



April 18, 2012

John Montag, Redevelopment and Housing Manager  
City of Concord  
1950 Parkside Drive  
Concord, CA 94519-2578

Dear Mr. Montag:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Concord Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 13th, 2011. Finance staff contacted you for clarification of items listed in the ROPS.

The ROPS submitted to Finance is incomplete, and therefore, not approved for making obligation payments. The HSC section 34177 (l) (3) specifically states that the first ROPS shall be for the period of January 1, 2012 to June 30, 2012, inclusive. Please revise your ROPS to incorporate January obligations. Please use the template on the Finance website at [http://www.dof.ca.gov/assembly\\_bills\\_26-27/view.php](http://www.dof.ca.gov/assembly_bills_26-27/view.php) to prepare and submit a revised ROPS for Finance's review.

In addition, Finance has determined the following item included on the ROPS is not an enforceable obligation (EO). HSC section 34171 (d) lists enforceable obligations characteristics. Based on our application of a sample of items reviewed and application of the law, the following item does not qualify as an EO:

Page 1, item 9 – Owner Participation Agreement in the amount of \$1.7 million is not an EO. HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding that construction contracts for the remaining project phase for this agreement have not been awarded yet. Therefore, this item is no enforceable.

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

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

Sincerely,

MARK HILL  
Program Budget Manager

cc: On following page

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cc: Ms. Margaret Lefebvre, Director of Finance, City of Concord  
Mr. Bob Campbell, Auditor-Controller, Contra Costa County Auditor-Controller's Office  
Mr. Jay Wilverding, Chief Accountant, Contra Costa County Auditor-Controller's Office