



May 16, 2014

Ms. Judy Holwell, Project Manager  
City of Lemoore  
119 Fox Street  
Lemoore, CA 93245

Dear Ms. Holwell:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 14, 2014. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Lemoore Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to Finance on February 28, 2014, for the period of July through December 2014. Finance issued a ROPS determination letter on April 14, 2014. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on April 23, 2014.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific items being disputed.

- Item No. 1 – 1998 Tax Allocation Bond debt service payment in the amount of \$427,455. Finance no longer denies this item. Although total Redevelopment Property Tax Trust Fund (RPTTF) requested is \$427,455, Finance initially denied \$17,410 of this amount because only \$410,045 is due during the ROPS 14-15A period. During the Meet and Confer process, the Agency clarified that the additional amount requested is related to the various bond administration fees incurred annually. Therefore, this item is approved for the total amount requested.
- Item No. 2 – 2003 Tax Allocation Refunding Bond debt service payment in the amount of \$483,724. Finance no longer denies this item. Although total RPTTF requested is \$483,724, Finance initially denied \$10,000 of this amount because only \$473,724 is due during the ROPS 14-15A period. During the Meet and Confer process, the Agency clarified that the additional amount requested is related to the various bond administration fees incurred annually. Therefore, this item is approved for the total amount requested.
- Item No. 3 – 2011 Tax Allocation Bond debt service payment in the amount of \$842,956. Finance no longer denies this item. Although total RPTTF requested is \$842,956, Finance initially denied \$13,400 of this amount because only \$829,556 is due during the ROPS 14-15A period. During the Meet and Confer process, the Agency clarified that the

additional amount requested is related to the various bond administration fees incurred annually. Therefore, this item is approved for the total amount requested.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2013 period. The amount of RPTTF approved in the table below includes the prior period adjustment self-reported by the Agency. HSC section 34186 (a) also specifies 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 table below only includes the prior period adjustment self-reported by the Agency.

Finance is not objecting to the remaining items listed on your ROPS 14-15A. The Agency's maximum approved RPTTF distribution for the reporting period is \$1,983,687 as summarized below:

<b>Approved RPTTF Distribution For the period of July through December 2014</b>	
Total RPTTF requested for non-administrative obligations	1,801,880
Total RPTTF requested for administrative obligations	250,000
<b>Total RPTTF requested for obligations</b>	<b>\$ 2,051,880</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>1,801,880</b>
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 1,801,880</b>
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 250,000</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 2,051,880</b>
ROPS 13-14A prior period adjustment	(68,193)
<b>Total RPTTF approved for distribution</b>	<b>\$ 1,983,687</b>

Please refer to the ROPS 14-15A schedule that was used to calculate the approved RPTTF amount:

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

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2014. This determination only applies 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 section 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

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 HSC section 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 Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Ms. Cheryl Silva, Finance Director, City of Lemoore  
Ms. Cassandra Mann, Property Tax Manager, Kings County  
California State Controller's Office