



March 28, 2012

Lori Stone, Executive Director  
March Joint Powers Authority  
23555 Meyer Drive  
Riverside, CA 92518

Dear Ms. Stone

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the March Joint Powers Authority Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on February 14, 2012 for review. In a letter dated February 28, 2012, Finance provided your office with the ROPS review results.

In response to our letter, your office provided additional documents for us to consider. As a result, Finance accepted the supporting documents and agrees the \$3.5 million operating advance reported as item 3 on the ROPS is an Enforceable Obligation (EO). However, the following items are not EOs:

- Item #4 - \$25,000 of Administrative expenses is not an EO. HSC section 34171 (b) limits the 2011-12 administrative cost allowance to five percent of the property tax allocated to the successor agency or \$250,000, whichever is greater. The Agency property tax allocation for 2011-12 is \$103,000. Therefore, the Agency is limited to the \$250,000 minimum funding for administrative expenses.
- Items #40, 41, 42 - \$390,556 grant match is not an EO. Although federal grants have been awarded to the Agency to perform various projects, Finance understands that no contractors have been selected to carry out these projects. HSC section 34163 (b) prohibits these commitments to commence if valid contracts have not been entered into prior to June 27, 2011.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the specific ROPS items noted above to be ineffective until Finance approval.

Please direct any inquiries to Robert Scott, Supervisor, or Kylie Le, Lead Analyst, at (916) 322-2985.

Sincerely,

MARK HILL  
Program Budget Manger