



May 18, 2012

Lisa Brandl, Executive Director
County of Riverside Economic Development Agency
P.O. Box 1180
Riverside, CA 92502

Dear Ms. Brandl:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the County of Riverside Successor Agency (SA) submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on May 3, 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 obligations (EO) characteristics. Based on our application of the law, the following items do not qualify as EOs:

HSC section 34163(b) prohibits entering into new contracts after June 27, 2011.

The following do not have expenditure contracts; therefore, there is no EO.

- Item No. 28, page 9 – in the amount of \$5.0 million
- Items No. 116, 118, and 120, page 11 – in the amount of \$9.7 million
- Items No. 33 and 36, page 15 – in the amount of \$3.6 million
- Items No. 26 and 28, page 22 – in the amount of \$9.2 million
- Item No. 31, page 23 – in the amount of \$9.9 million

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 Jennifer Whitaker or Robert Scott at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Ms. Pam Elias, Chief Accountant, Property Tax, Audit-Controller, Riverside County
Ms. April Nash, Supervising Accountant, Audit-Controller, Riverside County
Ms. Jennifer Baechel, Business Process Analyst, Audit-Controller, Riverside County