



September 17, 2012

Mr. Jim DellaLonga, Senior Project Manager  
Economic Development Department  
City of Garden Grove  
11222 Acacia Parkway  
Garden Grove, CA 92842

Dear Mr. DellaLonga:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Garden Grove Successory Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 3, 2012 for the period January to June 2013. Finance has completed its review of your ROPS III, 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 do not qualify as enforceable obligations:

- Item No. 18 – Low and Moderate Housing Fund deficit in the amount of \$13.8 million. The requirement to set aside 20 percent of redevelopment agency tax increment for low and moderate income housing purposes ended with the passing of redevelopment dissolution legislation. HSC section 34177 (d) requires that all unencumbered balances in the Low and Moderate Income Housing Fund be remitted to the County Auditor Controller for distribution to the taxing entities.
- Item No. 21 – Site C Development and Disposition Agreement in the amount of \$48.4 million. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding the contracts were executed after June 27, 2011. Therefore, this item is not an enforceable obligation.

Except for items denied in whole or in part as enforceable obligations as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, 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/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$14,720,107 as summarized below:

<b>Approved RPTTF Distribution Amount</b>	
<b>For the period of January through June 2013</b>	
Total RPTTF Funding Requested For Obligations	\$14,814,862
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 18	0 *
Item No. 21	0 *
Total approved RPTTF for enforceable obligations	\$14,814,862
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	380,364
<b>Total RPTTF Approved:</b>	<b>\$15,195,226</b>
Less: Adjustment to Redevelopment Obligation Retirement Fund**	475,119
<b>Adjusted RPTTF:</b>	<b>\$14,720,107</b>

\* No payments requested for the reporting period.

\*\*As reported on ROPS III Summary Sheet by the Agency

Please direct inquiries to Nichelle Thomas, Supervisor or Wendy Griffe, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. Matthew Fertal, City Manager, City of Garden Grove  
Mr. Kingsley Okereke, Director of Finance, City of Garden Grove  
Mr. Frank Davies, Administrative Manager, County of Orange  
California State Controller's Office