



April 27, 2012

Cynthia Lara, Housing/Leasing Manager
Administrative Services Department
City of Corona
400 S. Vicentia Avenue, Suite 310
Corona, California 92882

Dear Ms. Lara:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Corona Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 12, 2012 for the period January to June 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 EOs:

- Page 2, items 13 through 15 – Loans totaling \$2.8 million between the Agency and the City of Corona. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable unless the loan agreements were entered into within the first two years of the date of the creation of the RDA.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific 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 further evidence that the items questioned above meet the definition of an EO.

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

Sincerely,

MARK HILL
Program Budget Manager

cc: Ms. Jennifer Schaefer, Redevelopment Financial Manager, City of Corona
Mr. Darrell Talbert, Administrative Services Director, City of Corona
Ms. Pam Elias, Chief Accounting Property Tax Division, Riverside County
Auditor-Controller
Ms. April Nash, Supervising Accountant, Riverside County Auditor-Controller
Ms. Jennifer Baechel, Business Process Analyst II, Riverside County Auditor-Controller