



November 6, 2013

Ms. Robbeyn Bird, Finance Director
City of La Quinta
P.O. Box 1504
La Quinta, CA 92247-1504

Dear Ms. Bird:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of La Quinta Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to the California Department of Finance (Finance) on September 26, 2013 for the period of January through June 2014. Finance has completed its review of your ROPS 13-14B, which may have included obtaining clarification for various items.

Based on our review, we are approving all of the items listed on your ROPS 13-14B at this time.

During our review, which may have included obtaining financial records, Finance noted the Agency has \$5,528,529 in reserve balances that are required to be used prior to requesting RPTTF. Pursuant to HSC section 34177 (l) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. Therefore, the funding source for the following items is being reclassified to reserve balance in the amounts specified below:

- Item No. 6 – 2004 Tax Allocation Bonds in the amount of \$2,949,841. Finance is reclassifying the full amount requested for the ROPS 13-14B period to reserves.
- Item No. 3 – 2001 Tax Allocation Bonds in the amount of \$1,978,298. Finance reclassifying the full amount requested for ROPS 13-14B period to reserves.
- Item No. 2 – 1998 Tax Allocation Bonds in the amount of \$937,503. Finance is reclassifying \$600,390 of the \$937,503 to reserves and approving \$337,113 in RPTTF.

Pursuant to HSC Section 34186 (a), successor agencies were required to report the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. The amount of RPTTF approved in the below table includes the prior period adjustment that was self-reported by the Agency. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the below table includes only the prior period adjustment that was self-reported by the Agency.

Except for the items that have been reclassified or for adjustments to the administrative costs, Finance is not objecting to the remaining items listed on your ROPS 13-14B. If you disagree with the determination with respect to any items on your ROPS 13-14B, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$4,246,007 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2014	
Total RPTTF requested for non-administrative obligations	9,684,016
Total RPTTF requested for administrative obligations	290,520
Total RPTTF requested for obligations	\$ 9,974,536
Total RPTTF requested for non-administrative obligations	9,684,016
Reclassified Items	
Item No. 2	(600,390)
Item No. 3	(1,978,298)
Item No. 6	(2,949,841)
	(5,528,529)
Total RPTTF approved for non-administrative obligations	4,155,487
Total RPTTF approved for administrative obligations	290,520
Total RPTTF approved for obligations	4,446,007
ROPS III prior period adjustment	(200,000)
Total RPTTF approved for distribution	\$ 4,246,007

Please refer to the ROPS 13-14B schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14B Forms by Successor Agency/>.

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2014. This determination applies only to items where funding was requested for the six month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination 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 that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the

Ms. Robbeyn Bird
November 6, 2013
Page 3

ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

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

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Frank Spevacek, Executive Director, City of La Quinta
Ms. Pam Elias, Chief Accountant Property Tax Division, County of Riverside
California State Controller's Office