DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

October 14, 2012

Ms. Tina Sumner, Director
Community & Economic Development
Clovis Community Development Agency
356 Pollasky Avenue, Suite 200
Clovis, CA 93612

Dear Ms. Sumner:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Clovis Successor Agency (Agency) submitted a 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:

Administrative costs claimed for RPTTF exceed the allowance by $102,800. HSC section 34171 (b) limits the 2012-13 administrative expenses to three percent of property tax allocated to the Agency or $250,000, whichever is greater. Additionally, Item Nos. 20 and 21 – Office Expenses and Professional Services totaling $125,000 were reclassified as administrative costs.

Amount administrative costs for fiscal year 2012-13	$ 250,000
Administrative costs claimed for July through December 2012	227,800
Administrative costs claimed for January through June 2013*	125,000
Overage	$102,800

*Amount includes Item Nos. 20 and 21

Except 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 $2,815,525 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013		
Total RPTTF funding requested for obligations	$	2,918,325
Less: Six-month total for items reclassified as administrative cost		
Item 20		19,350
Item 21		105,650
Total approved RPTTF for enforceable obligations	$	2,793,325
Plus: Allowable RPTTF distribution for administrative cost for ROPS III		22,200
Total RPTTF approved:	$	2,815,525

Administrative Cost Calculation		
Total RPTTF for the period July through December 2012	$	3,275,981
Total RPTTF for the period January through June 2013		2,793,325
Total RPTTF for fiscal year 2012-13:	**$**	**6,069,306**
Allowable administrative cost for fiscal year 2012-13 (Greater of 3% or $250,000)		250,000
Administrative allowance for the period of July through December 2012		227,800
Allowable RPTTF distribution for administrative cost for ROPS III:	**$**	**22,200**

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. George Gomez, Accounting Financial Manager, Fresno County
Ms. Robin Cook, Senior Accountant, Fresno County