



October 19, 2012

Ms. Rosanna B. Moore, City Manager  
City of Brawley  
383 North Main Street  
Brawley, CA 92227

Dear Ms. Moore:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Brawley Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on September 4, 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:

- HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. The following items are not eligible for Redevelopment Property Tax Trust Fund funding:
  - Item No. 4 – Housing Compliance Monitoring in the amount of \$4,500. The agreement provided was between the City of Brawley and the third party and not the redevelopment agency (RDA).
  - Item No. 6 – Consulting Services in amount of \$100,000. No services contract was provided.
  - Item No. 9 – CA Department of Corrections and Rehabilitation in amount of \$55,000. The agreement provided was between the City of Brawley and the third party, not the RDA.
  - Item No. 10 – CALEMA EOC Grant Match in amount of \$160,000. The grant application package provided was not a valid agreement. Further, the City of Brawley was listed as the grant applicant, not the RDA. Therefore, item is not 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/](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 \$282,634 as summarized below:

<b>Approved RPTTF Distribution Amount</b>	
<b>For the period of January through June 2013</b>	
Total RPTTF funding requested for obligations	\$ 389,634
Less: Six-month total for items denied or reclassified as administrative cost	
Item 4	4,500
Item 6	12,500
Item 9	55,000
Item 10	160,000
Total approved RPTTF for enforceable obligations	\$ 157,634
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	125,000
<b>Total RPTTF approved:</b>	<b>\$ 282,634</b>

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:

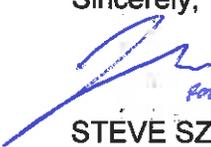
[http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%20III%20Forms%20by%20Successor%20Agency/).

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. Ruby Walla, Finance Director, City of Brawley  
Mr. Douglas R. Newland, Auditor-Controller, Imperial County