



May 25, 2012

Elizabeth Stoddard, Accounting Manager
City of Glendora
116 East Foothill Blvd.
Glendora, CA 91741-3380

Dear Ms. Stoddard:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Glendora Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 23, 2012 for period January to June 2012 and 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.

Except for items disallowed in whole or in part as enforceable obligations noted below, Finance is approving the remaining items listed in your ROPS for both periods. HSC section 34171 (d) lists enforceable obligation (EO) characteristics. The following are not EOs:

- Page 1, Line 1, City Loan for \$6,421,600 on the January through June ROPS and \$6,903,500 on the July through December ROPS. HSC section 34171 (d) (2) states that loans or advances from the City to its former RDA are not enforceable obligations.
- Administrative costs of \$469,706, the excess of the maximum amount on the January through June ROPS. HSC section 34171 (b) limits the 2011-12 administrative cost allowance to five percent of the property tax allocated or \$250,000, whichever is greater. Five percent of the property tax allocated equated to \$147,106, therefore \$250,000 is the maximum administrative cost allowance. The total administrative costs claimed from Page 1, lines 5 – 9, 12, 13 and Page 2, line 9 totaled \$719,706.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) 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 for the amount of RPTTF that was approved by Finance based on the schedule submitted.

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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. 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 Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,

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

MARK HILL
Program Budget Manager

cc: Ms. Kristina Burns, Program Specialist III, Los Angeles County