



April 8, 2015

Mr. John Meyer, Redevelopment and Housing Director
City of Vista
200 Civic Center Drive
Vista, CA 92084

Dear Mr. Meyer:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Vista Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to the California Department of Finance (Finance) on February 26, 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 determinations:

Item No. 4 – 2005 Tax Allocation Bonds in the amount of \$484,455 is denied. The Agency received approval to refund their current tax allocation bonds on December 19, 2014; however, the refund was not completed prior to the submission of their ROPS 15-16A. During the review of the ROPS 15-16A the bond refunding was complete and the Agency will need \$484,455 less in Redevelopment Property Tax Trust Funds (RPTTF) to meet their new bond payment. Therefore, Finance is denying \$484,455 of the requested amount to match the new bond payment.

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 unrestricted cash totaling \$174,997.

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

Item No. 13 – OPA/DDA/Construction in the amount of \$174,997. The Agency requests \$350,000 of RPTTF; however, Finance is reclassifying \$174,997 to Other Funds. This item is an enforceable obligation for the ROPS 15-16A period. However, the Agency has a total of \$174,997 in Other Funds available. Therefore, Finance is approving RPTTF in the

amount of \$175,003 and the use of Other Funds in the amount of \$174,997, totaling \$350,000.

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 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.

Except for the item denied in whole or in part or the item that has been reclassified, 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 \$5,674,258 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	6,528,662
Total RPTTF requested for administrative obligations	202,000
Total RPTTF requested for obligations on ROPS	\$ 6,730,662
Total RPTTF requested for non-administrative obligations	6,528,662
<u>Partially Denied Item</u>	
Item No. 4	(484,455)
	\$ 6,044,207
<u>Cash Balances - Item reclassified to Other Funds</u>	
Item No. 6	(174,997)
Total RPTTF authorized for non-administrative obligations	\$ 5,869,210
Total RPTTF requested for administrative obligations	202,000
Total RPTTF authorized for administrative obligations	\$ 202,000
Total RPTTF authorized for obligations	\$ 6,071,210
ROPS 14-15A prior period adjustment	(396,952)
Total RPTTF approved for distribution	\$ 5,674,258

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. Please direct inquiries to Wendy Griffe, Supervisor or Jared Smith, Lead Analyst at (916) 445-1546.

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 Jared Smith, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Mr. Jonathon Stone, Asst. City Attorney, City of Vista
Mr. Jon Baker, Senior Auditor and Controller Manager, San Diego County
California State Controller's Office