



October 15, 2012

Mr. Romualdo J. Medina, City Manager
City of Calipatria
125 North Park Avenue
Calipatria, CA 92233

Dear Mr. Medina:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Calipatria Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 31, 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 obligation:

Item No. 12 – Capital Improvements in the amount of \$2 million of bond funds. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding there are no contracts for this item. Therefore, the item is not an enforceable obligation and not eligible for bond funding on this ROPS. Upon receiving a Finding of Completion from Finance, HSC section 34191.4 (c) may cause this item to be enforceable in future ROPS periods.

Furthermore, Item Nos. 5, 6, 8, and 9 were reclassified as administrative costs. Although this reclassification increased administrative costs to \$104,150, the administrative cost allowance has not been exceeded.

Except for item denied in whole or in part as 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 \$219,502 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 149,502
Less: Six-month total for items reclassified as administrative cost	
Item 5	10,900
Item 6	5,250
Item 8	10,500
Item 9	7,500
Total approved RPTTF for enforceable obligations	\$ 115,352
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	104,150
Total RPTTF approved:	\$ 219,502

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 Beliz Chappuie, Supervisor or Cindie Lor, Lead Analyst at (916) 445-1546.

Sincerely,


STEVE SZALAY
Local Government Consultant

cc: Ms. Katy Lopez, Finance Director, City of Calipatria
Mr. Douglas R. Newland, Auditor-Controller, Imperial County