



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 for Item Nos. 1 through 6 as listed on the January through June 2015 Recognized Obligation Payment Schedule (ROPS 14-15B).

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 Nos. 1 through 6 related to 1998 Certificates of Participation (COPS) Series B and C debt service 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.

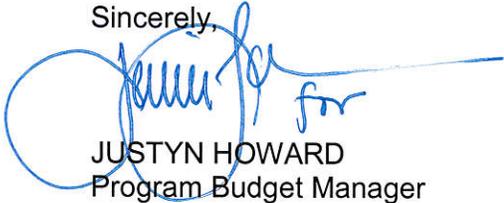
Specifically, a Final and Conclusive determination for these obligations is not applicable for the following reasons:

- Items Nos. 1 and 2 are reserve requests for the 1998 COPS Series B and C debt service payments. These obligations are claimed pursuant to HSC section 34171 (d) (1) (A) which allows a reserve to be held when the Agency anticipates the next property tax allocation to be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the year. Therefore, while these types of obligations are enforceable, payment is made when necessary and do not provide for an irrevocable commitment of property tax revenue, nor is the allocation of revenues expected to occur over time.
- Item Nos. 3 through 6 are related to principal and interest payments due and unpaid for the 1998 COPS Series B and C debt service. It is our understanding the 1998 COPS were issued to the City of La Habra (City) who loaned the proceeds to the Agency. According to Section 3.01 of the loan agreement, the loan shall be payable from, but not secured by a pledge of or lien on, the Tax Revenues and from any other source of legally available funds of the Agency. Additionally, as Finance determined in the ROPS 14-15B determination letter dated December 17, 2014, Item Nos. 4 through 6 are

not enforceable obligations. Also, Item No. 3, while not denied during the ROPS 14-15B because the Agency did not request funding, is not enforceable for the same reasons as noted in our letter.

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