



April 16, 2012

Mr. Dennis Wilberg, City Manager
City of Mission Viejo
200 Civic Center
Mission Viejo, CA 92691

Dear Mr. Wilberg:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Mission Viejo 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 (EO) characteristics. Based on our application of the law, the following items do not qualify as EOs:

HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011.

- o Items No. 1 through 4, page 2 – in the amount of \$200,475 are for contracts signed after June 27, 2012.
- o Item No. 5, page 2 – in the amount of \$1.28 million is an affordable housing subsidy contract signed on January 25, 2012.

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

Sincerely,

MARK HILL
Program Budget Manager

cc: Mr. Frank Davies, Administrative Manager, Orange County