



May 27, 2012

Mary Rister, Senior Analyst
City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677

Dear Ms. Rister:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Rocklin Successor Agency submitted Board approved Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 10, 2012 for the periods January through June 2012 and July through December 2012. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

Finance is approving the items listed in both ROPS except for the following:

January through June 2012 ROPS:

- Item 4 Form B totaling \$328,461 for repayment of a City loan. HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are only enforceable if made within the first two years of the RDA's existence.
- Administrative cost of \$471,271 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 is \$283,373. Therefore \$471,271 of the claimed \$721,271 is not an EO. The following items are administrative costs: page 1, items 8 through 20.

July through December 2012 ROPS:

Administrative cost of \$107,800 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 is \$129,991. Therefore \$107,800 of the claimed \$357,800 is not an EO. The following items are administrative costs: page 1, items 8 through 18.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) 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 enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

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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,

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

MARK HILL
Program Budget Manager

cc: Ms. Jayne Goulding, Property Tax Manager, Placer County