



April 3, 2015

Mr. Bill Aiken, Development Analyst
City of Roseville
311 Vernon Street
Roseville, CA 95678

Dear Mr. Aiken:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Roseville Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to the California Department of Finance (Finance) on February 27, 2015 for the period of July 1 through December 31, 2015. Finance has completed its review of your ROPS 15-16A, which may have included obtaining clarification for various items.

Based on a sample of line items reviewed and application of the law, Finance made the following determination:

- Item No. 56 – 2006A Unspent Bond Proceeds in the amount of \$5,823,705 is not allowed. A Finding of Completion was issued on August 30, 2013 and the Agency can now utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants. However, the Agency requested 100 percent of the total unspent bond proceeds, but could not provide documents supporting the amount requested. HSC section 34177 (l) (3) states that the Recognized Obligation Payment Schedule shall be forward looking to the next six months. To the extent the agency can provide suitable documentation, such as budgets, estimates, or an oversight board resolution to support the requested funding, the Agency may be able to request to spend bond proceeds on future ROPS.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 15-16A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2014 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 Redevelopment Property Tax Trust Fund (RPTTF) approved in the table below includes the prior period adjustment resulting from the CAC's review of the Agency's self-reported prior period adjustment. Our review indicates that the Agency overrode authorized amounts prepulated by Finance to restate amounts that were reclassified from RPTTF to Reserves and Other Funds for Item Nos. 14, 16, 17, 19, 24 through 26, 32 through 34, 40 and 47 totaling \$710,423. Therefore, Finance has made adjustments to the Prior Period Adjustments (PPA) form to correct authorized amounts to agree to Finance approved amounts for the period of July 1, 2014 through December 31, 2014

(ROPS 14-15A). In the future, please do not override authorized amounts prepulated by Finance unless the oversight board has approved a change in funding source per HSC section 34177 (a) (4). The changes Finance made do not have an impact on the PPA amount calculated by the Agency and CAC.

Except for the item denied in whole, Finance is not objecting to the remaining items listed on your ROPS 15-16A. If you disagree with the determination with respect to any items on your ROPS 15-16A, 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 \$1,465,616 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution For the period of July through December 2015	
Total RPTTF requested for non-administrative obligations	1,340,616
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations on ROPS	\$ 1,465,616
Total RPTTF authorized for non-administrative obligations	1,340,616
Total RPTTF authorized for administrative obligations	125,000
Total RPTTF authorized for obligations	\$ 1,465,616
ROPS 14-15A prior period adjustment	0
Total RPTTF approved for distribution	\$ 1,465,616

Please refer to the ROPS 15-16A 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, 2015. 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 the 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 agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

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 Beliz Chappuie, Supervisor or Anna Kyumba, Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Melissa Hagan, Financial Analyst, City of Roseville
Ms. Roxanne Nored, Managing Accountant Auditor, Placer County
California State Controller's Office