DEPARTMENT OF FINANCE

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915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 17, 2013

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

Dear Mr. Meyer:

Subject: Recognized Obligation Payment Schedule

This letter supersedes California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS 13-14A) letter dated April 13, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Vista Successor Agency (Agency) submitted ROPS 13-14A to Finance on February 28, 2013 for the period of July through December 2013 Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on April 25, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific item being disputed.

- Item No. 58 – Cooperation Agreement with the City of Vista (City) in the amount of $552,538. Finance continues to deny this amount. The agreement was executed on February 1, 2012 between the Agency and the City of Vista (City), to provide administrative services for the Agency. During the Meet and Confer session, the Agency provided further explanation that the amount listed was for prior year's administrative costs still owed to the City due to insufficient Redevelopment Property Tax Trust Fund (RPTTF) funding by the Agency. Because the Cooperation Agreement is to provide administrative services, this item is not considered enforceable obligations and is not eligible for RPTTF funding.

- Item No. 63 – Use of Housing Bond Proceeds in the amount of $3.75 million. The Agency provided additional information and documentation to support the use of the 2010 housing bond proceeds. Review of the documents proved the Agency took the necessary steps with the Housing Successor to use and commit bond proceeds pursuant to HSC section 34176 (g). Therefore, Finance no longer objects to this line item.

Except for item denied in whole or in part as an enforceable obligation, Finance is not objecting to the remaining items listed on your ROPS 13-14A. Obligations deemed not to be enforceable shall be removed from your ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for July through December 2013. Finance's determination is effective for this time period only and should not be conclusively relied on 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 Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is $6,896,686 as summarized below:

Approved RPTTF Distribution Amount For the period of July through December 2013		
Total RPTTF funding requested for obligations	$	7,231,351
Minus: Six-month total for items denied or reclassified as administrative cost		-
Item 58		552,538
Total approved RPTTF for enforceable obligations	$	6,678,813
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost		223,650
Minus: ROPS II prior period adjustment		(5,777)
Total RPTTF approved for distribution:	**$**	**6,896,686**

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. HSC Section 34186 (a) also specifies that the 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 above table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14A Forms by Successor Agency/.

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. 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 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 Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Mr. Jeff Zinner, Redevelopment and Housing Manager, City of Vista
Mr. Juan Perez, Senior Auditor and Controller Manager, County of San Diego
California State Controller's Office