



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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May 18, 2012

A.J. Wilson, Executive Director
Inland Valley Development Agency
1610 East Third Street, Suite 100
San Bernardino, CA 92408

Dear Mr. Wilson:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Inland Valley Development Agency Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on May 5, 2012 for the period January through June 2012. Finance staff contacted you for clarification of items listed in the ROPS.

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

HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 28, 2011. The following do not have expenditure contracts to support the obligation amount. Therefore, there is no EO.

- o Items No. 14 and 15, page 2 – in the amount of \$410.0 million
- o Items No. 1 and 2, page 3 – in the amount of \$22.0 million

As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.

If you believe we have reached this conclusion in error, please provide evidence the items above meet the definition of an EO and submit to Redevelopment_Administration@dof.ca.gov.

Finance may continue to review items on the ROPS in addition to those mentioned above and identify additional issues. We will provide separate notice if we are requesting further modifications to the ROPS. It is our intent to provide an approval notice with regard to each ROPS prior to the June 1 property tax distribution date.

Please direct inquiries to Jennifer Whitaker or Robert Scott at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Ms. Vanessa Doyle, Property Tax Manager, County of San Bernardino
Ms. Linda Santillano, Supervising Accountant, County of San Bernardino
Ms. Franz Zyss, Accountant, County of San Bernardino