



May 17, 2013

Mr. Aldo Schindler, Director of Community Development
City of Whittier
13230 Penn Street
Whittier, CA 90602

Dear Mr. Schindler:

Subject: Recognized Obligation Payment Schedule

This letter supersedes California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS 13-14A) letter dated April 14, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Whittier Successor Agency (Agency submitted ROPS 13-14A to Finance on March 1, 2013 for the period of July through December 2013. Subsequently, the Agency requested a Meet and Confer session regarding the Los Angeles County Auditor-Controller reported Prior Period Adjustment. The Meet and Confer session was held on April 25, 2013.

Based on our review, we are approving all of the items listed on your ROPS 13-14A at this time. Our review of county auditor-controller prior period adjustment per Agency's request is documented after the table below.

Except for items denied in whole or in part as enforceable obligations, Finance is not objecting to the 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 \$2,969,124 as summarized below:

Approved RPTTF Distribution Amount	
For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 3,498,500
Minus: Six-month total for items denied or reclassified as administrative cost	
Total approved RPTTF for enforceable obligations	\$ 3,498,500
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	125,000
Minus: ROPS II prior period adjustment	(654,376)
Total RPTTF approved for distribution:	\$ 2,969,124

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 Agency requested a review of the CAC prior period adjustment. Finance has completed its review of additional information and documents provided by both the Los Angeles CAC and Whittier Successor Agency and revised the ROPS II prior period adjustment from \$841,303 to \$654,376 by \$186,927.

The CAC included the adjustment amount of what appeared to be a denied item on Finance's letter dated May 4, 2012 for ROPS I and II review. Finance has determined that Line item 4 was listed incorrectly as a denied item in the body of the letter; however, correctly in the letter's Attachment A. The Agency was in fact approved to expend \$416,000 in RPTTF for the Whittier Marketplace DDA (listed as Item No. 20 on the ROPS 13-14A) during the ROPS II period. The \$186,927 RPTTF expenditure made for this item during the ROPS II period should not be included in the ROPS 13-14A CAC prior period adjustment. Therefore, the prior period adjustment was reduced by \$186,927.

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.

Mr. Schindler
May 17, 2013
Page 3

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 Beliz Chappuie, Supervisor or Todd Vermillion, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Ben Pongetti, Redevelopment Manager, City of Whittier
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office