



December 18, 2012

Ms. Marti Noel, Redevelopment & Housing Assistant Director  
Monterey County  
168 West Alisal Street, 3<sup>rd</sup> Floor  
Salinas, CA 93901

Dear Ms. Noel:

Subject: Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated October 26, 2012. Pursuant to Health and Safety Code (HSC) section 34177 (m), the County of Monterey Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on September 11, 2012 for the period of January 1 through June 30, 2013. Finance issued its determination related to those enforceable obligations on October 26, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on November 19, 2012.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific items being disputed.

- Item No. 13 – Pass through payments for the Fort Ord Project area totaling \$129,892 payable from other funds. Finance is no longer denying this item at this time. Finance will revisit this item on subsequent ROPS.
- Item No. 16 – County loan advance in the amount of \$221,297, no funding source identified. Finance continues to deny the item. HSC section 34171(d) (2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable. Upon receiving a Finding of Completion from Finance, HSC section 34191.4 (b) may cause this item to be enforceable in future ROPS periods.

In addition, per Finance's determination letter dated October 26, 2012, the following items are not being disputed by the Agency and continue to be denied:

- Item No. 12 – Pass through payments for the Fort Ord Project area totaling \$411,871 payable from Redevelopment Property Tax Trust Fund. HSC section 34182 (c) (3) directs the county auditor-controller to prepare estimates of property tax to be allocated and distributed, and the amounts of pass through payments to be made, in the upcoming six-month period.
- Item No. 27 – Goldfarb & Lipman housing service contract totaling \$13,000, payable from the Low and Moderate Income Housing Fund. HSC section 34176(a) (2) states if a city,

county, or city and county elects to retain the authority to perform housing functions previously performed by a RDA, all rights, powers, duties, obligations, and housing assets shall be transferred to the city, county, or city and county. Since the County of Monterey assumed the housing function, this item is not an enforceable obligation.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$1,553,713 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	\$ 1,450,945
Less: Six-month total for item denied	
Item 12	27,232
Total approved RPTTF for enforceable obligations	\$ 1,423,713
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	130,000
<b>Total RPTTF approved:</b>	<b>\$ 1,553,713</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.

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.

Except for items disallowed as noted above, Finance is not objecting to the remaining items listed in your ROPS III. Obligations deemed not to be enforceable shall be removed from your ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not questioned on this ROPS or a preceding ROPS.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Ms. Bertha Calderon, Redevelopment & Housing Project Analyst, County of Monterey  
Ms. Julie Aguero, Auditor Controller Analyst II, County of Monterey  
California State Controller's Office