



October 13, 2012

Ms. Sally Traylor, City Clerk and Finance Officer
City of Westmorland
355 S. Center Street
Westmorland, CA 92281

Dear Ms. Traylor:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Westmorland Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 29, 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 does not qualify as an enforceable obligation:

- Item No. 5 - 2011 Note to Pay Down Bond (City Loan to help the former redevelopment agency to refund the 2006 bond) in the amount of \$91,852. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that create the RDA and the former redevelopment agency (RDA) are not enforceable obligations. Furthermore, an agreement between the City of Westmorland and the RDA was not executed for this loan. Therefore, this item is not an enforceable obligation and is not eligible for funding RPTTF funding.

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 \$71,368 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 54,068
Less: Six-month total for item denied	
Item 5	30,000
Total approved RPTTF for enforceable obligations	\$ 24,068
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	47,300
Total RPTTF approved:	\$ 71,368

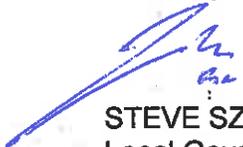
Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:
<http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/>.

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: Mr. Henry Graham, Chair, City of Westmorland
Mr. Douglas Newland, Auditor-Controller, Imperial County