



April 18, 2013

Ms. Tina Sumner, Community & Economic Development Director
City of Clovis Successor Agency
1033 Fifth Street
Clovis, CA 93612

Dear Ms. Sumner:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Clovis Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14A) to the California Department of Finance (Finance) on March 4, 2013 for the period of July through December 2013. Finance has completed its review of your ROPS 13-14A, 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 Nos. 16, 17, 19, and 22 – Dry Creek Business Park projects, American Ambulance, and Affordable Single Family In-Fill Lots totaling \$3,314,000, payable from Bond Proceeds. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. According to the Agency, contracts for these line items have not been awarded. Pursuant to HSC section 34191.4 (c), the request to use bond proceeds for these obligations may be allowable once the Agency receives a Finding of Completion from Finance.

In addition, pursuant to HSC section 34179.6 (f), the unencumbered Other Funds and Account balances, as determined in the Due Diligence Review by Finance, shall be remitted to the affected taxing entities. Therefore, the funding source for Item Nos. 1 through 10 has been changed from Other Funds to Redevelopment Property Tax Trust Fund funding.

Except for items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 13-14A. This determination applies only to items where funding was requested for the six month period. If you disagree with the determination with respect to any items on your ROPS 13-14A, 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 \$801,933 as summarized below:

Approved RPTTF Distribution Amount For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 750,000
Minus: Six-month total for items denied or reclassified as administrative cost	\$ -
Plus: Funding source changes	
Item 1	100,000
Item 2	179,782
Item 3	30,000
Item 4	2,500
Item 5	5,000
Item 6	53,345
Item 7	15,000
Item 8	2,500
Item 9	5,000
Item 10	46,085
Total approved RPTTF for enforceable obligations	\$ 1,189,212
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	125,000
Minus: ROPS II prior period adjustment	(512,279)
Total RPTTF approved for distribution:	\$ 801,933

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the above table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14A Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14A%20Forms%20by%20Successor%20Agency/).

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 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 denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of 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.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Nichelle Thomas, Supervisor or Alex Watt, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a stylized flourish at the end.

STEVE SZALAY
Local Government Consultant

cc: Mr. Andrew Haussler, Housing Program Manager
Mr. George Gomez, Accounting Financial Manager, County of Fresno
California State Controller's Office