



March 28, 2014

Ms. Ana Kwong, Accounting Supervisor
City of Rohnert Park
130 Avram Avenue
Rohnert Park, CA 94928

Dear Ms. Kwong:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Rohnert Park Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to the California Department of Finance (Finance) on February 19, 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. 1 and 2 – 1999 and 2001 Tax Allocation Bonds totaling \$1,363,438. It is our understanding the Agency has already received the full annual debt service payment for the current year. The next annual debt service payment is due to the trustee on or about February 15, 2015 and should be requested in the ROPS 14-15B period. Therefore, although these items are enforceable obligations, additional funding is not required at this time and are not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding during ROPS 14-15A.
- Item No. 5 – 2003 Lease Revenue Refunding Bonds in the amount of \$86,362. It is our understanding the Agency has already received the full annual debt service payment for the current year. The next annual debt service payment is due to the trustee on or about June 15, 2015 and should be requested in the ROPS 14-15B period. Therefore, although this item is an enforceable obligation, additional funding is not required at this time and this item is not eligible for RPTTF funding during ROPS 14-15A.
- Item No. 6 – Administrative Allowance in the amount of \$125,000. The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (d). However, the Agency has requested to reduce their original estimate of \$250,000 to \$125,000 during the ROPS 14-15A period.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF. Pursuant to HSC

section 34177 (l) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. The Agency provided financial records that displayed available Reserve Balances in the amount of \$395,000 and Other Funds in the amount of \$4,565, totaling \$399,565.

Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified to Reserve Balances and Other Funds in the amount specified below:

Item No. 3 – 2007R Tax Allocation Bonds in the amount of \$399,565. The Agency requests \$486,959 of RPTTF; however, Finance is reclassifying \$395,000 to Reserve Balances and \$4,565 to Other Funds. This item is an enforceable obligation for the ROPS 14-15A period. However, the obligation does not require payment from property tax revenues and the Agency has \$399,565 in available Reserve Balances and Other Funds. Therefore, Finance is approving RPTTF in the amount of \$87,394, the use of Reserve Balances in the amount of \$395,000, and the use of Other Funds in the amount of \$4,565, totaling \$486,959.

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.

Except for the items denied in whole or in part as enforceable obligations or for the item that has been reclassified, Finance is not objecting to the remaining items listed on your ROPS 14-15A. If you disagree with the determination with respect to any items on your ROPS 14-15A, 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 RPTTF distribution for the reporting period is \$558,301 as summarized on the next page:

Approved RPTTF Distribution	
For the period of July through December 2014	
Total RPTTF requested for non-administrative obligations	2,455,750
Total RPTTF requested for administrative obligations	250,000
Total RPTTF requested for obligations	\$ 2,705,750
Agency requested RPTTF adjustment to administrative obligations Item No. 6	(125,000)
Total Agency requested RPTTF adjustments	\$ 2,580,750
Total RPTTF requested for non-administrative obligations	2,455,750
<u>Denied Items</u>	
Item No. 1	(395,000)
Item No. 2	(968,438)
Item No. 5	(86,362)
	(1,449,800)
Total RPTTF for non-administrative obligations	1,005,950
<u>Cash Balances - Item reclassified to other funding sources</u> Item No. 3	(399,565)
Total RPTTF authorized for non-administrative obligations	\$ 606,385
Total RPTTF requested for administrative obligations	125,000
Total RPTTF authorized for administrative obligations	\$ 125,000
Total RPTTF authorized for obligations	\$ 731,385
ROPS 13-14A prior period adjustment	(173,084)
Total RPTTF approved for distribution	\$ 558,301

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 Medy Lamorena, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Elizabeth Smith, Accountant, City of Rohnert Park
Mr. Randy Osborn, Property Tax Manager, Sonoma County
California State Controller's Office