



May 27, 2012

Lori Stone, Executive Director
March Joint Powers Authority
23555 Meyer Drive
Riverside, CA 92518

Dear Ms. Stone:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the March Joint Powers Authority Successor Agency was required to submit a Recognized Obligation Payment Schedule (ROPS) approved by your oversight board to the California Department of Finance (Finance). Finance has not received the ROPS for the July to December 2012 period.

Since all distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are required by law to be made on June 1, 2012 covering obligations for July through December 2012, as well as adjusting for property tax funding needs for the January 2012 through June 2012 period, there is no basis on which your agency can receive property tax revenue for the latter period. The law also provides that after July 1, 2012, no payments can be made without an approved ROPS. Therefore we urge you to adopt a ROPS as soon as possible to allow spending of existing reserves and other revenues available to you.

January to June 2012 Review Results

- Item 4 for \$25,000 of Administrative costs is not an EO. HSC section 34171 (b) limits the 2011-12 administrative cost allowance to five percent of the property tax allocated to the successor agency or \$250,000, whichever is greater. The Agency property tax allocation for 2011-12 is \$103,000. Therefore, the Agency is limited to the \$250,000 minimum funding for administrative expenses.
- Items 40, 41, 42 for \$390,556 grant match is not an EO. Although federal grants have been awarded to the Agency to perform various projects, Finance understands that no contractors have been selected to carry out these projects. HSC section 34163 (b) prohibits these commitments to commence if valid contracts have not been entered into prior to June 27, 2011.

This is our determination with respect to Redevelopment Property Tax Trust Fund (RPTTF) disbursements for the June 1, 2012 property tax allocations. In addition, items not questioned during this review are subject to 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 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 for the amount of RPTTF that was approved by Finance.

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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.

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

Sincerely,



MARK HILL
Program Budget Manager

cc: Ms. Danielle Wheeler, Assistant Director, March Joint Powers Authority
Ms. April Nash, Auditor Controller's Office, County of Riverside
Ms. Jennifer Baechel, Auditor Controller's Office, County of Riverside
Ms. Pam Elias, Auditor Controller's Office, County of Riverside