



April 20, 2012

Elizabeth Hudson
Town of Danville
510 La Gonda Way
Danville, CA 94526

Dear Ms. Hudson:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Town of Danville Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 10, 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 are not Enforceable Obligations (EO):

- Item No. 4 - Operating advances in the amount of \$8,063,814. HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are not EO.
- Item No. 6 - Housing fund balance in the amount of \$53,093. HSC section 34177 (d) requires that all unencumbered balances in the Low and Moderate Income Housing Fund be remitted to the county auditor controller for distribution to the taxing entities.

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.

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 any inquiries to Robert Scott, Supervisor or Doug Evans, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Mr. Robert Ewing, City Attorney, Danville
Mr. Bob Campbell, Auditor-Controller, Contra Costa County
Mr. Robert Ewing, City Attorney