DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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September 21, 2012

Ms. Joan Michaels Aguilar, Director of Finance
City of Dixon
600 East A Street
Dixon, CA 95620

Dear Ms. Michaels Aguilar:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Dixon (City) Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 9, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, which 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 does not qualify as an enforceable obligation:

> Line 12 – Housing Administration Allowance in the amount of $15,000: HSC Section 34176 (a) (1) states the City may elect to assume all rights, duties, obligations, assets, and authority to perform the housing functions of the former Redevelopment Agency. On July 19, 2012, the City filed with Finance a Housing Assets List effectively assuming and accepting housing function responsibility of the Agency. Further, the City did not list a $15,000 encumbrance from the Low and Moderate Income Housing Fund (LMIHF) as an asset transferred to the City. Therefore, the Agency is not permitted to fund housing administration costs out of its LMIHF. Line 12 in the amount of $15,000 is denied as an enforceable obligation.

Except for item denied as an enforceable obligation 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: $213,092 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013		
Total RPTTF funding requested for obligations	$	88,092
Total approved RPTTF for enforceable obligations	$	88,092
Plus: Allowable RPTTF distribution for administrative cost for ROPS III		125,000
Total RPTTF approved:	$	213,092

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/.

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 Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Mr. Jim Lindley, City Manager, City of Dixon
Mr. Jun Adeva, Chief Deputy Auditor-Controller, Solano County
California State Controller's Office