DEPARTMENT OF FINANCE
EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 11, 2012

Matthew Hawkesworth, Assistant City Manager
City of Rosemead
8838 E. Valley Blvd.
Rosemead, CA 91770

Dear Mr. Hawkesworth:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Rosemead Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 26, 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:

- Page 1, Line 14, 16, and 18 totaling $5.8 million. HSC section 34163(b) prohibits a redevelopment agency from entering into new contracts after June 27, 2011. It is our understanding that no contracts have been awarded for the amounts listed.

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 evidence the items above meet the definition of an EO and submit to Redevelopment_Administration@dof.ca.gov

Please direct inquiries to Robert Scott or Jenny DeAngelis at (916) 322-2985.

Sincerely,

Mark Hill

MARK HILL
Program Budget Manager

cc: Ms. Arlene Barrera, Division Chief of Property Tax Division, Los Angeles County
Ms. Kristina Burns, Program Specialist III, Los Angeles County