



October 13, 2012

Ms. Mary Rister, Finance Officer
City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677

Dear Ms. Rister:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Rocklin Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 30, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

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

- Item Nos. 4 and 10 – Loans and related costs for \$1.7 million.
HSC section 34191.4 (b) (2) (A) states that until Finance has issued a finding of completion for the Agency, loan repayments shall not be made prior to the 2013-14 fiscal year. Finance has not issued a finding of completion to the Agency; therefore, items are not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item Nos. 5, 6 and 7 – Low-Mod Housing Project LOC in the amount of \$2.7 million.
HSC section 34163 (c) prohibits an agency from extending terms of existing loans. The LOC maturity was initially due on July 31, 2011, and subsequently extended four times after June 27, 2011. Therefore, the items are not enforceable obligations and not eligible for RPTTF funding.
- Based on review of additional information provided with the Agency's appeal letter, the following items remain denied as enforceable obligations:
 - Item Nos. 31, 32, 43 and 44 – Agency Utilities for \$19,771 of RPTTF funding for the 6 month period. These items were considered administrative costs claimed towards the Agency's administrative cap during the January through June 2012 ROPS and the July through December 2012 ROPS.
 - Item No. 28 – Loan in the amount of \$328,461 of RPTTF funding. Finance has not issued a finding of completion to the Agency.

- o Item Nos. 29, 30, and 47 – Low-Mod Housing Project LOC in the amount of \$54,924 of RPTTF Funding. The extended LOC is not considered an enforceable obligation.

Except for items denied in whole or in part as enforceable obligations as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$1,025,285 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 4,264,708
Less: Six-month total for items denied or reclassified as administrative cost	
Item 4	119,461
Item 5	2,576,827
Item 6	22,800
Item 7	17,178
Item 11*	6,000
item 10	225,000
Item 12*	750
Item 28	328,461
Item 29	534
Item 30	31,590
Items 31	11,394
Item 32	1,627
Item 43	6,000
Item 44	750
Item 47	22,800
Total approved RPTTF for enforceable obligations	<u>\$ 893,535</u>
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	<u>131,750</u>
Total RPTTF approved:	\$ 1,025,285

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/>.

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All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. 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 to the successor agency in the RPTTF.

Please direct inquiries to Beliz Chappuie, Supervisor or Cindie Lor, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Kim Sarkovich, Chief Finance Officer, City of Rocklin
Ms. Jayne Goulding, Managing Accountant Auditor, County of Placer