



April 26, 2012

Angela Freitas, Deputy Director  
Stanislaus County Planning Department  
1010 10th Street, Suite 3400  
Modesto, CA 95354

Dear Ms. Freitas:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Stanislaus County Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 13, 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 2, line 10 is a \$32 million project without expenditure contracts. HSC section 34163(b) prohibits new with any entity after June 27, 2011.
- Page 2, line item 9 totals \$7.6 million for low and moderate housing. The requirement to set aside 20 percent of RDA tax increment for low and moderate income housing purposes ended with the passing of the redevelopment dissolution legislation. HSC section 34177 (d) requires that all unencumbered balances in the Low and Moderate Income Housing Fund be remitted to the county auditor controller for distribution.

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 further evidence that the items questioned above meet the definition of an EO.

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

Sincerely,

MARK HILL  
Program Budget Manager

cc: Ms. Lauren Klein, CPA, Auditor-Controller, Stanislaus County  
Ms. Marianne Rucker, Manager, Stanislaus County