



May 25, 2012

Jesse Takahashi, Director of Finance  
City of Campbell City Hall  
70 North First Street  
Campbell, CA 95008

Dear Mr. Takahashi:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Campbell Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on April 16, 2012 for period of the January to June 2012 and on May 16, 2012 for the period July to December 2012. Finance is assuming appropriate oversight board approval.

Finance completed its review of your ROPS, which included obtaining clarification for various items. The items listed in both ROPS are approved *except* for the following reported on the July to December 2012 ROPS:

- Form A, line 5 for Debt service in the amount of \$400,000. This reimbursement of City debt service was added after the ROPS was certified by the County Auditor-Controller; therefore, Finance cannot approve the line as an Enforceable Obligation.
- Form B, line 1 totals \$200,000 is unencumbered bond proceeds with no signed contract or certification from the County Auditor-Controller. HSC Section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entities 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 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.

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Please direct inquiries Jennifer Whitaker or Robert Scott at (916) 322-2985.

Sincerely,

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

MARK HILL  
Program Budget Manager

cc: Ms. Irene Lui, Auditor-Controller, Santa Clara County