



March 15, 2016

Ms. Jennifer LaLiberte, Redevelopment/Economic Development Manager
City of Napa
1600 First Street
Napa, CA 94559

Dear Ms. LaLiberte:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Napa Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) to the California Department of Finance (Finance) on January 20, 2016. Finance has completed its review of the ROPS 16-17.

Based on our review, Finance is approving all of the items listed on the ROPS 16-17 at this time. However, Finance notes the following:

Item No. 38 – Community Development Block Grant (CDBG) Funds from Property Disposition in the amount of \$3 million in Other Funds. It is our understanding the Agency intends to use sale proceeds generated from the sale of property located at 1201 Main Street. Finance approved the property sale in the Agency's Long-Range Property Management Plan on March 20, 2014. Per Closeout Agreement between the former Redevelopment Agency and the City of Napa dated April 4, 1978, the proceeds from the property sale shall be treated as program income to the CDBG program. According to the Agency, the amount requested was estimated based on the property's appraised value of \$2.05 million obtained during December 2015. Therefore, Finance's authorized Other Funds funding amount for this item is limited to the actual net sales proceeds for the property.

The Agency's maximum approved RPTTF distribution for the reporting period is \$2,744,242 as summarized in the Approved RPTTF Distribution table on page 3 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the July 1, 2016 through December 31, 2016 (ROPS A period), and one distribution for the January 1, 2017 through June 30, 2017 (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through

December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Cindie Lor, Supervisor, or Anna Kyumba, Lead Analyst at (916) 445-1546.

Sincerely,


JUSTYN HOWARD
Program Budget Manager

cc: Ms. Roberta Raper, Finance Director, City of Napa
Mr. Bob Minahen, Assistant Auditor Controller, Napa County

Attachment

Approved RPTTF Distribution			
For the period of July 2016 through June 2017			
	ROPS A Period	ROPS B Period	Total
Requested RPTTF (excluding administrative obligations)	\$ 0	\$ 2,494,242	\$ 2,494,242
Requested Administrative RPTTF	125,000	125,000	250,000
Total RPTTF requested for obligations on ROPS 16-17	125,000	2,619,242	\$ 2,744,242
Total RPTTF authorized	0	2,494,242	2,494,242
Total Administrative RPTTF authorized	125,000	125,000	250,000
Total RPTTF approved for distribution	125,000	2,619,242	\$ 2,744,242