



December 29, 2015

Ms. Teresa Rudolph, Assistant City Clerk  
City of Redding  
777 Cypress Avenue  
Redding, CA 96001

Dear Ms. Rudolph:

Subject: Final and Conclusive Determinations

On June 26, 2013, the California Department of Finance (Finance) received the City of Redding Successor Agency's (Agency) requests for Final and Conclusive determinations for the following items, as listed on the Agency's Recognized Obligation Payment Schedule (ROPS) for the period of July through December 2013:

- Item No. 4 – Canby-Hilltop-Cypress (CHC) 2003 Tax Allocation Bonds
- Item No. 7 – CHC 2001 Series A and B Housing Tax Allocation Bonds
- Item No. 23 – CHC Vested Retirement Benefits
- Item No. 26 – Market Street 2003 Tax Allocation Bonds
- Item No. 45 – Market Street Vested Retirement Benefits
- Item No. 47 – Midtown Repayment of Bonds
- Item No. 48 – Midtown Loan
- Item No. 49 – Midtown Health and Safety Code (HSC) section 33334.6 (d) Debt
- Item No. 50 – SHASTEC 2006 Tax Allocation Bonds
- Item No. 54 – Clover Creek Drainage Contract
- Item No. 55 – Clover Creek Drainage Payments
- Item No. 57 – Clover Creek Drainage Preserve Loan

Finance has completed its review of your requests, which may have included obtaining clarification or additional supporting documentation. Based on our review and application of HSC section 34177.5 (i), Finance made the following determinations:

Item Nos. 4, 7, 26, 47, 50 and 57

We are pleased to inform you:

- (i) Finance's approval of Item Nos. 4, 7, 26, 47, 50, and 57 as enforceable obligations is Final and Conclusive; and
- (ii) Finance's review of the Item Nos. 4, 7, 26, 47, 50, and 57 on future ROPS will be limited to confirming the scheduled payments are required by the obligations.

Finance notes the Final and Conclusive approval for Item No. 47 pertains solely to the repayment of the 1977 Bonds and complimentary interest. Any other potential payments or terms outlined in the 1977 Repayment Agreement between the Agency and the City of Redding are not enforceable obligations, pursuant to HSC section 34171 (d) (2).

Item Nos. 23, 45, 48, 49, 54, and 55

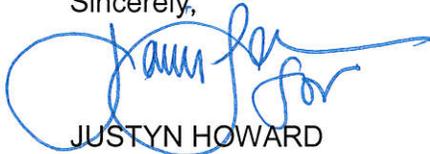
Item Nos. 23, 45, 48, 49, 54, and 55 do not qualify for Final and Conclusive approvals. Pursuant to HSC section 34177.5 (i), the Agency can petition Finance to make a Final and Conclusive determination if an enforceable obligation provides for an irrevocable commitment of revenue and allocation of such revenue is expected to occur over time. Item Nos. 23, 45, 48, 49, 54, and 55 do not qualify for Final and Conclusive approvals for the following reasons:

- Item Nos. 23 and 45 – CHC and Market Street Vested Retirement Benefits. Item Nos. 23 and 45 are not supported by any contracts or agreements that provide for an irrevocable commitment of revenue. Therefore, Item Nos. 23 and 45 are not eligible for Final and Conclusive approvals.
- Item No. 48 – Midtown Loan. Pursuant to HSC section 34191.4 (b) (1), loan agreements entered into between the former City of Redding Redevelopment Agency (RDA) and the City of Redding may be deemed enforceable obligations if the Agency's Oversight Board (OB) makes a finding the loan was for legitimate redevelopment purposes. The Agency's OB has not made a finding the loan related to Item No. 48 was for legitimate redevelopment purposes. Therefore, Item No. 48 is not an enforceable obligation at this time and not eligible for Final and Conclusive approval.
- Item No. 49 – Midtown HSC section 33334.6 (d) Debt. Pursuant to HSC section 34171 (d) (1) (G), amounts borrowed from, or payments owing to, the former RDA's Low and Moderate Income Housing Fund may be deemed enforceable obligations if the Agency's OB approves a repayment schedule for such amounts. The Agency's OB has not approved a repayment schedule for Item No. 49. Therefore, Item No. 49 is not an enforceable obligation at this time and not eligible for Final and Conclusive approval.
- Item No. 54 – Clover Creek Drainage Contract. The contract does not provide for an irrevocable commitment of revenue and the contract expired on March 31, 2015. Therefore, Item No. 54 is not eligible for a Final and Conclusive approval.
- Item No. 55 – Clover Creek Drainage Payments. Item No. 55 is not supported by a contract or agreement that provides for an irrevocable commitment of revenue. Therefore, Item No. 55 is not eligible for a Final and Conclusive approval.

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Please direct inquiries to Wendy Griffe, Supervisor, or Jonathan Cox, Lead Analyst, at  
(916) 445-1546.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Justyn Howard', with a large circular flourish on the left side and a horizontal line extending to the right.

JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Tanis Boucher, Accountant, City of Redding  
Ms. Sheri Jenkins, Managing Accountant Auditor, Shasta County