



April 11, 2012

Matt Perry, Chief Deputy
County Administrative Office
County of Lake
255 North Forbes Street
Lakeport, CA 95453

Dear Mr. Perry:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Lake County Successor Agency (County) submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 3, 2012. Finance staff contacted you for clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligations (EO) characteristics. Based on our application of the law, the following items do not qualify as EOs:

Item No. 9, 10, and 11 are loans from the County to the RDA for development projects in the amount of \$627,867. HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are not enforceable.

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.

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 any inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Ms. Cathy Saderlund, Auditor-Controller, County of Lake
Ms. Liz Martinez, Accountant II, County of Lake