



October 14, 2012

Mr. Jason Garben, Economic Development Director
City of Suisun City
701 Civic Center Boulevard
Suisun City, CA 94585

Dear Mr. Garben:

Subject: Recognized Obligation Payment Schedule.

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Suisun Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 30, 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:

- Item 14 – Reserve Requirement for \$2 million. HSC section 34171(d) (1) (A) states a reserve may be held when required by a bond indenture or when the next property tax allocation will be insufficient to pay all obligations due. The Agency received the full amount of funding requested and approved by Finance for the ROPS II period. Since full funding was provided sufficient information has not been provided to substantiate the need for a reserve. Therefore, this item is not eligible for RPTTF funding.
- Item 15 and 16 – Expenses of the former RDA obligations in the amount of \$145,400. Requesting funds to reimburse unfunded obligations of the former Redevelopment Agency for a period that occurred prior to the dissolution of redevelopment is not an enforceable obligation. It is our understanding that these costs were incurred prior to January 1, 2012. Therefore, these items are not enforceable obligations and not eligible for RPTTF funding.

Except for item(s) denied in whole or in part as enforceable obligation(s) 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: \$1,120,640 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 3,141,040
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 14	2,000,000
Item No. 15	9,500
Item No. 16	135,900
Total approved RPTTF for enforceable obligations	\$ 995,640
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	125,000
Total RPTTF approved:	\$ 1,120,640

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 Robert Scott, Supervisor or Derk Symons, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Suzanne Bragdon, City Manager, City of Suisun City
Ms. Jun Adeva, Deputy Auditor-Controller, Solano County