



April 30, 2012

Patty Kong, Finance and Administrative Services Director
 City of Mountain View
 500 Castro St
 Mountain View, CA 94041

Dear Ms. Kong:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Mountain View Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 17, 2012 for the period January through 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:

- Administrative cost claimed exceeds allowance by \$50,445. HSC section 34171 (b) limits administrative expenses to five percent of property tax allocated to the successor agency or \$250,000, whichever is greater. The administrative expenses calculation is shown below:

Form	Line item	Project Name/Debt Obligation	Payment Source	Amount
A	1	2003 TAB	RPTTF	\$17,243
A	2	2003 TAB	RPTTF	103,460
A	3	2003 COPs reimbursement	RPTTF	251,291
A	5	Agency taxes and assessments	RPTTF	27
Total RPTTF Claimed:				\$372,021
Total RPTTF Claimed x 5% :				18,601
Admin Allowance (Greater of 5% or \$250,000):				\$250,000

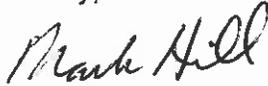
Line Items Considered Administrative Costs				
Form	Line item	Project Name/Debt Obligation	Payment Source	Amount
A	4	Employee Costs	RPTTF/Other	\$11,805
C	1	Employee Costs	RPTTF	161,827
C	2	Contract for consulting services	RPTTF	570
C	3	Contract for audit services	RPTTF	9,550
C	4	Overhead and administrative costs	RPTTF/Other	116,693
Total:				\$300,445
Admin Allowance:				250,000
Total Disallowed Administrative Costs:				\$50,445

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: Mr. Steve Loukopoulos, Accounting Officer, City of Mountain View
Ms. Irene Lui, Controller Treasurer, County of Santa Clara
Ms. Jacelyn Ma, Property Tax Apportionment Manager, County of Santa Clara