



April 11, 2012

Jeff Kay, Business Development Analyst
City of San Leandro
835 E. 14th Street, 1st Floor
San Leandro, CA 94577

Dear Mr. Kay:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), San Leandro Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 6, 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:

- Item No. 3 on page 1 - City loan in the amount of \$2 million. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable.
- Items No. 6 through 9 on page 2 – Cooperative Agreements totaling \$8.9 million. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. We understand the RDA has not entered into any contracts prior to this date.

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

Sincerely,

MARK HILL
Program Budget Manager

cc: Ms. Carol Orth, Tax Analysis Division Chief, Alameda County Auditor-Controller Agency