



May 9, 2012

Thomas Fil, Finance Director
City of Belmont
One Twin Pines Lane, Suite 375
Belmont, CA 94002

Dear Mr. Fil:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Belmont Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 30, 2012 for the period July through December 2012. Finance staff contacted you for clarification of items listed in the ROPS.

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

Item 8 – Public Improvements Reimbursement Agreement in the amount of \$3.2 million for funding future projects from remaining bond proceeds. It's our understanding contracts were awarded after June 27, 2011. HSC section 34163 (b) prohibits entering into contracts after June 27, 2011 unless they are required by another enforceable obligation.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the ROPS item 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 disagree with the conclusion, please provide evidence that the items questioned meet the definition of an EO and send 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 Robert Scott, Supervisor or Kylie Le Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Mr. Bob Adler, Auditor-Controller, San Mateo County