



April 20, 2012

John Meyer, Redevelopment and Housing Director
Community Development of the City of Vista
200 Civic Center Dr.
Vista, CA 92084

Dear Mr. Meyer:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Successor Agency to the Vista Redevelopment Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 9, 2012. Finance staff contacted you for clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligations (EO) characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as EOs:

- Item No. 55 page 3 listed on the January through June 2012 ROPS– Public Improvement Coop Agreement in the amount of \$30.7 million. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency are not enforceable obligations.
- Item No. 58, page 3 listed on the January through June 2012 ROPS in the amount of \$313,186. 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 Vista Redevelopment Agency Successor Agency in 2011-12 equated to approximately \$31,500. Since there is a \$250,000 minimum funding for administrative expenses, we are disallowing \$63,186 of the claimed \$313,186.
- Item No. 55 page 3 listed on the July through December 2012 ROPS – Public Improvement Coop Agreement in the amount of \$30.7 million. HSC section 34171(d)(2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency are not enforceable obligations.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.

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If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO.

Please direct any inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,

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

MARK HILL
Program Budget Manager

cc: Mr. Jeff Zinner, Manager, Redevelopment and Housing, City of Vista
Mr. Juan Perez, Manager, San Diego County Auditor Controller
Ms. Nenita DeJesus, Accountant, San Diego County Auditor Controller