



May 26, 2012

Rae James, Director
County of Placer
3091 County Center Dr., Suite 260
Auburn, CA 95603

Dear Ms. James:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the County of Placer Successor Agency submitted a Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 24, 2012 for periods January to June 2012, and July to December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

Department of Finance is approving both ROPS except for the following:

January to June, 2012 ROPS

Administrative cost of \$261,405 is not allowed. HSC section 34171 (b) limits the 2011-12 administrative cost allowance to five percent of the property tax allocated to the successor agency or \$250,000, whichever is greater. Five percent of the property tax allocated to the Successor Agency is \$79,438. Therefore, \$261,405 of the claimed \$511,405 is not an EO. The following are administrative expenses: North Tahoe Project Area, Page 4, line items 1 through 20; North Auburn Project Area, Page 3, line items 1 through 16, and Project Area Sunset Industrial, Page 3, line items 1 through 14.

July to December 2012 ROPS

Administrative cost of \$285,710 is not allowed. HSC section 34171 (b) limits the 2012-13 administrative cost allowance to three percent of the property tax allocated to the successor agency or \$250,000, whichever is greater. Three percent of the property tax allocated to the Successor Agency is \$90,210. Therefore, \$285,710 of the claimed \$535,710 is not an EO. The following are administrative expenses: Form C, line items 1 through 13.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an

Ms. James
May 26, 2012
Page 2

enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of Redevelopment Property Tax Trust Fund (RPTTF) that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. 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 in the RPTTF.

Please direct inquiries to Robert Scott, Supervisor or Kylie Le, Lead Analyst at (916) 322-2985.

Sincerely,



MARK HILL
Program Budget Manager

cc: Ms. Jayne Goulding, Managing Accountant Auditor, County of Placer