



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 18, 2012

William Avera, Developmental Services Director
City of Hollister
375 Fifth Street
Hollister, CA 95023

Dear Mr. Avera:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Hollister Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on May 7, 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:

- Item 1 through 8 is bond expenses for \$ 5,783,921. These bond expenses are duplicate payments, previously claimed on the January through June 2012 ROPS.
- Item 16 and 17 are economic development agreements totaling \$140,000. No document supports these items.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the 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 evidence the items above meet the definition of an EO and submit 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 Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Ms. Mary Paxton, Manager, City of Hollister
Mr. Joe Paul Gonzalez, Auditor-Controller, San Benito County
Ms. Janet Norris, Accountant III, Auditor-Controller's Office, San Benito County