



May 17, 2013

Mr. Aaron Busch, Community Development Director  
City of Yuba City  
1201 Civic Center Boulevard  
Yuba City, CA 95993

Dear Mr. Busch:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS 13-14A) letter dated April 15, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Yuba City Successor Agency (Agency) submitted a 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 29, 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. 15 – City Reimbursement-Gauche Park Agreement (Agreement) in the amount of \$9 million; payable from Reserve Funds. Finance continues to deny this item. The Agency contends the Agreement is for the repayment of 2006 Certificates of Participation (COPS) issued by the City. However, the terms of the agreement do not mention securing the COPS or repaying the COPS. Further, the COPS were issued on August 22, 2006 while the Agreement was entered into a year later on September 4, 2007, which is not at time of issuance. As such, the Agreement does not meet the exception pursuant to HSC 34171 (d) (2). Therefore, this item is not an enforceable obligation, and not eligible for funding on the ROPS.

In addition, per Finance's ROPS letter dated April 15, 2013, the following item continues to be denied and was not contested by the Agency:

- Item No. 14 – 425 Franklin/Delta Oilfield Services in the amount of \$310,000; payable from Reserve Funds. This item was originally denied as an inclusion to the ROPS for the period January through June 2013; the agreement for the excavation of contaminated soils is between the City of Yuba City (City) and Delta Oilfield Services. During the January through June 2013 ROPS Meet and Confer process, the Agency provided additional documentation to support the Agency's obligation to pay for the clean-up costs, and Finance no longer disputes the item.

However, the Agency has not provided sufficient documentation to support the full funding request, and therefore, the remaining amount, \$10,000, is not eligible for funding on the 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 Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$1,416,379 as summarized below:

<b>Approved RPTTF Distribution Amount</b>	
<b>For the period of July through December 2013</b>	
Total RPTTF funding requested for obligations	\$ 1,313,279
Minus: Six-month total for items denied or reclassified as administrative cost	
Total approved RPTTF for enforceable obligations	\$ 1,313,279
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	103,100
Minus: ROPS II prior period adjustment	-
<b>Total RPTTF approved for distribution:</b>	<b>\$ 1,416,379</b>

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. 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. The amount of RPTTF approved in the above table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

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/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14A%20Forms%20by%20Successor%20Agency/).

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). 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

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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 Kylie Le, Supervisor or Brian Dunham, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a stylized flourish at the end.

STEVE SZALAY  
Local Government Consultant

cc: Mr. Robin Bertagna, Finance Director, City of Yuba City  
Mr. John Beaver, Tax Manager, County of Sutter  
California State Controller's Office