



April 27, 2012

Cindy Mosser, Finance Manager  
City of Walnut Creek  
1666 N. Main Street  
Walnut Creek, CA 94596

Dear Ms. Mosser:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Walnut Creek (City) Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 13, 2012 for periods January to June 2012, and July to December 2012. Finance staff contacted you for clarification of items on the ROPS.

HSC section 34171 (d) lists enforceable obligations characteristics. Based on our application of the law, we do not believe the following items qualify as Enforceable Obligations (EO):

- Item 7 and 8, page 1 – Public Improvement projects total \$1.9 million and are loans from the City. HSC section 34171 (d) (2) states agreements between the City that created the redevelopment agency (RDA) and the former RDA are not enforceable.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the ROPS to be ineffective until Finance approval and may cause payment delays for valid obligations.

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: Mr. Bob Campbell, Auditor-Controller, County of Contra Costa  
Mr. Jay Wilverding, Chief Accountant, County of Contra Costa