



April 26, 2012

Ms. Lisa Strong, Deputy City Treasurer
City of Fontana
8353 Sierra Avenue
Fontana, CA 92335

Dear Ms. Strong:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Fontana Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 16, 2012 for the period January through June 30, 2012. Finance staff contacted you for clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligations (EO) characteristics. Based on our application of the law, the following items do not qualify as EOs:

- Item No. 8, 20, 21, and 22, page 2 – in the amount of \$198.6 million are loan contracts with the City of Fontana. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not EOs.
- Item No. 53 and 54, page 2 – in the amount of \$9.2 million are contracts signed after June 28, 2011. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 28, 2011.

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.

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 Jennifer Whitaker or Robert Scott at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Ms. Vanessa Doyle, Property Tax Manager, San Bernardino County Auditor-
Controller/Treasurer/Tax Collector