DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
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December 18, 2012

Tracey L. Hause, Administrative Services Director
City of Temple City
9701 Las Tunas Drive
Temple City, CA 91780

Dear Ms. Hause:

Subject: Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated September 20, 2012. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Temple City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 6, 2012 for the period of January 1 through June 30, 2013. Finance issued its determination related to those enforceable obligations on September 20, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on October 1, 2012.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific items being disputed.

- Item No. 2 – Rosemead Boulevard Enhancement Project in the amount of $1.85 million. Finance continues to deny the item at this time. We continue to maintain that contracts are not in place for $1.4 million of the total $1.85 million. HSC section 34163 (b) prohibits a redevelopment agency (RDA) from entering into a contract with any entity after June 27, 2011. Therefore, $1.4 million of the item is not eligible for bond funding at this time. However, successor agencies will be eligible to expend bonds issued prior to January 1, 2011, once a finding of completion is received per 34191.4 (c). Those obligations should be reported on a subsequent ROPS.

- Items Nos. 9 and 10 - Pass-through payments totaling $69,800. Finance continues to deny the items. Per HSC section 34183 (a) (1), the county auditor-controller will make the required pass-through payments starting with the July through December 2012 ROPS. Therefore, the items are not enforceable obligations and not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

- Item No. 11 – Housing Bond Proceeds in the amount of $463,738. Finance continues to deny the item at this time. We continue to maintain that contracts are not in place for this item. HSC section 34163 (b) prohibits a RDA from entering into a contract with any entity after June 27, 2011. Additionally, the requirements outlined in HSC section 34175

(g), which allows for the expenditure of housing bond proceeds provided certain processes are followed, have not been met. Therefore, this item is not an enforceable obligation and not eligible for bond funding at this time. However, successor agencies will be eligible to expend bonds issued prior to January 1, 2011, once a finding of completion is received per 34191.4 (c). Those obligations should be reported on a subsequent ROPS.

- Item No. 12 - Low and Moderate Income Housing Fund Deferred Payment in the amount of $753,736. Finance continues to deny the item at this time. HSC section 34176 (e) (6) (B) requires that loan or deferral repayments shall not be made until fiscal year 2013-14. Therefore, the item is currently not an enforceable obligation.

The Agency's maximum approved RPTTF distribution for the reporting period is: $313,553 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013		
Total RPTTF funding requested for obligations	$	612,262
Less: Six-month total for item(s) denied or reclassified as administrative cost		
Item No. 8		81,240
Item No. 9		2,450
Item No. 10		32,450
Item No. 12		263,809
Total approved RPTTF for enforceable obligations	$	232,313
Plus: Allowable RPTTF distribution for administrative cost for ROPS III		81,240
Total RPTTF approved:	$	313,553

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.

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.

Except for items disallowed as noted above, Finance is not objecting to the remaining items listed in your ROPS III. Obligations deemed not to be enforceable shall be removed from your ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not questioned on this ROPS or a preceding ROPS.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Mr. Jose Pulido, City Manager, Temple City
Mr. Brian Haworth, Assistant to the City Manager
Ms. Kristina Burns, Manager, County of Los Angeles
California State Controller's Office