



September 27, 2012

Ms. Linda Padilla-Smyth, Economic Development & Housing Manager  
City of La Habra  
201 East La Habra Blvd.  
La Habra, CA 90631

Dear Ms. Padilla-Smyth:

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of La Habra Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 15, 2012 for the period January through June 2013. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

Based on our review, we are approving all of the items listed on your ROPS III at this time.

However, Item No. 17 – Employee Costs, in the amount of \$68,900, was reclassified as an administrative cost. Although this reclassification increased administrative costs to \$215,498, the administrative cost allowance has not been exceeded.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$2,006,083 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	\$ 1,859,485
Less: Six-month total for item reclassified as administrative cost	
Item No. 17	68,900
Total approved RPTTF for enforceable obligations	<u>\$ 1,790,585</u>
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	<u>215,498</u>
<b>Total RPTTF approved:</b>	<b>\$ 2,006,083</b>

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

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Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%20III%20Forms%20by%20Successor%20Agency/).

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

The amount available from the RPTTF is the same as the 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.

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

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Ms. Stefanie Turner, Revenue Manager, City of La Habra  
Mr. Frank Davies, Property Tax Manager, Orange County