DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 11, 2012

Dawn Merchant, Finance Director
City of Antioch
P.O. Box 5007
Antioch, CA 94531-5007

Dear Ms. Merchant,

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Antioch Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on May 2, 2012 for the period January through June 2012 and July through December 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:

- Item 5, page 1, period January through June 2012 and item 5, page 1, period July through December 2012 is a repayment for housing fund for $3.5 million. The repayment is for deferred amounts, not a loan with the Low and Moderate Income Housing Fund. This requirement ended with the passing of the redevelopment dissolution legislation.

- Item 8, page 1 period January through June 2012 and Item 7, page 1 period July through December 2012 is a loan modification in the amount of $4.5 million. There are on no signed document. HSC section 34171(d)(2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency are not enforceable obligations.

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.

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 believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO and submit to the following email address:

Redevelopment_Administration@dof.ca.gov

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

Sincerely,

Mark Hill

MARK HILL
Program Budget Manager

cc: Mr. Bob Campbell, Auditor-Controller, Contra Costa County
Mr. Jay Wilverding, Chief Accountant, Contra Costa County