

April 27, 2012

Toby Ross, Executive Director  
West Sacramento Redevelopment Successor Agency  
West Sacramento City Hall  
1110 West Capitol Avenue  
West Sacramento, CA 95691

Dear Mr. Ross:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the West Sacramento Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 12, 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:

- 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.
  - Form A, line item 4 in the amount of \$9.7 million. It is our understanding that this agreement was made between the former RDA and the Sac-Yolo Port District, a reporting fund of the City of West Sacramento, and thus does not qualify as an enforceable obligation.
  - Form A, line item 6, in the amount of \$144.7 million. It is our understanding that amounts claimed for this line item are based on an agreement between the City and the former RDA to provide tax increment funding for a variety of Bridge District projects.
- Form A, line items 16 and 17 totaling \$310,332 for projected city staff costs related to ongoing projects. It is our understanding that no formal agreements exist to support the specific tasks and amounts claimed.

In addition, the ROPS for the period July through December 2012 submitted to Finance is incomplete, and therefore, not approved for making obligation payments. Form A total column does not include amounts for all months. Further, please revise the ROPS to ensure items denied for the January through June 2012 ROPS are not included on the July through December 2012 ROPS.

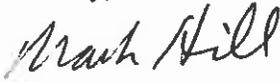
As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.

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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 Chikako Takagi-Galamba, Supervisor or Wendy Griffe, Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in cursive script that reads "Mark Hill".

MARK HILL  
Program Budget Manager

cc: Paul Blumberg, Public Finance Director, City of West Sacramento  
Nitish Sharma, Senior Accountant, City of West Sacramento  
Howard Newens, Auditor-Controller, Yolo County