DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
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April 9, 2014

Mr. Cass Cook, Finance Director
City of Dinuba
405 East El Monte Way
Dinuba, CA 93618

Dear Mr. Cook:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Dinuba Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to the California Department of Finance (Finance) on February 27, 2014 for the period of July through December 2014. Finance has completed its review of your ROPS 14-15A, 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 for the reason specified:

Item No. 27 – 2014 Tax Allocation Refunding Bond in the amount of $13,969,337. It is our understanding that these bonds have not been issued. Therefore, the Agency does not have a debt service payment due of $517,587 during the ROPS 14-15A period. This item is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding at this time.

Additionally, Finance made the following adjustments:

- Item No. 1 – 2001 Tax Allocation Bonds in the amount of $578,953. During January 1, 2014 through June 30, 2014 (ROPS 13-14B), Finance approved $550,000 in RPTTF funding for debt service reserve under Item No. 12, which was to be utilized for ROPS 14-15A debt service payments. Therefore, Finance is reclassifying $550,000 in RPTTF to Reserve Balance funding and reducing requested RPTTF funding to $28,953. Reserve Balance funds should be utilized first prior to requesting for RPTTF funding.

- Item No. 4 – 2006 Tax Allocation Bonds in the amount of $676,876. The requested amount was short $21,562 to satisfy the Agency's September 1, 2014 debt service payment. The payment on September 1, 2014 totals $698,438, not $676,876. Finance approves the Agency's request to increase requested RPTTF funding from $676,876 to $698,438.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15A form the estimated obligations and actual payments (prior period adjustments)

associated with the July through December 2013 period. HSC section 34186 (a) also specifies 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 table below includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Except for the item denied in whole or in part as enforceable obligations or for the item that have been reclassified, Finance is not objecting to the remaining items listed on your ROPS 14-15A. If you disagree with the determination with respect to any items on your ROPS 14-15A, 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 RPTTF distribution for the reporting period is $2,079,908 as summarized below:

Approved RPTTF Distribution For the period of July through December 2014		
Total RPTTF requested for non-administrative obligations		3,000,933
Total RPTTF requested for administrative obligations		125,000
Total RPTTF requested for obligations	**$**	**3,125,933**
Agency requested RPTTF adjustment to non-administrative obligations		
Item No. 4		21,562
Total Agency requested RPTTF adjustments	**$**	**21,562**
Total RPTTF requested for non-administrative obligations		**3,022,495**
Denied Item		
Item No. 27		(517,587)
Reclassified Item		
Item No. 1		(550,000)
Total RPTTF authorized for non-administrative obligations	**$**	**1,954,908**
Total RPTTF authorized for administrative obligations	**$**	**125,000**
Total RPTTF authorized for obligations	**$**	**2,079,908**
ROPS 13-14A prior period adjustment		0
Total RPTTF approved for distribution	**$**	**2,079,908**

Please refer to the ROPS 14-15A schedule that was used to calculate the approved RPTTF amount:

http://www.dof.ca.gov/redevelopment/ROPS

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2014. This determination only applies to items where funding was requested for the six-month period. 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 section 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 HSC section 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,

JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Beth Nunes, Deputy City Manager, City of Dinuba
Ms. Rita A Woodard, Auditor-Controller, Tulare County
California State Controller's Office