



May 11, 2012

Wendy Ross, Economic Development Manager
City of Woodland
300 First Street
Woodland, CA 95776

Dear Ms. Ross:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Woodland Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 27, 2012 for the periods January through June 2012 and July through December 2012. 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:

January through June 2012 ROPS

- Various projects/obligations in the amount of \$5.7 million. HSC section 34163(b) prohibits the redevelopment agency (RDA) from entering into a contract with any entity after June 27, 2011. No valid contracts were provided for the following projects/obligations: items 6, 8, 10, 18 and 19 on page 2.
- Item 12 on page 2 in the amount of \$114,871. The RDA was not a party to the contract.
- Administrative expenses in the amount of \$160,512. HSC section 34171 (b) limits administrative expenses for 2011-12 to five percent of property tax allocated to the successor agency or \$250,000, whichever is greater. Five percent of the property tax allocated is \$128,771. Therefore, \$160,512 of the claimed \$410,512 in administrative expense is not an EO. The following items were considered administrative expenses:
 - Items 15 and 16 on page 1
 - Items 1 through 12 and 15 through 26 on page 3

July through December 2012 ROPS

- Various projects/obligations in the amount of \$5.7 million. HSC section 34163(b) prohibits the redevelopment agency (RDA) from entering into a contract with any entity after June 27, 2011. No valid contracts were provided for the following projects/obligations: items 7, 8, 10, 13 and 14 on page 2.
- Item 12 on page 2 in the amount of \$114,871. The RDA was not a party to the contract.

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.

Finance may continue to review items on the ROPS in addition to those mentioned above and identify additional issues. We will provide separate notice if we are requesting further modifications to the ROPS. It is our intent to provide an approval notice with regard to each ROPS prior to the June 1 property tax distribution date.

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 and submit to the following email address:

Redevelopment_Administration@dof.ca.gov

Please direct inquiries to Chikako Takagi-Galamba, Supervisor or Cindie Lor, Lead Analyst at (916) 322-2985.

Sincerely,



MARK HILL
Program Budget Manager

cc: Mr. Howard Newens, Auditor-Controller, County of Yolo Auditor-Controller and
Treasurer-Tax Collector