



March 28, 2014

Ms. Heather Ippoliti, Administrative Services 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 Town of Windsor Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to the California Department of Finance (Finance) on February 23, 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 does not qualify as an enforceable obligation for the reason specified:

Item No. 15 – General Fund Loan Payback in the amount of \$521,844.  
HSC section 34191.4 (b) (2) identifies the criteria to calculate the maximum repayment amount authorized each fiscal year. The amount requested exceeds the Agency's 2014-2015 authorized maximum repayment amount of zero. Therefore, this item is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding on this ROPS.

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 indicated available Reserve Balances in the amount of \$976,757 and Other Funds in the amount of \$3,139, totaling \$979,896.

Therefore, with the Agency's concurrence, the funding source for the following items have been reclassified to the fund sources and in the amounts specified below:

- Item No. 1 – 1998 Tax Allocation Bonds in the amount of \$143,881. The Agency requests \$143,882 of RPTTF; however, Finance is reclassifying \$143,881 to Reserve Balances. 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 \$976,757 in available Reserve Balances. Therefore, Finance is approving the use of Reserve Balances in the amount of \$143,881 for Item No. 1.

- Item No. 2 – 2004 Tax Allocation Bonds in the amount of \$300,946. It is our understanding that the Agency requested an incorrect amount on the ROPS. As supported by the debt service schedule, the requested amount of \$300,846 for the upcoming six month-period was corrected to \$300,946. As a result, the requested RPTTF for this item is increased by \$100. Furthermore, the Agency requests \$300,946 of RPTTF; however, Finance is reclassifying \$300,946 to Reserve Balances. 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 \$832,876 (\$976,757 - \$143,881) in available Reserve Balances. Therefore, Finance is approving the use of Reserve Balances in the amount of \$300,946 for Item No. 2.
- Item No. 3 – 2008 Fire Station Agreement in the amount of \$535,069. It is our understanding that the Agency requested an incorrect amount on the ROPS. As supported by the amortization schedule, the requested amount of \$837,411 for the upcoming six month-period was corrected to \$853,511. As a result, the requested RPTTF for this item is increased by \$16,100. Furthermore, the Agency requests \$853,511 of RPTTF; however, Finance is reclassifying \$531,930 to Reserve Balances and \$3,139 to Other Funds, totaling \$535,069. 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 \$531,930 (\$976,757 - \$143,881 - \$300,946) in available Reserve Balances and \$3,139 of Other Funds. Therefore, Finance is approving RPTTF in the amount of \$318,442, the use of Reserve Balances in the amount of \$531,930, and \$3,139 of Other Funds, totaling \$853,511 for Item No. 3.

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 item denied in whole or in part as an enforceable obligation or for the items that have 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/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$448,442 as summarized below:

<b>Approved RPTTF Distribution For the period of July through December 2014</b>	
Total RPTTF requested for non-administrative obligations	1,808,982
Total RPTTF requested for administrative obligations	125,000
<b>Total RPTTF requested for obligations</b>	<b>\$ 1,933,982</b>
<u>Agency requested RPTTF adjustments to non-administrative obligations</u>	
Item No. 2	100
Item No. 3	16,100
<b>Total Agency requested RPTTF adjustments</b>	<b>\$ 16,200</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>1,825,182</b>
<u>Denied Item</u>	
Item No. 15	(521,844)
<u>Cash Balances - Items reclassified to other funding sources</u>	
Item No. 1	(143,881)
Item No. 2	(300,946)
Item No. 3	(535,069)
	(979,896)
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 323,442</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>125,000</b>
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 125,000</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 448,442</b>
ROPS 13-14A prior period adjustment	0
<b>Total RPTTF approved for distribution</b>	<b>\$ 448,442</b>

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 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: Mr. David Kelley, Special Projects Manager, Town of Windsor  
Mr. Randy Osborn, Property Tax Manager, Sonoma County  
California State Controller's Office