DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
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March 23, 2015

Mr. Tom Dibble, Finance Director
City of Hanford
315 North Douty Street
Hanford, CA 93230

Dear Mr. Dibble:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Hanford Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to the California Department of Finance (Finance) on February 19, 2015 for the period of July 1 through December 31, 2015. Finance has completed its review of your ROPS 15-16A, which may have included obtaining clarification for various items.

Based on our review, we are approving all of the items listed on your ROPS 15-16A at this time.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 15-16A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2014 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. Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of Redevelopment Property Tax Trust Fund (RPTTF) approved in the table below only reflects the prior period adjustment self-reported by the Agency.

The amount of RPTTF approved in the below table includes excess prior period adjustment (PPA) of $11,966. The current approved RPTTF is insufficient to allow for the prior period adjustments of $11,966 during this ROPS period. Pursuant to HSC section 34177 (l) (1) (E), the Agency is required to use all available funding sources to pay enforceable obligations. Therefore, the Agency should apply the remaining funds prior to requesting RPTTF on future ROPS.

The Agency's maximum approved RPTTF distribution for the reporting period is zero as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution For the period of July through December 2015		
Total RPTTF requested for non-administrative obligations*		0
Total RPTTF requested for administrative obligations		56,000
Total RPTTF requested for obligations on ROPS	**$**	**56,000**
Total RPTTF authorized for non-administrative obligations		0
Total RPTTF authorized for administrative obligations		56,000
Total RPTTF authorized for obligations	**$**	**56,000**
ROPS 14-15A prior period adjustment		(67,966)
Finance adjustment to ROPS 14-15A PPA		11,966
Total ROPS 14-15A PPA		(56,000)
Total RPTTF approved for distribution		**$0**

*The Agency requested Other Funds to fund its non-administrative obligations.

Please refer to the ROPS 15-16A 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, 2015. 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 the 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 agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

Please direct inquiries to Beliz Chappuie, Supervisor or Satveer Ark, Lead Analyst at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Program Budget Manager

cc: On the following page

cc: Mr. Ty Mizote, Assistant City Attorney, City of Hanford
Ms. Cassandra Mann, Property Tax Manager, Kings County
California State Controller's Office