



September 20, 2012

Tracey L. Hause, Administrative Services Director
City of Temple City
9701 Las Tunas Drive
Temple City, CA 91780

Dear Ms. Hause:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Temple City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 6, 2012 for the period of January through 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 obligation(s):

- Item No. 2 – Rosemead Boulevard Enhancement Project in the amount of \$1.85 million. It is our understanding that contracts are not in place for \$1.4 million of the total \$1.85 million. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011; therefore, \$1.4 million of this line item is not an enforceable obligation and not eligible for bond funding on this ROPS.
- Item No. 9 and 10 - Pass-through payments totaling \$69,800. Per HSC section 34183 (a) (1), the county auditor-controller will make the required pass-through payments starting with the July through December 2012 ROPS. Therefore, this item is not an enforceable obligation and not eligible for Property Tax Trust Fund (RPTTF) funding on this ROPS.
- Item No. 11 – Housing Bond Proceeds in the amount of \$463,738. It is our understanding that contracts are not in place for this line item. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is also our understanding that the entity assuming the housing functions did not undergo the requirements outlined in HSC section 34175 (g) which allows for the expenditure of housing bond proceeds provided certain processes are followed. Therefore, this line item is not an enforceable obligation and not eligible for bond funding on this ROPS.

- Item No. 12 - Low and Moderate Income Housing Fund Deferred Payment in the amount of \$753,736. The requirement to set aside 20 percent of RDA tax increment for low and moderate income housing purposes ended with the passing of the 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. Therefore, this item is not an enforceable obligation and not eligible for RPTTF funding on this ROPS.

Except for item(s) denied in whole or in part as enforceable obligation(s) 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/

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$313,553 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 612,262
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 8	81,240
Item No. 9	2,450
Item No. 10	32,450
Item No. 12	263,809
Total approved RPTTF for enforceable obligations	\$ 232,313
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	81,240
Total RPTTF approved:	\$ 313,553

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.

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

Ms. Hause
September 19, 2012
Page 3

ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

Please direct inquiries to Kylie Le, Supervisor or Brian Dunham, Lead Analyst at (916) 322-2985.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Jose Pulido, City Manager, Temple City
Mr. Brian Haworth, Assistant to the City Manager
Ms. Kristina Burns, Manager, County of Los Angeles
California State Controller's Office