



April 15, 2014

Mr. Dave White, Assistant City Manager
City of Fairfield
1000 Webster Street
Fairfield, CA 94530

Dear Mr. White:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Fairfield Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to the California Department of Finance (Finance) on March 3, 2014 for the period of July through December 2014. Finance has completed its review of your ROPS 14-15A, 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 for the reasons specified:

- Item Nos. 10, 11 and 12 – City of Fairfield (City) Loan Repayments in the total amount of \$3,174,391. The Agency was not able to substantiate these loans with loan agreements and Finance objected to the loans in OB Resolution No. 2014-04. Therefore, these items are not eligible for Redevelopment Property Tax Trust Funds (RPTTF) funding at this time.
- Item No. 66 – Housing Entity Admin Cost Allowance totaling \$150,000. Pursuant to HSC section 34177 (p), the housing entity administrative cost allowance is applicable only in cases where the city, county, or city and county that authorized the creation of the redevelopment agency elected to not assume the housing functions. Because the housing entity to the former redevelopment agency of the City is the City-formed Housing Authority (Authority), , the Authority is considered the City under Dissolution Law pursuant to HSC section 34167.10. Therefore, \$150,000 of housing entity administrative allowance is not allowed.

Item No.13 was adjusted by Finance as a result of the denial of Items Nos. 10, 11 and 12. The Agency was authorized in OB Resolution No. 2014-04 to request the maximum allowable pursuant to HSC section 34191.4 (b). This amount was originally divided equally between the four items. As three of these items were subsequently denied, the fourth will be increased to the maximum allowable loan repayment of \$110,306.

The Agency deleted and renamed several line items on the ROPS 14-15A template that they submitted to Finance. These line items were placed back on the template and item numbers were adjusted to match previous line items. If the Agency no longer needs a line item, they may retire it within the template. For Finance’s tracking purposes, please do not delete the item or replace it with a new item. The Agency can create a new line item at the end of the previous line items.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2013 period. HSC section 34186 (a) also specifies 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 table below includes the prior period adjustment resulting from the CAC’s audit of the Agency’s self-reported prior period adjustment.

The Agency’s maximum approved RPTTF distribution for the reporting period is \$2,454,895 as summarized below:

Approved RPTTF Distribution	
For the period of July through December 2014	
Total RPTTF requested for non-administrative obligations	2,535,375
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations	\$ 2,660,375
Total RPTTF requested for non-administrative obligations	2,535,375
<u>Denied Items</u>	
Item No. 10	(27,577)
Item No. 11	(27,577)
Item No. 12	(27,576)
Item No. 66	(150,000)
	(232,730)
<u>Adjusted Item</u>	
Item No. 13	82,730
Total RPTTF for non-administrative obligations	2,385,375
Total RPTTF authorized for non-administrative obligations	\$ 2,385,375
Total RPTTF requested for administrative obligations	125,000
Total RPTTF authorized for administrative obligations	\$ 125,000
Total RPTTF authorized for obligations	\$ 2,510,375
ROPS 13-14A prior period adjustment	(55,480)
Total RPTTF approved for distribution	\$ 2,454,895

Please refer to the ROPS 14-15A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance’s final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2014. This determination

only applies to items where funding was requested for the six-month period. 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 section 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 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 HSC section 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 Wendy Griffe, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Sean Quinn, City Manager, City of Fairfield
Ms. Simona Padilla-Scholtens, Auditor Controller, Solano County
California State Controller's Office