



April 27, 2012

Teresa Binkley, Finance Director
City of Taft
209 East Kern Street
Taft, CA 93268

Dear Ms. Binkley:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Taft Successor (City) Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 13, 2012 for the period January through June, 2012. Finance staff contacted you for clarification of an item listed in the ROPS.

HSC section 34171 (d) lists enforceable obligation (EO) characteristics. Based on our application of the law, the following item does not qualify as an EO:

Line 3 for \$2.8 million is a loan from the City. HSC section 34171 (d) (2) states that agreements between the City and former redevelopment agency are not enforceable obligations. The denied amount of \$347,200 was deducted from the original agreement amount as it was found to be an enforceable obligation.

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.

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: Ms. Ann K. Barnett, Auditor-Controller, Kern County