



May 25, 2012

Mr. A.J. Wilson, Executive Director
Inland Valley Development Agency
1619 East Third Street, Suite 100
San Bernardino, CA 92408

Dear Mr. Wilson:

Subject: Recognized Obligation Payment Schedule Approval Letter.

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 and May 11, 2012 for the period July through 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.

Except for items disallowed below, Finance is approving the remaining items listed in your ROPS for both periods.

- On the July through December 2012 ROPS, items No. 14 and 15, page 2 – in the amount of \$410.0 million. No third party contracts are in place and no payments have been scheduled.

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 fresh review, if they are included on a future ROPS. If new information comes to light indicating that 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.

Please refer to Exhibit 12 at 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 Robert Scott, Supervisor or Randy McClendon, Lead Analyst 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