



May 3, 2012

Dennis Swink, City Controller  
City of West Covina  
1444 West Garvey Avenue  
West Covina, CA 91790

Dear Mr. Swink:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the West Covina Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 24, 2012 for the periods of 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. Because no supporting documents were submitted, the following do not qualify as EOs:

January through June 2012 ROPS:

Item #	Page	Project Name	Amount
10	1	DDA - The Lakes	\$ 1,800,000
11	1	OPA - CFD	93,836,711
12	1	CFD Tax Increment Pledge	17,153,258
13	1	CSS - CFD	4,803,381
15	1	Housing Set-Aside	1,783,786
17	1	Repay County Loan	14,377,838
20	1	Anticipated/Existing Litigation	5,000,000
21	1	City Note - Administration	19,789,504
22	1	City Note - CIP	3,604,284
23	1	City Note Revolving	8,318,522
24	1	Sales Tax Reimbursement	24,008,124
25	1	City line of credit	5,218,750
26	1	Golf Course Agreement	45,000,000
		<b>Total</b>	<b>\$ 244,694,158</b>

July through December 2012 ROPS:

Item #	Page	Project Name	Amount
10	1	DDA - The Lakes	\$ 1,575,000
11	1	OPA - CFD	93,836,711
12	1	CFD Tax Increment Pledge	15,810,088
13	1	CSS - CFD	4,730,011
16	1	Repay County Loan	8,270,187
19	1	Anticipated/Existing Litigation	3,256,341
20	1	City Note - Administration	18,305,904
21	1	City Note - CIP	3,344,501
22	1	City Note Revolving	7,761,905
23	1	Sales Tax Reimbursement	22,758,124
24	1	Golf Course Agreement	45,000,000
		<b>Total</b>	<b>\$ 224,648,772</b>

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 and send to the following email address:

[Redevelopment\\_Administration@dof.ca.gov](mailto:Redevelopment_Administration@dof.ca.gov)

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.

Please direct inquiries to Evelyn Suess, Supervisor or Michael Barr, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL  
Program Budget Manager

cc: Ms. Kristina Burns, Program Specialist III, Los Angeles County