



May 25, 2012

Laura Weyant, City Manager  
City of Firebaugh  
1133 P Street  
Firebaugh, CA 93622

Dear Ms. Weyant:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), City of Firebaugh Successor Agency (Agency) submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 7, 2012 for the period of the January to June 2012 and on April 18, 2012 for the period of July to December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

In Finance's letter dated May 3, 2012, we identified the following items as not qualifying as enforceable obligations (EO):

- Items 11 to 13, on page 1, in the amount of \$1 million
- Item 6, on page 1, in the amount of \$72,000

In the revised ROPS, the Agency removed item 6, on page 1. Therefore, we are no longer questioning this item. However, based on review of the information provided, items 11 to 13 on page 1 remain as reported in our May 3, 2012 letter. On the revised ROPS, these items are reported as items 10 to 12 on page 1.

Except for items disallowed in whole or in part as EOs noted above and remain as reported in our letter dated May 3, 2012 and our letter dated May 18, 2012, Department of Finance is approving the remaining items listed in your ROPS for both periods. This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (FPTTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at [http://www.dof.ca.gov/assembly\\_bills\\_26-27/view.php](http://www.dof.ca.gov/assembly_bills_26-27/view.php) for the amount of RPTTF that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is not and never was an unlimited funding source.

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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 in the RPTTF.

Please direct inquiries to Chikako Takagi-Galamba, Supervisor or Cindie Lor, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in cursive script that reads "Mark Hill".

MARK HILL

Program Budget Manager

cc: Ms. Rita Lozano, Deputy City Clerk, City of Firebaugh  
Ms. Robin Cook, Senior Accountant, County of Fresno  
Mr. George Gomez, Accounting Financial Manager, County of Fresno