



April 27, 2012

Ann Ritzma, Administrative Services Director  
City of Pacifica  
170 Santa Maria Avenue  
Pacifica, CA 94044

Dear Ms. Ritzma:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Pacifica Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 16, 2012. Finance staff recently contacted you for further clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligations characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as Enforceable Obligations (EO):

- Item 6 – Redevelopment Loan from General Fund in the amount of \$6.1 million. HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are only enforceable if made within the first two years of the RDA's existence.

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 Evelyn Suess, Supervisor or Doug Evans, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL  
Program Budget Manager

cc: Mr. Bob Adler, Auditor-Controller, San Mateo County