



May 7, 2012

Mr. Jim Arend, Finance Manager  
Town of Windsor  
9291 Old Redwood Hwy.  
Windsor, CA 95492

Dear Mr. Arend:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Town of Windsor Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 26, 2012 for the period January through June 2012. Finance staff contacted you for clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligation (EO) characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as EOs:

- Items 10, 49, and 50 – Various projects totaling \$1.6 million. The Agency did not provide supporting documents to indicate an EO.
- Item 14 - Cooperative agreement for public infrastructure in the amount of \$8.9 million. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable unless the loan agreements were entered into within the first two years of the date of the creation of the RDA.
- Administrative cost claimed exceeds allowance by \$703,686. HSC section 34171 (b) limits fiscal year 2011-12 administrative expenses to five percent of property tax allocated to the successor agency or \$250,000, whichever is greater. The administrative cost calculation is shown in Attachment A.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO and send to the following email address:

[Redevelopment\\_Administration@dof.ca.gov](mailto:Redevelopment_Administration@dof.ca.gov)

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Finance may continue to review items on the ROPS in addition to those mentioned above and identify additional issues. We will provide separate notice if we are requesting further modifications to the ROPS. It is our intent to provide an approval notice with regard to each ROPS prior to the June 1 property tax distribution date.

Please direct inquiries to Evelyn Suess, Supervisor, or Mindy Patterson, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in cursive script that reads "Mark Hill".

MARK HILL  
Program Budget Manager

Attachment

cc: Mr. Erick Roeser, Property Tax Manager, Sonoma County Auditor-Controller

**Administrative Cost Calculation  
For the Period January – June 2012**

| Line item | Page | Project Name/Debt Obligation  | Payment Source | Amount      |
|-----------|------|---|----------------|-------------|
| 1         | 1    | 1998 Tax Allocation Bonds   | RPTTF          | \$ 26,619   |
| 2         | 1    | 2004C Wastewater Refunding Bonds                                    | RPTTF          | 3,655       |
| 3         | 1    | 2004 Tax Allocation Bonds   | RPTTF          | 73,264      |
| 4         | 1    | 2008 Fire Station Agreement   | RPTTF          | 155,811     |
| 12        | 1    | Advance due to General Fund   | RPTTF          | 400,000     |
| 13        | 1    | Advance due to Water Reclamation Fund                               | RPTTF          | 913,000     |
| 18        | 1    | Fiscal Agent Fees   | RPTTF          | 8,733       |
| 19        | 1    | Station Area Plan (RDA Share of Funding)                            | RPTTF          | 65,000      |
| 22        | 1    | Town Green Improvements - Lighting                                  | RPTTF          | 14,900      |
| 23        | 1    | Wayfinding Signage  | RPTTF          | 4,000       |
| 24        | 1    | Wayfinding Signage  | RPTTF          | 13,700      |
| 25        | 1    | Wayfinding Signage  | RPTTF          | 45,000      |
| 26        | 1    | ORH Utility Infrastructure Study                                    | RPTTF          | 2,816       |
| 27        | 1    | Windsor River Road Development                                      | RPTTF          | 1,568       |
| 28        | 1    | Railroad Crossing Arm   | RPTTF          | 3,528       |
| 29        | 1    | Redevelopment Plan Amendment  | RPTTF          | 28,952      |
| 30        | 1    | Marketing Services/Visitor Center                                   | RPTTF          | 10,394      |
| 31        | 1    | Tourism Marketing Services  | RPTTF          | 2,482       |
| 32        | 1    | Windsor Redwood Project   | RPTTF          | 5,998       |
| 33        | 1    | Shiloh Sustainable Village  | RPTTF          | 7,730       |
| 34        | 1    | Redevelopment Plan Amendment  | RPTTF          | 7,238       |
| 35        | 1    | Town Presentation Folder  | RPTTF          | 1,251       |
| 49*       | 1    | ORH Improvement Project Bell Village                                | RPTTF          | 465,000     |
| 50*       | 1    | ORH @ Lakewood Bicycle & Ped Impr                                   | RPTTF          | 103,600     |
| 62        | 2    | Old Redwood Hwy Utility Infrastructure Study                        | RPTTF          | 432         |
| 69        | 2    | Workstation Image Library   | RPTTF          | 1,100       |
|           |      | Total RPTTF Claimed:  |                | \$2,365,771 |
|           |      | Less Disallowed RPTTF Amounts (see line items with asterisk above): |                | 568,600     |
|           |      | Admin Allowance (Greater of 5% or \$250,000) :                      |                | \$ 250,000  |

| Line Items Considered Administrative Costs |      |   |                  |           |
|--|------|---|------------------|-----------|
| Line item                                  | Page | Project Name/Debt Obligation              | Payment Source   | Amount    |
| 15   | 1    | Validated Court Judgmt - Staffing & Admin | RPTTF            | \$668,000 |
| 40   | 1    | Annual Admin Budget                       | RPTTF            | 250,000   |
| 63   | 2    | RDA Related Legal Expenses                | RPTTF            | 30,000    |
| 64   | 2    | HR paperless document mgmt. system        | RPTTF            | 1,520     |
| 65   | 2    | Oversight Board legal expenses            | RPTTF            | 4,166     |
|  |      |   | Total:           | \$953,686 |
|  |      |   | Admin Allowance: | 250,000   |
|  |      | Total Disallowed Administrative Cost:     |                  | \$703,686 |