



May 11, 2012

Randy Groom, City Administrator  
City of Exeter  
PO Box 237  
137 North F Street  
Exeter, CA 93221

Dear Mr. Groom:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Exeter Successor Agency submitted a Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on April 30, 2012 for the period January through June 2012, and on May 9, 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 EOs:

January through June 2012 ROPS

- No contract was provided for a housing compliance services line item:
  - Page 1, item 6, in the amount of \$6,000
- Page 1, item 1, in the amount of \$12,800 for county administrative fees. HSC section 34182 (e) allows the county auditor-controller to deduct from the Redevelopment Property Tax Trust Fund for their administration costs prior to distributing property tax increment funds.

July through December 2012 ROPS

- No contract was provided for a housing compliance services line item:
  - Page 3, item 5, in the amount of \$12,000

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.

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.

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 and submit to the following email address:

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Redevelopment\_Administration@dof.ca.gov

Please direct inquiries to Chikako Takagi-Galamba, Supervisor or Cindie Lor, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in black ink that reads "Mark Hill". The signature is written in a cursive, slightly slanted style.

MARK HILL  
Program Budget Manager

cc: Ms. Sheri Emerson, Finance Director, City of Exeter  
Ms. Rita A. Woodard, Auditor-Controller, Tulare County