



September 24, 2012

Mr. Jack Castro, Finance Director  
City of Huron  
36311 S. Lassen Avenue  
Huron, CA 93234

Dear Mr. Castro:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Huron Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 10, 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 Nos. 1 and 8 – Tax Revenue Bonds in the amount of \$4.4 million. Section 34183 (2) (B) states Redevelopment Property Tax Trust Fund (RPTTF) can fund revenue bonds, but only to the extent the revenue pledged is insufficient to make payments, and only where the agency's tax increment revenues were also pledged for repayment. The bond indentures provided for these line items did not have tax increment revenue pledged. Therefore, these line items are not considered enforceable obligations, and not eligible for RPTTF funding.

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/](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 \$106,251 as summarized below:

<b>Approved RPTTF Distribution Amount</b>	
<b>For the period of January through June 2013</b>	
Total RPTTF funding requested for obligations	\$ 237,532
Less: Six-month total for items denied or reclassified as administrative cost	
Item No. 1	86,350
Item No. 8	102,175
Total approved RPTTF for enforceable obligations	<u>\$ 49,007</u>
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	<u>57,244</u>
<b>Total RPTTF approved:</b>	<b>\$ 106,251</b>

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.

Please direct inquiries to Nichelle Thomas, Supervisor or Wendy Griffe, Lead Analyst at (916) 445-1546.

Sincerely,



**STEVE SZALAY**  
Local Government Consultant

cc: Ms. Carolina Camacho, Accounting Supervisor, City of Huron  
Mr. George Gomez, Accounting Financial Manager, Fresno County