



REVISED

November 15, 2012

Ms. Anne Haraksin, Deputy City Manager
City of La Mirada
13700 La Mirada Boulevard
La Mirada, CA 90638

Dear Ms. Haraksin:

Subject: Revised Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of La Mirada Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 28, 2012 for the period of January through June 2013.

On October 9, 2012, Finance issued a letter stating that your maximum approved RPTTF is \$1,646,003. It has come to our attention there was a transposition error for Item No. 40. Based on a recalculation of your approved RPTTF, Finance has determined the correct amount is \$1,646,603. Therefore, we are issuing a revised letter to reflect this change.

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 exceed the allowance by \$58,684. HSC section 34171 (b) limits the fiscal year 2012-13 administrative expenses to three percent of property tax allocated to the Agency or \$250,000, whichever is greater. As a result, the Agency is eligible for \$250,000 for administrative expenses. The Los Angeles Auditor Controller's Office distributed \$250,000 of administrative costs for the July through December 2012 period. Although, no administrative cost is claimed on this ROPS period, item numbers 12 through 15, 20 through 23, and 39 through 40 are considered administrative expenses and should be counted toward the cap. Therefore, \$58,684 of excess administrative cost is not allowed.
- Item No. 34 – Reimbursement agreement with the City in the amount of \$30 million. 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, unless issued within two years of the RDA's creation date or for issuance of indebtedness to third-party investors or bondholders. The Agency was established in 1974 and the reimbursement agreement was entered into in 2011; therefore, this item is not an enforceable obligation at this time. Upon receiving a Finding of Completion from Finance, HSC section 34191.4 (b) may allow this item to be enforceable in future ROPS periods.

- Item No. 54 – Foster Park Phase II project in the amount of \$5.6 million. It is our understanding the contract is between the City of La Mirada and Sialic Contractors Corporation and the Agency is not a party to the agreement. Therefore this line item is not an enforceable obligation and not eligible for bond funding on this ROPS. Upon receiving a Finding of Completion from Finance, HSC section 34191.4 (b) may cause these items to be enforceable in future ROPS period.
- Item Nos. 55 and 56 – Bond funded projects totaling \$6 million. It is our understanding that contracts are not in place for these line items. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with an entity after June 27, 2011. Therefore, these line items are not enforceable obligations and not eligible for bond funding on this ROPS. Upon receiving a Finding of Completion from Finance, HSC section 34191.4 (b) may cause these items to be enforceable in future ROPS period.

Except for item(s) denied in whole or in part as enforceable obligation(s) 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: \$1,646,003 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 3,354,687
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item 12	7,020 *
Item 13	7,930 *
Item 14	4,125 *
Item 15	16,525 *
Item 20	4,365 *
Item 21	1,432 *
Item 22	1,860 *
Item 23	50 *
Item 39	2,600 *
Item 40	12,177 *
Item 34	1,650,000
Total approved RPTTF for enforceable obligations	\$ 1,646,603
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	0
Total RPTTF approved:	\$ 1,646,603

* Reclassified as administrative cost

Administrative Cost Calculation	
Total RPTTF for the period July through December 2012	\$ 4,533,044
Total RPTTF for the period January through June 2013	1,646,603
Total RPTTF for fiscal year 2012-13:	\$ 6,179,647
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	250,000
Allowable RPTTF distribution for administrative cost for ROPS III:	\$ -

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:

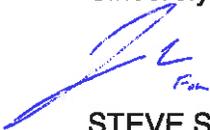
[http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%20III%20Forms%20by%20Successor%20Agency/).

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 Kylie Le, Supervisor or Brain Dunham, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Judy Quinonez, Senior Accountant, City of La Mirada
Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office