



June 14, 2017

Mr. David A. Wilson, Director of Finance and Technology Services  
City of West Hollywood  
8300 Santa Monica Boulevard  
West Hollywood, CA 90069

Dear Mr. Wilson:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the City of West Hollywood submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on March 6, 2017. Finance has completed its review of the Agency's Last and Final ROPS.

HSC section 34191.6 (c) authorizes Finance to make amendments or changes to the Last and Final ROPS if the changes are agreed to in writing by the Agency. The Agency has agreed in writing to the following changes made by Finance to the Agency's Last and Final ROPS:

- Item Nos. 7, 8, 30, and 31 – 2011A Tax Allocation Non-Housing Bonds totaling \$64,768,614 have been adjusted. Pursuant to HSC section 34191.4 (c) (2) (C), remaining bond proceeds that cannot be spent pursuant to subparagraphs (A) and (B) shall be used at the earliest date permissible under the applicable bond covenants to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation. The Agency holds \$17,228,263 in 2011 Series A Bond Proceeds that cannot be spent pursuant to subparagraphs (A) and (B) and plans to use those proceeds, as required by HSC section 34191.4 (c) (2) (C), to defease or purchase the bonds on the open market on or after September 1, 2021 (the redemption date of the 2011 Series A Bonds).

The Agency requested \$17,228,263 in 2011A Bond Proceeds be added to ROPS Line Item 7 during the 21-22A ROPS period, which will be used to purchase as many of the outstanding 2011A Bonds for redemption as possible. On September 1, 2021, approximately \$25,935,000 in principal will remain outstanding on the 2011A Bonds. The \$17,228,263 in unspent 2011A Bond Proceeds equal 66.43 percent of the outstanding principal. Therefore, the Agency further requested that starting in ROPS 21-22B through ROPS 41-42B, the 2011A principal and interest payments for these line items be reduced by 66.43 percent to account for the anticipated debt service savings from redemption or purchase of a portion of the 2011A Bonds.

Therefore, with the Agency's concurrence, Finance made the following adjustments:

- Item Nos. 8, 30, and 31 – RPTTF requested from ROPS 21-22B through ROPS 41- 42B periods has been reduced by 66.43 percent to account for the anticipated debt service savings from the 2011A Bonds. As such, Finance is approving \$25,136,365 (\$8,570,210 + \$8,075,591 + \$8,490,564) in Redevelopment Property Tax Trust Fund (RPTTF) and \$934,049 Other Funds funding. Refer to Attachment A on Page 6 for adjustments made by Finance.
- Item No. 7 – Increased the amount requested from Bond Proceeds from zero to \$17,228,263 during the ROPS 21-22A period. As such, Finance is approving \$25,142 in RPTTF, \$17,228,263 in Bond Proceeds, and \$294,858 in Other Funds funding.
- Item Nos. 8, 30, 31 – 2011A Tax Allocation Non-Housing Bonds totaling \$64,448,614 have been partially reclassified from RPTTF to Bond Proceeds funding. The Agency has \$2,458,655 in its bond reserve account to satisfy final debt service payments during the January 1, 2039 through June 30, 2042 (ROPS 39-40B through 41-42B) period.

Finance reduced the requested amounts for Item Nos. 8, 30, and 31 by 66.43 percent as requested by the Agency. Therefore, with the Agency's concurrence, the funding source for the reduced balances totaling \$2,458,655 (\$193,112 + \$2,072,432 + \$193,111) has been reclassified from RPTTF to Bond Proceeds funding for the ROPS 39-40B through ROPS 41-42B periods. Refer to Attachment A on Page 6 for adjustments made by Finance.

- Item Nos. 11, 32, 33 – 2011B Tax Allocation Housing Bonds totaling \$24,348,282 have been partially reclassified from RPTTF to Bond Proceeds funding. The Agency has \$757,871 in its bond reserve account to satisfy final debt service payments during the ROPS 41-42B period.

