



October 20, 2012

Mr. Paul Muga, Interim Deputy City Manager
City of Greenfield
559 El Camino Real
Greenfield, CA 93927

Dear Mr. Muga:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Greenfield Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on September 5, 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:

- Item No. 12 – Agency Tax Sharing Fee in the amount of \$962,000. HSC section 34183 (a) states that from February 1, 2012, to July 1, 2012, and for each fiscal year thereafter, the county auditor-controller shall allocate the moneys to the Redevelopment Property Tax Trust Fund (RPTTF) after deducting their administrative costs.
- Item No. 13 – De La Rosa & Company contract in the amount of \$34,000 for the bond redemption services. According to the Term Sheet provided, this line item should be paid by a percentage of the bond proceeds, not RPTTF funding.
- Administrative costs in the amount of \$47,068 out of the claimed \$130,034 are not an enforceable obligation. HSC section 34171 (b) limits administrative costs for fiscal year 2012-13 to three percent of property tax allocated to the successor agency or \$250,000, whichever is greater. Item Nos. 8, 9, 10 and 11 were considered administrative costs. See table below for administrative costs approved.

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: \$1,367,450 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 1,386,984
Less: Six-month total for items denied or reclassified as administrative cost	
Item 8*	9,500
Item 9*	6,000
Item 10*	12,000
Item 11*	4,000
Item 12	37,000
Item 13	34,000
Total approved RPTTF for enforceable obligations	1,284,484
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	\$ 82,966
Total RPTTF approved:	1,367,450

*Reclassified as administrative costs

Administrative Cost Calculation	
Total RPTTF for the period July through December 2012	\$ 892,516
Total RPTTF for the period January through June 2013	1,284,484
Total RPTTF for fiscal year 2012-13:	\$ 2,177,000
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	167,034
Allowable RPTTF distribution for administrative cost for ROPS III:	\$ 82,966

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/).

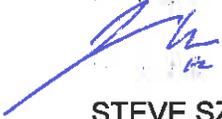
All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

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 Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Paul Mugan, Interim Deputy City Manager, City of Greenfield
Mr. Brent Slama, Interim City Manager, City of Greenfield
Ms. Julie Aguero, Auditor Controller Analyst II, County of Monterey