DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
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October 13, 2012

Ms. Sheryl Montgomery, Senior Administrative Analyst
City of Anaheim
201 S. Anaheim Blvd. Suite 1003
Anaheim, CA 92805

Dear Ms. Montgomery:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Anaheim Successor Agency (Agency) submitted a Revised Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 30, 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 obligations:

- HSC section 34163 (b) prohibits a Redevelopment Agency (RDA) from entering into a contract with any entity after June 27, 2011. It is our understanding that contracts for these line items were awarded after June 27, 2011. Therefore, these items totaling $31.6 million are not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding:
  - Item No. 88 – Packing District/LAB Disposition and Development Agreement (DDA) in the amount of $1.2 million.
  - Item No. 94 – Colony Park Phase III in the amount of $3.6 million.
  - Item No. 97 – Colony Park Phase IV in the amount of $8.2 million.
  - Item No. 105 – Anaheim Boulevard residential DDA in the amount of $2.3 million.
  - Items No. 114 and 115 – Avon Dakota Revitalization totaling $16.3 million.
- Item Nos. 125 and 137 – Cooperation Agreements totaling $54.7 million. These agreements are between the City of Anaheim and the former redevelopment RDA. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the RDA and the former RDA are not enforceable.

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/

The Agency's maximum approved RPTTF distribution for the reporting period is $21,389,059 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013		
Total RPTTF funding requested for obligations	$	29,368,046
Less: Six-month total for item(s) denied or reclassified as administrative cost		
Item No.88		658,190
Item No.94		1,045,000
Item No.97		2,500,000
Item No.105		500,000
Item No 114		1,600,000
Item No.115		295,670
Item No.125		2,000,000
Item No. 137		261,168
Total approved RPTTF for enforceable obligations	$	20,508,018
Plus: Allowable RPTTF distribution for administrative cost for ROPS III		881,041
Total RPTTF approved:	$	21,389,059

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/.

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: Mr. Jeff Kirkpatrick, Administrative Manager, Orange County Community Resources
Mr. Frank Davies, Property Tax Manager, Orange County Auditor-Controller