



May 7, 2012

Rick Warsinski, City Manager
City of Buena Park
6650 Beach Boulevard
Buena Park, CA 90622

Dear Mr. Warsinski:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Buena Park (City) Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 24, 2012 for the period 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 No. 23 – Judgment-Jonathan Lehrer-Graiwer of \$104 million. The judgment is not an EO. The requirement to set aside 20 percent of RDA tax increment for low and moderate income housing purposes ended with the passing of the redevelopment dissolution legislation. Because there no longer are such taxes allocated to the Agency, there is no payment obligation.
- Item No. 100 – Match Grant of \$50,000. A California Department of Transportation grant was awarded on July 26, 2011 to the City in the amount of \$200,000. The City was to provide matching funds in the amount of \$50,000 for the Multi-Modal Mobility Action Plan. HSC section 34163 (b) prohibits these commitments to commence if valid contracts have not been entered into prior to June 28, 2011.
- Sufficient documentation to support the following projects and/or debt obligations, totaling \$142 million, was not provided.

Item No	Page	Project Name / Debt Obligation	Payee	Amount
27	1	Jamboree Housing Project	Employee Costs	\$86,370
28	1	Property Management/Maintenance	Employee Costs	78,810
32	1	Developer Disposition Agreement	Buena Park Mall	9,172,490
33	1	Developer Disposition Agreement	CDW	72,807,285
34	1	Developer Disposition Agreement	CarMax	747,555
35	1	Developer Disposition Agreement	The Source	59,170,000
			Total	\$ 142,062,509

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.

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Department of 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 Chikako Takagi-Galamba, Supervisor or Wendy Griffe, Lead Analyst at (916) 322-2985.

Sincerely,



MARK HILL
Program Budget Manager

cc: May Hui, Economic Development Director, City of Buena Park
Scott Riordan, Project Manager, City of Buena Park
Melissa Dhauw, Administrative Analyst, City of Buena Park
Frank Davies, Orange County Auditor Controller