



March 31, 2015

Mr. Alex Gann, County Executive Officer
Riverside County
4080 Lemon Street, 4th Floor
Riverside, CA 92501

Dear Mr. Gann:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Riverside County 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.

Various obligations related to the Mission Plaza Project in the amount of \$2,925,000 requested for the ROPS 15-16A period are allowed. Based on the Settlement Agreement dated December 2, 2014 between the Agency, the Housing Authority for the County of Riverside, and Finance, Finance will recognize Mission Plaza Project ROPS Items as enforceable obligations up to \$10 million payable from the 2011 Bond Proceeds from the Jurupa Valley Redevelopment Project Area plus lease payments received under the Cardenas Lease. The Agency was authorized \$34,000 of bond proceeds during January 1, 2015 through June 30, 2015 (ROPS 14-15B) period and \$2,925,000 bond proceeds during the ROPS 15-16A period for the Mission Plaza Project items. Therefore, the amount remaining that can be requested on future ROPS for Mission Plaza Project items is \$7,041,000. Please refer to the reconciliation table in Attachment A.

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. Our review indicates that the agency included amounts totaling \$12,335,000 for the period of January 1, 2014 through June 30, 2014 (ROPS 13-14B) debt service reserves as authorized from Other Funds for Item Nos. 1 through 4, 37, 38, 40 and 42. These amounts were already reported on the ROPS 13-14B prior period adjustment form as communicated to the Agency through the ROPS 14-15B determination letter dated December 17, 2014. In addition, the

Agency included ROPS 13-14B authorized amounts from Reserve Balances for Item Nos. 18, 20 and 37 totaling \$2,751,808. Therefore, Finance has made adjustments to the Prior Period Adjustments (PPA) form to correct authorized amounts to agree to Finance approved amounts for the period of July 1, 2014 through December 31, 2014 (ROPS 14-15A). In the future, please do not override authorized amounts prepulated by Finance unless the oversight board has approved a change in funding source per HSC section 34177 (a) (4). The changes Finance made do not have an impact on the PPA amount calculated by the Agency and CAC.

The Agency's maximum approved RPTTF distribution for the reporting period is \$25,130,200 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution	
For the period of July through December 2015	
Total RPTTF requested for non-administrative obligations	25,554,494
Total RPTTF requested for administrative obligations	766,635
Total RPTTF requested for obligations on ROPS	\$ 26,321,129
Total RPTTF authorized for non-administrative obligations	25,554,494
Total RPTTF authorized for administrative obligations	766,635
Total RPTTF authorized for obligations	\$ 26,321,129
ROPS 14-15A prior period adjustment	(1,190,929)
Total RPTTF approved for distribution	\$ 25,130,200

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), 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, Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Rohini Dasika, Senior Management Analyst, Riverside County
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
California State Controller's Office

Attachment A: Mission Plaza Project Reconciliation

Mission Plaza Project Approved and Available Balance of 2011 Bond Proceeds			
Item No.	Project Name/ Debt Obligation	Obligation Type	Approved Amount
ROPS 14-15B:			
79	Mission Plaza	Professional Services	9,000
81	Mission Plaza	Professional Services	8,000
82	Mission Plaza	Fees	17,000
			34,000
ROPS 15-16A:			
79	Mission Plaza	Professional Services	9,000
81	Mission Plaza	Professional Services	15,000
82	Mission Plaza	Fees	35,000
83	Mission Plaza	Miscellaneous	750,000
84	Mission Plaza	Remediation	500,000
86	Mission Plaza	Fees	15,000
87	Mission Plaza	Fees	300,000
88	Mission Plaza	Miscellaneous	3,000
89	Mission Plaza	Miscellaneous	5,000
90	Mission Plaza	Miscellaneous	10,000
91	Mission Plaza	Miscellaneous	20,000
92	Mission Plaza	Miscellaneous	15,000
94	Mission Plaza	Property Maintenance	100,000
95	Mission Plaza	Miscellaneous	5,000
96	Mission Plaza	Miscellaneous	1,500
97	Mission Plaza	Property Maintenance	50,000
98	Mission Plaza	Fees	1,500
99	Mission Plaza	OPA/DDA./Construction	1,000,000
127	Bond Funded Project Staff Costs	Project management Costs	50,000
128	Bond Funded Counsel Review	Legal	30,000
386	Mission Plaza	Professional Services	10,000
			2,925,000
Total approved amount on ROPS 14-15B and 15-16A			2,959,000
Total 2011 Bond Proceeds allowed per Settlement Agreement			10,000,000
Balance Available for Future ROPS			\$ 7,041,000