



April 26, 2012

Roger Hunt, Assistant RMA Director of  
Administration/ Community Development  
Tulare County  
5961 South Mooney Blvd.  
Visalia, CA 93277

Dear Mr. Hunt:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Tulare County (County) Redevelopment Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 13, 2012 for the period January to July 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:

- Form A, items 19, 41, 49, 54, 55, 58 and 61 – various projects with contracts executed after June 28, 2011 totaling \$686,147. HSC section 34163 (b) prohibits the Agency from entering into contracts with any entity after June 28, 2011.
- Form A, item 51 – Earlimart Ped Safety Washington project in the amount of \$94,330. This contract is between the County and Halopoff & Sons, Inc. and does not include Agency; therefore, this is not an EO.
- Form A, items 27 and 28 – office and administrative costs totaling \$118,524. These items appear to be duplicates from page 3 (Form C) in the administrative cost section.
- Administrative expenses totaling \$247,198. HSC section 34171 (b) limits administrative expenses to five percent of property tax allocated to the successor agency or \$250,000, whichever is greater. Five percent of the property tax allocated is \$91,896. Therefore, out of the \$497,198 claimed, the Agency is limited to the \$250,000 minimum funding for administrative expense. The following items are considered administrative expenses:
  - Form A – Items 25-26
  - Form C – All items 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.

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.

Mr. Hunt  
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Please direct inquiries to Evelyn Suess, Supervisor or Mindy Patterson, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in cursive script that reads "Mark Hill".

MARK HILL  
Program Budget Manager

cc: Ms. Rita A. Woodard, Auditor-Controller, Tulare County  
Ms. Sharla Allison, Chief Accountant, Tulare County  
Ms. Sophia Almanza, Fiscal Manager-Administration, Tulare County