



May 17, 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

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS 13-14A) letter dated April 18, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Clovis Successor Agency (Agency) submitted a ROPS 13-14A to Finance on March 4, 2013 for the period of July through December 2013. 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 May 7, 2013.

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 Nos. 16, 17, 19 and 22 – Project Costs totaling \$3,164,000, payable from bond proceeds. Finance originally denied this item as no contracts were in place prior to June 27, 2011. Finance is no longer denying these items. Pursuant to HSC section 34191.4 (c) the Agency's requests to use bond funds for these obligations may be allowable once the Agency receives a Finding of Completion from Finance.

Subsequent to the Meet and Confer, the Agency received a Finding of Completion from Finance on May 7, 2013. Therefore, the Agency may utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c). As such, these items are eligible for expenditure on this ROPS.

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 Items No. 1 through 10 has been changed from Other Funds to Redevelopment Property Tax Trust Fund (RPTTF) funding.

Except for the items denied in whole or in part as an enforceable obligation, Finance is not objecting to the remaining items listed on your ROPS 13-14A. 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 July through December 2013. Finance's

determination is effective for this time period only and should not be conclusively relied on 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 Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$801,933 as summarized below:

<b>Approved RPTTF Distribution Amount For the period of July through December 2013</b>	
Total RPTTF funding requested for obligations	\$ 750,000
Minus: Six-month total for items denied	\$ -
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)
<b>Total RPTTF approved for distribution:</b>	<b>\$ 801,933</b>

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 Wendy Griffe, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

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