



May 17, 2013

Mr. Paul Muga, Interim Deputy City Manager
City of Greenfield Successor Agency
559 El Camino Real
Greenfield, CA 93927

Dear Mr. Muga:

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 12, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Greenfield Successor Agency (Agency) submitted a ROPS 13-14A to Finance on February 26, 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 1, 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 item being disputed.

- Item Nos. 3 and 4 – California Housing and Urban Development (CalHUD) Loans totaling \$1,325,000. These items are partially approved. Finance originally denied these items stating that according to the loan agreements, the repayments of these loans are not due until the tenth anniversary of the loan effective dates. However, the Agency was approved for these items in ROPS I in the amount of \$159,808 and ROPS II in the amount of \$159,808 totaling \$319,615. Further review disclosed that the Agency received insufficient Redevelopment Property Tax Trust Fund (RPTTF) funding from the County of Monterey Auditor-Controller during ROPS I and II and these items were not funded. Therefore, Finance is only approving the total unfunded amount of \$319,615.

Finance continues to deny the remaining obligation as these loans are not due and payable until the tenth anniversary of the date of the agreement. In addition, the Agency did not provide sufficient documentation to demonstrate that the Agency has exhausted all other options provided by the legislation for projected cash-flow shortages. Therefore, the Agency's request to set-aside funds for balloon payments due in 2015 and 2017 are hereby denied.

- Item Nos. 22 and 23 – Consulting Service Contracts totaling \$205,500. Finance continues to deny these items. The contracts provided by the Agency are between the City of Greenfield and third-party contractors. The former redevelopment agency (RDA) is neither a party to the contracts nor responsible for payments of the contracts. During the Meet and Confer process, the Agency did not provide documentation to demonstrate

that the Agency is liable for payments of the contracts. Therefore, these items are not enforceable obligations and not eligible for funding on the ROPS at this time.

Pursuant to HSC section 34191.4 (c), the Agency's request to use bond funds for these obligations may be allowable once the Agency receives a Finding of Completion (FOC) from Finance. Upon receiving a FOC, the Agency may be allowed to request funding beginning on ROPS 13-14B.

In addition, per Finance's ROPS letter dated April 12, 2013, the following items continue to be denied and were not contested by the Agency:

- Items No. 17 through 20 – Various Unpaid Pass-Through Payments totaling \$214,308. Per HSC section 34183 (a) (1), The County Auditor-Controller (CAC) will make the required pass-through payments starting with the July through December 2012 ROPS. Therefore, these items are not eligible for RPTTF funding on the ROPS.

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. 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 RPTTF distribution for the reporting period is \$925,757 as summarized below:

Approved RPTTF Distribution Amount For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 1,065,665
Minus: Six-month total for items denied	
Item 17	134,822
Item 18	9,744
Item 19	28,772
Item 20	40,970
Total approved RPTTF for enforceable obligations	<u>\$ 851,357</u>
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	<u>74,400</u>
Minus: ROPS II prior period adjustment	<u>-</u>
Total RPTTF approved for distribution:	\$ 925,757

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. The amount of RPTTF approved in the above table includes the prior period adjustment that was self-reported by the Agency. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by CAC and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the above table includes only the prior period adjustment that was self-reported by the Agency.

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_13-14A_Forms_by_Successor_Agency/).

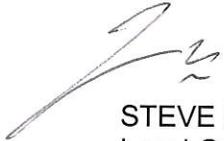
This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are 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 Medy Lamorena, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Susan Stanton, City Manager, City of Greenfield
Ms. Julie Aguero, Auditor Controller Analyst II, Monterey County
California State Controller's Office