

April 8, 2015

Ms. Tami Scott, Administrative Services Director  
Cathedral City  
68-700 Avenida Lalo Guerrero  
Cathedral City, CA 92234

Dear Ms. Scott:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Cathedral City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to the California Department of Finance (Finance) on February 26, 2015 for the period of July 1 through December 31, 2015. Finance has completed its review of your ROPS 15-16A, which may have included obtaining clarification for various items.

Based on our review, we are approving all of the items listed on your ROPS 15-16A at this time.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 15-16A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2014 period. 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. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved in the table below includes the prior period adjustment resulting from the CAC's review of the Agency's self-reported prior period adjustment.

In addition, Finance noted the following during our review:

- On the ROPS 14-15A Prior Period Adjustment worksheet, the Agency identified the use of Bond Funds for Item Nos. 23, 26, 27, 44, and 84 in the total amount of \$109,762. The items were enforceable obligations and approved for Other Funds and RPTTF during the ROPS 14-15A period.

Pursuant to HSC section 34177 (a) (3), only those payments listed on ROPS may be made by the Agency from the funds specified on the ROPS. However, since these four items were considered enforceable obligations in the ROPS 14-15A period, Finance is authorizing the Agency's use of Bond Funds in the total amount of \$109,762 to ensure that authorization is consistent with expenditures for the approved enforceable obligations. As these Bond Funds were previously expended, the increase in authorization should not result in increased expenditures for the current ROPS period, but should merely allow the Agency to reconcile actual expenditures to the authorization.

Furthermore, it is the responsibility of the Oversight Board and the Agency to ensure that expenditure of bond proceeds are consistent with the original bond covenants.

The Agency's maximum approved RPTTF distribution for the reporting period is \$8,857,447 as summarized in the Approved RPTTF Distribution table below:

<b>Approved RPTTF Distribution</b>	
<b>For the period of July through December 2015</b>	
Total RPTTF requested for non-administrative obligations	8,599,463
Total RPTTF requested for administrative obligations	257,984
<b>Total RPTTF requested for obligations on ROPS</b>	<b>\$ 8,857,447</b>
Total RPTTF authorized for non-administrative obligations	8,599,463
Total RPTTF authorized for administrative obligations	257,984
<b>Total RPTTF authorized for obligations</b>	<b>\$ 8,857,447</b>
ROPS 14-15A prior period adjustment	0
<b>Total RPTTF approved for distribution</b>	<b>\$ 8,857,447</b>

Please refer to the ROPS 15-16A schedule that was used to calculate the approved RPTTF amount:

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

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2015. 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 the 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 agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

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),

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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 Satveer Ark, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Kevin Biersack, Accounting Services Manager, Cathedral City  
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County  
California State Controller's Office