Therefore, with the Agency's concurrence, the funding source for the following items has been reclassified from RPTTF to Bond Proceeds in the amounts specified below:

<b>ROPS Period</b>	<b>Item Number</b>	<b>RPTTF Requested</b>	<b>Amount Reclassified to Bond Proceeds</b>	<b>RPTTF Approved</b>
41-42B	11	\$ 47,975	\$ 47,975	\$ 0
41-42B	32	\$1,010,000	\$661,921	\$348,079
41-42B	33	\$ 47,975	\$ 47,975	\$ 0

- Item Nos. 27, 34, 35 – 2013 Tax Allocation Refunding Bonds totaling \$11,901,195 have been partially reclassified from RPTTF to Bond Proceeds funding. The Agency has \$787,295 in its bond reserve account to satisfy final debt service payments during the January 1, 2032 through June 30, 2032 (ROPS 31-32B) and January 1, 2033 through June 30, 2033 (ROPS 32-33B) periods.

Therefore, with the Agency's concurrence, the funding source for the following items have been reclassified from RPTTF to Bond Proceeds in the amounts specified below:

<b>ROPS Period</b>	<b>Item Number</b>	<b>RPTTF Requested</b>	<b>Amount Reclassified to Bond Proceeds</b>	<b>Revised RPTTF</b>
32-33B	27	\$ 17,375	\$ 17,375	\$ 0
31-32B	34	\$660,000	\$ 57,545	\$602,455
32-33B	34	\$695,000	\$695,000	\$ 0
32-33B	35	\$ 17,375	\$ 17,375	\$ 0

- Item No. 25 – The total claimed administrative costs of \$3,750,000 has been adjusted by \$2,040,000 to \$1,710,000. Specifically, the Agency requests \$3,750,000 over the next 25 years, or an average of \$150,000 per fiscal year for the administrative costs to service the 2011A Bond, the 2011B Bond, and the 2013 Bond.

While the total administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (2), the amount appears excessive given the number and nature of obligations listed on the Last and Final ROPS. Therefore, with the Agency's concurrence, Finance adjusted the Administrative Cost Allowance for the entire Last and Final ROPS to the amount of \$1,710,000. Adjustments specific to each ROPS period are reflected in the approved Last and Final ROPS.

- Item No. 39 – Affordable Housing Bond Expenditure Plan in the amount of \$5,647,427. Our review of the Cash Balance form indicates the Agency has unspent 2011A Bond Proceeds in the amount of \$9,276,757 that the Agency will be eligible to spend with the approval of the Last and Final ROPS pursuant to HSC section 34191.4 (c) (2) (B). Therefore, with the Agency's concurrence, the total amount requested for Item No. 39 has been adjusted by \$9,276,757 to \$14,924,184 (\$5,647,427 + \$9,276,757).

Finance is approving the Agency's Last and Final ROPS with the above amendments and changes. These changes are reflected in the approved Last and Final ROPS.

The Agency's maximum approved RPTTF distribution for the Last and Final ROPS is \$61,166,455 as summarized in the Approved RPTTF Distribution table on the next page.

