



April 27, 2012

Eddie Manfro, Assistant City Manager  
City of Westminster  
8200 Westminster Blvd,  
Westminster, CA 92683

Dear Mr. Manfro:

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

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

- Line 13 and 14 on page 2, line 33, 34, and 36 on page 3, and line 48, 49, 50, and 51 on page 4 total \$ 22.6 million. HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. There are no contracts to encumber the total amount shown above.
- Line 41, 42, and 53 on page 4 totals \$17.5 million for loans from the City. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency are not enforceable obligations.

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 inquiries to Jennifer Whittaker or Robert Scott at (916) 322-2985.

Sincerely,

MARK HILL  
Program Budget Manager

cc: Ms. Robin Roberts, City Clerk, City of Westminster  
Mr. Frank Davies, Administration Manager, Orange County