



May 30, 2012

Elena Adair, Assistant Finance Director  
City of Vallejo  
555 Santa Clara Street  
Vallejo, CA 94590

Dear Ms. Adair:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Vallejo Successor Agency (Agency) submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 16, 2012 for the 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.

Except for items disallowed in whole or in part as EOs noted below, Finance is approving the remaining items listed in your ROPS:

**January through June 2012 ROPS:**

- Page 1, Item 3 – Six Flags Parking Obligation in the amount of \$7 million. It is our understanding that no contracts are in place for the project. HSC section 34163 (b) prohibits the Agency from entering into a contract with any entity after June 27, 2011.
- Administrative cost exceeds allowance by \$62,783. HSC Section 34171 (b) limits administrative expenses for fiscal year 2011-12 to five percent of property tax allocated to the successor agency or \$250,000, whichever is greater. Five percent of the property tax allocated is \$50,635. Therefore, \$62,783 of the claimed \$312,783 is not an EO. The following items are administrative expenses: Page 1, items 4 through 16 and page 3, item 66.

**July through December 2012 ROPS:**

- Page 1, Item 2 – Six Flags Parking Obligation in the amount of \$7 million. It is our understanding that no contracts are in place for the project. HSC section 34163 (b) prohibits the Agency from entering into a contract with any entity after June 27, 2011.

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.

Please refer to Exhibit 12 at [http://www.dof.ca.gov/assembly\\_bills\\_26-27/view.php](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 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 Evelyn Suess, Supervisor or Brian Dunham, Lead Analyst at (916) 322-2985.

Sincerely,

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

MARK HILL  
Program Budget Manager

cc: Ms. Simona Padilla-Scholtens, Auditor Controller, County of Solano  
Mr. Jun Aveda, Deputy Auditor Controller, County of Solano