Approved Last and Final ROPS RPTTF Distributions							
ROPS Period	A Periods			B Periods			Annual Total
	RPTTF	Admin RPTTF	A Period Total	RPTTF	Admin RPTTF	B Period Total	
Total requested	216,882	3,750,000	3,966,882	99,162,934	0	99,162,934	\$103,129,816
Total adjustments	0	2,040,000	2,040,000	39,923,361	0	39,923,361	41,963,361
<b>Total RPTTF approved for distribution</b>							
ROPS 17-18	184,882	150,000	334,882	3,946,414	0	3,946,414	4,281,296
ROPS 18-19	2,000	65,000	67,000	3,946,364	0	3,946,364	4,013,364
ROPS 19-20	2,000	65,000	67,000	3,952,164	0	3,952,164	4,019,164
ROPS 20-21	2,000	65,000	67,000	3,954,776	0	3,954,776	4,021,776
ROPS 21-22	2,000	65,000	67,000	2,395,804	0	2,395,804	2,462,804
ROPS 22-23	2,000	65,000	67,000	2,392,143	0	2,392,143	2,459,143
ROPS 23-24	2,000	65,000	67,000	2,396,102	0	2,396,102	2,463,102
ROPS 24-25	2,000	65,000	67,000	2,393,460	0	2,393,460	2,460,460
ROPS 25-26	2,000	65,000	67,000	2,397,281	0	2,397,281	2,464,281
ROPS 26-27	2,000	65,000	67,000	2,394,347	0	2,394,347	2,461,347
ROPS 27-28	2,000	65,000	67,000	2,394,591	0	2,394,591	2,461,591
ROPS 28-29	2,000	65,000	67,000	2,392,864	0	2,392,864	2,459,864
ROPS 29-30	2,000	65,000	67,000	2,395,709	0	2,395,709	2,462,709
ROPS 30-31	2,000	65,000	67,000	2,399,652	0	2,399,652	2,466,652
ROPS 31-32	2,000	65,000	67,000	2,331,313	0	2,331,313	2,398,313
ROPS 32-33	2,000	65,000	67,000	1,661,954	0	1,661,954	1,728,954
ROPS 33-34	2,000	65,000	67,000	2,087,221	0	2,087,221	2,154,221
ROPS 34-35	0	65,000	65,000	2,085,783	0	2,085,783	2,150,783
ROPS 35-36	0	65,000	65,000	2,072,139	0	2,072,139	2,137,139
ROPS 36-37	0	65,000	65,000	2,074,881	0	2,074,881	2,139,881
ROPS 37-38	0	65,000	65,000	2,079,123	0	2,079,123	2,144,123
ROPS 38-39	0	65,000	65,000	2,077,022	0	2,077,022	2,142,022
ROPS 39-40	0	65,000	65,000	1,554,561	0	1,554,561	1,619,561
ROPS 40-41	0	65,000	65,000	1,112,326	0	1,112,326	1,177,326
ROPS 41-42	0	65,000	65,000	351,579	0	351,579	416,579
<b>Total approved RPTTF</b>	<b>216,882</b>	<b>1,710,000</b>	<b>1,926,882</b>	<b>59,239,573</b>	<b>0</b>	<b>59,239,573</b>	<b>\$ 61,166,455</b>

Please refer to the approved Last and Final ROPS schedule used to calculate the total RPTTF approved for distribution:

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

This is Finance's determination related to the enforceable obligations reported on the Last and Final ROPS. HSC section 34191.6 (c) (2) allows agencies to submit no more than two requests to amend the approved Last and Final ROPS.

ROPS distributions will occur twice annually, one distribution for the July 1 through December 31 (ROPS A period) and one distribution for the January 1 through June 30 (ROPS B period). The Agency will receive RPTTF distributions up to the maximum approved amount on the Last and Final ROPS.

The Agency shall not expend more than the amount approved for each enforceable obligations listed and approved on the Last and Final ROPS. All unspent RPTTF received for enforceable obligations by the Agency should be retained for distribution to the affected taxing entities

pursuant to HSC section 34191.6 (d) (2) (G). Further, any revenues, interest, and earnings of the Agency not authorized for use pursuant to the approved Last and Final ROPS shall be remitted the County Auditor-Controller (CAC) pursuant to HSC section 34191.6 (c) (3). Pursuant to HSC section 34187 (e), once an agency has retired or paid off all enforceable obligations and all real property has been disposed of, the Agency is required to dispose of all remaining assets and remit any proceeds to the CAC for distribution to the affected taxing entities.

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 Last and Final ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF. However, HSC section 34191.6 (c) (5) provides mechanisms for the Agency to pay enforceable obligations if insufficient RPTTF is available on an approved Last and Final ROPS.

HSC section 34187 (b) defines the process of final dissolution of the Agency. When all enforceable obligations have been retired or paid off, all real property has been disposed of, and all outstanding litigation has been resolved, the Agency shall, within 30 days of meeting these conditions, submit to the Oversight Board (OB) a request to formally dissolve. The OB shall approve the request within 30 days and submit the request to Finance's review.

Pursuant to HSC section 34191.6 (c), Last and Final ROPS approved less than 15 days before the date of the RPTTF distribution shall not be effective until the subsequent RPTTF distribution period; therefore, if an agency receives a Last and Final ROPS approval after this cutoff date, the most recent annual ROPS 17-18 approval would remain effective through June 30, 2018.

