



May 16, 2012

Jan Shonkwiler, Housing Programs Manager
Housing Division
City of Roseville
311 Vernon Street
Roseville, CA 95678

Dear Ms. Shonkwiler:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Roseville (City) Successor Agency (SA) submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on May 2, 2012 for the period February through June 2012 and 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:

February through June 2012 Period

- Page 1, items 1 through 6, 8, and 13, for City loans totaling \$700,639. HSC section 34171 (d) (2) states that loans between the City that created the redevelopment agency (RDA) and the SA are not enforceable obligations.
- Page 3, items 11, 12, 14 through 16, and 19, are reserves for property maintenance service totaling \$52,417 that have no signed contracts. HSC section 34163 (b) prohibits a redevelopment agency from entering into new contract after June 27, 2011.

July through December 2012 Period

- Page 1, items 1 through 10, 12 and 13, for City loans totaling \$1.2 million. HSC section 34171 (d) (2) states that loans between the City that created the redevelopment agency (RDA) and SA are not enforceable obligations.
- Page 3, items 12, and 15 through 18 are reserves for property maintenance service totaling \$33,383 that have no signed contracts. HSC section 34163 (b) prohibits a redevelopment agency from entering into new contract after June 27, 2011.

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 further evidence that the items questioned above meet the definition of an EO and submit to the following email address:

Redevelopment_Administration@dof.ca.gov

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

Sincerely,



MARK HILL
Program Budget Manager

cc: Mr. Kevin Payne, Assistant Director, Planning & Redevelopment Department, City of Roseville
Ms. Melissa Hagan, Financial Analyst II, City Manager's Office, City of Roseville
Mr. Jayne Goulding, Managing Accountant Auditor, Placer County