

November 9, 2015

Ms. Tracy Robinson, Administrative Services Director
City of Lafayette
3675 Mt. Diablo Boulevard, Suite 210
Lafayette, CA 94549

Dear Ms. Robinson:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m) (1) (A), the City of Lafayette Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period January 1 through June 30, 2016 (ROPS 15-16B) to the California Department of Finance (Finance) on September 28, 2015. Finance has completed its review of the ROPS 15-16B.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item Nos. 2, 8, and 9 – 2005 Tax Allocation Bonds, Library Foundation Loan #1, and Library Foundation Loan #2 totaling \$15,689,552 requested for ROPS 15-16B and total outstanding obligation of \$24,911,878, are no longer enforceable obligations. It is our understanding these obligations have been refunded pursuant to OB Resolution Nos. 02-2015 and 03-2015, approved by Finance in our determination letter dated October 7, 2015. Therefore, Finance is reducing the funding for these items to zero and retiring them from the ROPS.
- Item No. 17 – 2015 Tax Allocation Bonds debt service payment in the amount of \$1,239,410 has been adjusted. It is our understanding the scheduled debt service payment pursuant to the Official Statement is \$1,185,866, but the Agency has requested funding in the amount of \$1,239,410. While this item is an enforceable obligation, the total amount requested does not agree with the amount required in the Official Statement. Therefore, with the Agency's consent, Finance has reduced the amount by \$53,544 (\$1,239,410 - \$1,185,866).

Pursuant to HSC section 34186 (a) (1), the Agency was required to report on the ROPS 15-16B form the estimated obligations versus actual payments (prior period adjustment) associated with the January through June 2015 period (ROPS 14-15B). HSC section 34186 (a) (1) also specifies the prior period adjustment self-reported by the Agency is subject to review by the county auditor-controller (CAC). Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of Redevelopment Property Tax Trust Funds

(RPTTF) approved in the table below only reflects the Agency's self-reported prior period adjustment, as adjusted by Finance.

Finance is adjusting the Agency's prior-period adjustment (PPA) by \$2,716. According to documentation provided during our review, the Agency had \$1,648,227 in available RPTTF, but only spent \$1,645,511; resulting in a PPA in the amount of \$2,716 (\$1,648,227 - \$1,645,511). Therefore, with the Agency's consent, Finance is increasing the PPA amount from zero to \$2,716.

Except for the items denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 15-16B. If you disagree with Finance's determination with respect to any items on your ROPS 15-16B, except for those items which are the subject of litigation disputing Finance's previous or related determinations, 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 \$1,904,200 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution	
For the period of January through June 2016	
Total RPTTF requested for non-administrative obligations	17,650,012
Total RPTTF requested for administrative obligations	0
Total RPTTF requested for obligations on ROPS 15-16B	\$ 17,650,012
Total RPTTF requested for non-administrative obligations	17,650,012
<u>Denied Items</u>	
Item No. 2	(752,674)
Item No. 8	(14,511,879)
Item No. 9	(424,999)
Item No. 17	(53,544)
	(15,743,096)
Total RPTTF authorized for non-administrative obligations	\$ 1,906,916
Total RPTTF requested for administrative obligations	0
Total RPTTF authorized for administrative obligations	\$ 0
Total RPTTF authorized for obligations	\$ 1,906,916
Self-reported ROPS 14-15B prior period adjustment (PPA)	0
Finance adjustment to ROPS 14-15B PPA	(2,716)
Total ROPS 14-15B PPA	(2,716)
Total RPTTF approved for distribution	\$ 1,904,200

On the ROPS 15-16B form, the Agency reported cash balances and activity for the period January 1 through December 31, 2015. Finance will perform a review of the Agency's self-reported cash balances on an ongoing basis. Please be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved obligations, HSC section 34177 (I) (1) (E) requires these balances be used prior to requesting RPTTF.

Please refer to the ROPS 15-16B schedule used to calculate the total RPTTF approved for distribution:

<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 January 1 through June 30, 2016. This determination only applies to items when 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 ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution statutes. 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.

Please direct inquiries to Nichelle Thomas, Supervisor, or Alexander Watt, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Jennifer Wakeman, Financial Services Manager, City of Lafayette
Mr. Bob Campbell, Auditor-Controller, Contra Costa County