Please direct inquiries to Anna Kyumba, Supervisor, or Daisy Rose, Lead Analyst, at (916) 322-2985.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. John Leonard, Revenue Manager, City of West Hollywood  
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment A: 2011A Bond RPTTF Adjustments

ROPS Period	RPTTF Requested on ROPS				Adjusted RPTTF amounts due to partial redemption (Debt service payments reduced by 66.43%)			Reclassified to Bond Proceeds Funded with Reserves			Approved RPTTF			
	Item 7	Item 8	Item 30	Item 31	Item 8	Item 30	Item 31	Item 8	Item 30	Item 31	Item 7	Item 8	Item 30	Item 31
17-18A	25,142	79,645									25,142	79,645		
17-18B		1,005,294	330,000	1,005,293								1,005,294	330,000	1,005,293
18-19B		996,219	350,000	996,219								996,219	350,000	996,219
19-20B		985,719	370,000	985,719								985,719	370,000	985,719
20-21B		974,619	395,000	974,619								974,619	395,000	974,619
21-22B		962,275	420,000	962,275	323,036	140,994	323,036					323,036	140,994	323,036
22-23B		947,575	450,000	947,575	318,101	151,065	318,101					318,101	151,065	318,101
23-24B		931,825	480,000	931,825	312,814	161,136	312,814					312,814	161,136	312,814
24-25B		915,025	515,000	915,025	307,174	172,886	307,174					307,174	172,886	307,174
25-26B		897,000	550,000	897,000	301,123	184,635	301,123					301,123	184,635	301,123
26-27B		877,750	590,000	877,750	294,661	198,063	294,661					294,661	198,063	294,661
27-28B		856,363	630,000	856,363	287,481	211,491	287,481					287,481	211,491	287,481
28-29B		833,525	675,000	833,525	279,814	226,598	279,814					279,814	226,598	279,814
29-30B		809,056	725,000	809,056	271,600	243,383	271,600					271,600	243,383	271,600
30-31B		782,775	780,000	782,775	262,778	261,846	262,778					262,778	261,846	262,778
31-32B		754,500	835,000	754,500	253,286	280,310	253,286					253,286	280,310	253,286
32-33B		723,188	900,000	723,188	242,774	302,130	242,774					242,774	302,130	242,774
33-34B		689,438	1,510,000	689,438	231,444	506,907	231,444					231,444	506,907	231,444
34-35B		632,813	1,625,000	632,813	212,435	545,513	212,435					212,435	545,513	212,435
35-36B		571,875	1,725,000	571,875	191,978	579,083	191,978					191,978	579,083	191,978
36-37B		506,813	1,865,000	506,813	170,137	626,081	170,137					170,137	626,081	170,137
37-38B		436,875	2,005,000	436,875	146,659	673,079	146,659					146,659	673,079	146,659
38-39B		361,688	2,155,000	361,688	121,419	723,434	121,419					121,419	723,434	121,419
39-40B		280,875	2,320,000	280,875	94,290	778,824	94,290	(94,290)	(336,863)	(94,290)			441,961	
40-41B		193,875	2,490,000	193,875	65,084	835,893	65,084	(65,084)	(835,893)	(65,084)				
41-42B		100,500	2,680,000	100,500	33,738	899,676	33,738	(33,738)	(899,676)	(33,738)				
<b>Total by Line Item</b>	<b>25,142</b>	<b>18,107,105</b>	<b>27,370,000</b>	<b>18,027,459</b>	<b>4,721,825</b>	<b>8,703,023</b>	<b>4,721,825</b>	<b>(193,112)</b>	<b>(2,072,432)</b>	<b>(193,111)</b>	<b>25,142</b>	<b>8,670,210</b>	<b>8,075,591</b>	<b>8,490,564</b>
<b>Total for 2011A Bond</b>	<b>63,629,706</b>				<b>18,146,672</b>			<b>(2,458,655)</b>			<b>25,161,506</b>			

Requested Amounts:

RPTTF	25,142	18,107,105	27,370,000	18,027,459
Other	294,858	934,049	0	0
Bond Proceeds	0	0	0	0
<b>Total Requested</b>	<b>\$ 320,000</b>	<b>\$ 19,041,154</b>	<b>\$ 27,370,000</b>	<b>\$ 18,027,459</b>

Total Approved:

RPTTF	\$ 25,142	\$ 8,570,210	\$ 8,075,591	\$ 8,490,564
Other Funds	294,858	934,049	0	0
Bond Proceeds	17,228,263	193,112	2,072,432	193,111
<b>Total Approved</b>	<b>\$ 17,548,263</b>	<b>\$ 9,697,371</b>	<b>\$ 10,148,023</b>	<b>\$ 8,683,675</b>