



April 25, 2012

Rachelle Rickard, Director of Administrative Services  
 City of Atascadero  
 6907 El Camino Real  
 Atascadero, CA 93422

Dear Ms. Rickard

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Atascadero Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 17, 2012 for the periods 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 obligations characteristics. Based on our application of the law, the following items do not qualify as Enforceable Obligations (EO):

January through June 2012 Period

- Contracts with the City (shown below) totaling \$53.8 million are not EOs. HSC section 34171 (d) (2) states agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable.

Project Area	Project Name	Item No.	Page	Amount
Redevelopment Project Area #1	Reimbursement Agreement	1	1 of 15	\$30,477,075
Redevelopment Project Area #1	Reimbursement Agreement	2	1 of 15	81,000
Redevelopment Project Area #1	Reimbursement Agreement	1	2 of 15	2,882,644
Redevelopment Project Area #1	Reimbursement Agreement	2	2 of 15	9,000
Redevelopment Project Area #1	City Loan Entered in 2002	5	2 of 15	774,152
Redevelopment Project Area #1	Blight Reduction	22	3 of 15	5,621,180
Redevelopment Project Area #1	Zoo Wall Improvement	46	5 of 15	240,000
Redevelopment Project Area #1	Production of Affordable Housing	49	5 of 15	5,543,800
Redevelopment Project Area #1	Blight Elimination	53	6 of 15	8,176,820
				<u>\$53,805,671</u>

- Item 57 – Wayfinding Project street signs and kiosks not yet installed in the amount of \$52,263. HSC section 34163(b) prohibits the installation to commence if valid contracts have not been entered into prior to June 28, 2011.
- Item 107 – Historic City Hall Earthquake Repair/Rehab Project landscaping restoration not yet awarded in the amount of \$350,000. HSC section 34163 (b) prohibits the restoration to commence if contracts have not been entered into prior to June 28, 2011.

- Contracts executed after June 27, 2011 (shown below) totaling \$640,091 are not EOs. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract after June 27, 2011. The contracts below were signed after June 27, 2011.

Project Area	Project Name	Item No.	Page	Amount
Redevelopment Project Area #1	Sunken Garden Holiday Enhancement	31	4 of 15	\$ 7,200
Redevelopment Project Area #1	Special Events and Promotions	38	4 of 15	20,000
Redevelopment Project Area #1	Lake Park Sign & Frontage	42	5 of 15	370,468
Redevelopment Project Area #1	Downtown Property Purchase	59	6 of 15	125,008
Redevelopment Project Area #1	Downtown Pedestrian Bridge	65	6 of 15	106,605
Redevelopment Project Area #1	Downtown Pedestrian Bridge	66	6 of 15	10,810
				<u>\$ 640,091</u>

July through December 2012 Period

- Contracts with the City (shown below) totaling \$53.8 million are not EOs. HSC section 34171 (d) (2) states agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable.

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As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the specific ROPS item noted 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 Robert Scott, Supervisor or Kylie Le Lead Analyst at (916) 322-2985.

Sincerely,



MARK HILL  
Program Budget Manager

cc: Ms. Barbara Godwin, Property Tax Manager