



May 31, 2012

Linda T. Babonis, Manager
Economic Development
City of Rohnert Park
Rohnert Park, CA 94928

Dear Ms. Babonis:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Rohnert Park (City) Successor Agency (SA) submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 31, 2012 for the periods January to June 2012 (ROPS I) and July to December 2012 (ROPS II). Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS.

Except for items disallowed below in whole as enforceable obligations, Finance is approving the remaining items listed in your ROPS for both periods.

Loans from the City:

HSC section 34171 (d) (2) states agreements or arrangements between the City and the former redevelopment agency are not enforceable obligations (EO). The following City loans are not enforceable obligations eligible for Redevelopment Property Tax Trust Fund (RPTTF) reimbursement:

- ROPS I, line 7 in the amount of \$183,375
- ROPS II, line 7 in the amount of \$89,325.

Administrative Cost Allowance Limit:

HSC section 34171 (b) limits administrative cost allowance to \$250,000 for each fiscal year. The SA exceeded its administrative cost allowance for each ROPS by the following amounts:

- ROPS I, allowance exceeded by \$25,917
 - Administrative cost lines include 9 through 24
- ROPS II, allowance exceeded by \$427,827.
 - Administrative cost lines include 9 through 27, 24, and 25.

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. The City's maximum RPTTF disbursement for each reporting period is as follows:

- \$2,647,775 for ROPS I
- \$3,783,923 for ROPS II

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

Ms. Babonis
May 31, 2012
Page 2

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.

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of 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 or Zachary Stacy at (916) 322-2985.

Sincerely,



MARK HILL
Program Budget Manager

cc: Mr. Gabriel A. Gonzales, City Manager, City of Rohnert Park
Ms. Eydie Tacata, Management Analyst, City of Rohnert Park
Mr. Erick Roeser, Property Tax Manager, Sonoma County