



May 30, 2012

Arne Croce, Interim City Manager  
City of Bell  
6330 Pine Avenue  
Bell, CA 90201

Dear Mr. Croce:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (I) (2) (C), the City of Bell Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 2, 2012 for periods of the January to June 2012 and July to December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

Except for items disallowed in whole or in part as enforceable obligations noted in Finance's letter dated May 17, 2012, Finance is approving the remaining items listed in your ROPS for both periods. In our letter dated May 17, 2012, we questioned line item 2, page 1, for \$32.6 million for the 2005 Mobile Home Park Bonds for both ROPS periods. For clarification purposes, we did not question the enforceability of the obligation; however, we note that this item should be paid using mobile home rent revenues and not tax increment. HSC section 34177 (I) (1) (E) states Redevelopment Property Tax Trust Fund (RPTTF) should be used only to the extent no other funding source is available.

This is our determination with respect to any items funded from the RPTTF for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at [http://www.dof.ca.gov/assembly\\_bills\\_26-27/view.php](http://www.dof.ca.gov/assembly_bills_26-27/view.php) for the amount of RPTTF that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is not and never was an unlimited funding source. Therefore as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available in the RPTTF.

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Please direct inquiries to Evelyn Suess, Supervisor or Brian Dunham, Lead Analyst at (916) 322-2985.

Sincerely,

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

MARK HILL  
Program Budget Manager

cc: Ms. Nancy Fong, Interim Community Development Director, City of Bell  
Ms. Kristina Burns, Program Specialist III, County of Los Angeles