



September 28, 2012

Ms. Rae James, Director
County of Placer
3091 County Center Drive, Suite 260
Auburn, CA 95603

Dear Ms. James:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the County of Placer Successor Agency (Agency) submitted a Recognized Obligation Payment Schedules (ROPS III) to the California Department of Finance (Finance) on August 22, 2012 for the period 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. 12 and 13 – Agreements in the amount of \$43,334. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. The services agreements were both executed on July 1, 2011.
- Item Nos. 15 and 16 – Toxic Cleanup in the amount of \$705,000. HSC section 34163 (c) does not allow amendments to existing agreements or obligations with any entity for any purpose after June 27, 2011. The original service contract was executed in 2010 for an amount not to exceed \$41,328. However, a fourth amendment was executed on June 8, 2012, increasing the contract amount to \$238,887. Furthermore, the total obligation of \$705,000 is not supported with documentation provided. Therefore, these items are not enforceable obligations and are not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item Nos. 28 and 29 – Kings Beach Commercial Core Improvement Project and Hwy 49 Improvement Project for \$11.6 million of bond funding. The Amended and Restated Cooperative Agreements between the County and the Agency are not valid agreements to establish items as enforceable obligations.

Furthermore, the following item was reclassified as administrative cost:

- Item No. 14 – Property Management Contract, totaling \$41,616. Although this reclassification increased administrative costs to \$134,942, the administrative cost allowance has not been exceeded.

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 \$811,981 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 826,101
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 14*	41,616
Item No. 15	42,760
Item No. 16	64,686
Total approved RPTTF for enforceable obligations	\$ 677,039
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	134,942
Total RPTTF approved:	\$ 811,981

* Reclassified as administrative cost

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:

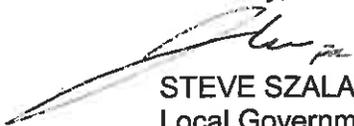
[http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%20III%20Forms%20by%20Successor%20Agency/).

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. Jayne Goulding, Managing Accountant Auditor, Placer County