

May 25, 2012

Cass Cook, Budget Services Manager  
City of Dinuba  
405 E. El Monte Way  
Dinuba, CA 93618

Dear Mr. Cook:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Dinuba Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on April 18, 2012 for the period January to June 2012 and May 9, 2012 for the period of July to December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

January through June 2012 ROPS

Based on our review, we are approving all of the items listed on your ROPS at this time. This conclusion supersedes the conclusions for this time period stated in our May 26, 2012 letter.

July through December 2012 ROPS

Except for items disallowed in whole or in part as EOs noted below, Finance is approving the remaining items listed in your ROPS.

HSC section 34171 (d) lists enforceable obligations characteristics. Based on a sample of items reviewed and application of the law, the following do not qualify as EOs:

- Page 1, items 1- 6, 9, and 10 – Various amounts totaling \$2.8 million. These are duplicative payments. Per discussion with the City, it is our understanding that amounts have been received from previous tax allocation and August 2012 payments will be made from reserve accounts. These items do not represent continuing obligations on the July to December 2012 ROPS.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

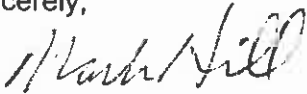
Mr. Cook  
May 30, 2012  
Page 2

Please refer to Exhibit 12 at [http://www.dof.ca.gov/assembly\\_bills\\_26-27/view.php](http://www.dof.ca.gov/assembly_bills_26-27/view.php) for the amount of RPTTF that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. 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 in the RPTTF.

Please direct inquiries to Evelyn Suess, Supervisor or Brian Dunham, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Hill", written over a light blue circular stamp.

MARK HILL  
Program Budget Manager

cc: Ms. Sharla Allison, Chief Accountant, Tulare County  
Ms. Rita A. Woodward, Auditor Controller, Tulare County