations deemed not to be enforceable shall be removed from your ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for July through December 2013. Finance's determination is effective for this time period only and should not be conclusively relied on for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS.

The Agency's maximum approved RPTTF distribution for the reporting period is \$434,237 as summarized below:

Approved RPTTF Distribution Amount	
For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 1,829,761
Minus: Six-month total for items denied or reclassified as administrative cost	1,277,050
Total approved RPTTF for enforceable obligations	<u>\$ 552,711</u>
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	<u>125,000</u>
Minus: ROPS II prior period adjustment	<u>(243,474)</u>
Total RPTTF approved for distribution:	\$ 434,237

*Finance is allowing for \$50,000 (\$1,327,050 – 1,277,050) to be paid from RPTTF.

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. The amount of RPTTF approved in the above table includes the prior period adjustment that was self-reported by the Agency. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the above table includes only the prior period adjustment that was self-reported by the Agency.

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14A Forms by Successor Agency/>.

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i).

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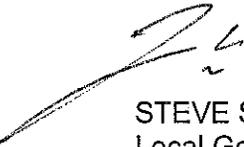
Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment 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.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Beliz Chappuie, Supervisor or Todd Vermillion, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Dan Sokolow, Senior Planner, Community Development, City of Woodland
Mr. Howard Newens, Auditor-Controller, County of Yolo Auditor-Controller and
Treasurer-Tax Collector
California State Controller's Office