



April 24, 2012

Rene M. Visé, Director
Administrative Services
City of Santa Maria
110 E. Cook Street
Santa Maria, CA 93454

Dear Mr. Visé:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Santa Maria as Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 16, 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 does not qualify as an EO:

Page 1, line item 6 in the amount of \$236,361 is a loan from the City of Santa Maria. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific ROPS item 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 Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Mr. Ed Price, Division Chief Property Tax Division, Santa Barbara County