



October 15, 2012

Ms. Jennifer Schaefer, Finance/CDBG Manager
City of Corona
400 S. Vicentia Avenue, Suite 310
Corona, California 92882

Dear Ms. Schaefer,

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Corona Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 27, 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 does not qualify as an enforceable obligation:

Administrative costs claimed for RPTTF exceed the allowance by \$181,782. 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. 16, 17, 41, and 43 b were reclassified as administrative expenses.

Amount administrative costs for fiscal year 2012-13	\$374,559
Administrative costs claimed for July through December 2012	258,341
Administrative costs claimed for January through June 2013	298,000
Overage	\$181,782

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 Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$3,990,149 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 4,050,418
Less: Six-month total for items reclassified as administrative cost	
Item 16	30,000
Item 17	18,000
Item 41	116,500
Item 43b	11,987
Total approved RPTTF for enforceable obligations	\$ 3,873,931
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	116,218
Total RPTTF approved:	\$ 3,990,149
Administrative Cost Calculation	
Total RPTTF for the period July through December 2012	\$ 8,611,364
Total RPTTF for the period January through June 2013	3,873,931
Total RPTTF for fiscal year 2012-13:	\$ 12,485,295
Allowable administrative cost for fiscal year 2012-13 (Greater of 3% or \$250,000)	374,559
Administrative allowance for the period of July through December 2012	258,341
Allowable RPTTF distribution for administrative cost for ROPS III:	\$ 116,218

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

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Please direct inquiries to Beliz Chappuie, Supervisor or Mindy Patterson, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Cynthia Lara, Housing/Leasing Manager, City of Corona
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
Auditor Controller