



April 20, 2012

Jennifer La Liberte, Economic Development Manager  
City of Napa  
1600 Clay Street  
Napa, CA 94559

Dear Ms. La Liberte:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Napa City Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 11, 2012. Finance staff contacted you for clarification of items listed in the ROPS.

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

- Item No. 15, page 1 – Loan from City Water Fund in the amount of \$1,005,470. HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are not EOs.
- Items No. 12 and 25, page 4 – Housing Fund transfer out totaling \$793,601. HSC section 34177 (d) requires that all unencumbered balances in the Low and Moderate Income Housing Fund be remitted to the county auditor controller.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific items in ROPS identified 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 inquiries to Robert Scott, Supervisor or Kylie Le, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL  
Program Budget Manager

cc: Ms. Christy Redford, Property Tax Specialist, County of Napa  
Mr. Bob Minahen, Assistant Auditor Controller, County of Napa  
Ms. Andrea Seiger, Accountant Auditor III, County of Napa