



May 25, 2012

Angela Freitas, Deputy Director  
Stanislaus County Planning Department  
1010 10th Street, Suite 3400  
Modesto, CA 95354

Dear Ms. Freitas:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Stanislaus County Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on April 13, 2012 for period January to June 2012 and on May 14, 2012 for the period of 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. The below review results supersede previous letters issued by this office concerning the ROPS identified above.

Finance is approving the items listed in both ROPS except for the following:

January to June 2012 ROPS:

- Page 2, line 10 is a \$32 million project without expenditure contracts. HSC section 34163(b) prohibits new with any entity after June 27, 2011
- Page 2, line item 9 totals \$7.6 million for low and moderate housing. The requirement to set aside 20 percent of RDA tax increment for low and moderate income housing purposes ended with the passing of the redevelopment dissolution legislation. HSC section 34177 (d) requires that all unencumbered balances in the Low and Moderate Income Housing Fund be remitted to the county auditor controller for distribution.

July to December 2012 ROPS:

- Page 1, line 9 is a \$32 million project without expenditure contracts. HSC section 34163(b) prohibits new with any entity after June 27, 2011
- Page 1, line 8 totals \$7.6 million for low and moderate housing. The requirement to set aside 20 percent of RDA tax increment for low and moderate income housing purposes ended with the passing of the redevelopment dissolution legislation. HSC section 34177 (d) requires that all unencumbered balances in the Low and Moderate Income Housing Fund be remitted to the county auditor controller for distribution.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund 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 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, Supervisor at (916) 322-2985.

Sincerely,



MARK HILL  
Program Budget Manager

cc: Ms. Lauren Klein, CPA, Auditor-Controller, Stanislaus County  
Ms. Marianne Rucker, Manager, Stanislaus County