



February 12, 2015

Ms. Linda Padilla-Smyth, Economic Development & Housing Manager
City of La Habra
201 East La Habra Boulevard
La Habra, CA 90631

Dear Ms. Padilla-Smyth:

Subject: Request for Final and Conclusive Determination

On September 23, 2014, the California Department of Finance (Finance) received the City of La Habra Successor Agency's (Agency) request for a Final and Conclusive determination on Item No. 15 as listed on the January through June 2015 Recognized Obligation Payment Schedule.

Finance has completed its review of your request, which may have included obtaining clarification on items provided or additional supporting documentation. Based on our review, a Final and Conclusive determination for Item No. 15 is not applicable pursuant to Health and Safety Code (HSC) section 34177.5 (i).

HSC section 34177.5 (i) states the Agency can petition Finance to make a Final and Conclusive determination if the enforceable obligation provides for an irrevocable commitment of property tax revenue and where such revenues are expected to occur over time.

Specifically, a Final and Conclusive determination for this obligation is not applicable because the Second Amendment to Owner's Participation Agreement (OPA) between the Agency and Imperial, LLC appears to be an obligation funded by sales tax revenues per Sections 1.9 and 2.4 of the OPA. While this project is an enforceable obligation, it does not require an irrevocable commitment of property tax revenue, rather, it requires funding from sales tax revenues.

Please direct inquiries to Nichelle Thomas, Supervisor or Alex Watt, Lead Analyst at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Program Budget Manager

cc: Mr. John Balderas, Senior Accountant, City of La Habra
Mr. Frank Davies, Property Tax Manager, Orange County
California State Controller's Office