



May 10, 2012

Jack Castro, Finance Director
City of Huron
P O Box 339
Huron, CA 93234

Dear Mr. Castro:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Huron Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 27, 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 EOs:

- Page 1, line items 4 and 5 totaling \$1 million. The contracts provided are between the city and third parties. There are no contracts between the former redevelopment agency and third parties to support the line items.

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.

Finance may continue to review items on the ROPS in addition to those mentioned above and identify additional issues. We will provide separate notice if we are requesting further modifications to the ROPS. It is our intent to provide an approval notice with regard to each ROPS prior to the June 1 property tax distribution date.

If you disagree with our conclusions, please provide evidence that the items above meet the definition of an EO and submit to Redevelopment_Administration@dof.ca.gov.

Please direct inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Mr. George Gomez, Accounting Financial Manager, Fresno County
Ms. Robin Cook, Senior Accountant, Fresno County