



May 4, 2012

Sophie Escobar, Assistant Director
City of Victorville
14343 Civic Drive
Victorville, CA 92392

Dear Ms. Escobar:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Victor Valley Economic Development Authority (Authority) Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 24, 2012 for the period January through June 2012. Finance staff contacted you for clarification of items listed in the ROPS.

The ROPS submitted to Finance does not identify obligations for the Authority separately from its Joint Authority Member (JPA) jurisdictions, and therefore is not approved for making payments as follows:

It is our understanding that the Authority passes the tax increment to its JPA member jurisdictions. Line items 1 through 8 on page 1 of the ROPS represent 100 percent of the tax increment generated from the Victor Valley Project Area passed to the JPA jurisdictions. Line items 9 through 106 are the contractual obligations derived from the Victor Valley Project Area that is jointly managed by the JPA members. The following duplicate ROPS items were found:

- Items 16 and 17 on page 1 in the amount of \$7.6 million reported on the Authority's ROPS were identical to items 5 and 19, on page 1 of the City of Victorville RDA's ROPS submitted to Finance for the same period.

Please revise the ROPS to separately identify the Authority's obligations and submit a revised board-approved ROPS to the following email address:

Redevelopment_Administration@dof.ca.gov

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

Department of 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.

Ms. Sophie Escobar
May 3, 2012
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Please direct inquiries to Chikako Takagi-Galamba, Supervisor or Cindie Lor, Lead Analyst at (916) 322-2985.

Sincerely,



MARK HILL
Program Budget Manager

cc: Mr. Larry Walker, Auditor Controller, San Bernardino County Auditor-Controller/
Treasurer/ Tax Collector
Ms. Vanessa Doyle, Property Tax Manager, San Bernardino County Auditor-Controller/
Treasurer/ Tax Collector
Ms. Linda Santillano, Supervising Accountant, San Bernardino County Auditor-
Controller/ Treasurer/ Tax Collector
Mr. Franz Zyss, Accountant III, San Bernardino County Auditor-Controller/ Treasurer/
Tax Collector