



April 6, 2016

Mr. Shawn Tillman, Economic Development Manager  
City of Lincoln  
600 6th Street  
Lincoln, CA 95648

Dear Mr. Tillman:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Lincoln Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) to the California Department of Finance (Finance) on January 29, 2016. Finance has completed its review of the ROPS 16-17.

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

- Item No. 5 – Supplemental Educational Revenue Augmentation Fund (SERAF) loan repayment. Finance is approving the Agency's request to increase Redevelopment Property Tax Trust Fund (RPTTF) funding from \$400,000 to \$417,674 to make a SERAF loan repayment. The adjustment results in an increase of RPTTF requested in the amount of \$17,674 for the July 1, 2016 through December 31, 2016 period (ROPS A period).
- Item No. 9 – Bond Reserves in the amount of \$940,658 is partially allowed. Although total RPTTF requested for the Series 2000, 2004A and 2004B bonds is \$940,658, only \$688,153 is allowed to be paid from RPTTF for debt service payments due during the July 1, 2017 through December 31, 2017 period (ROPS 17-18A). The debt service schedule for the Agency's portion of the Series 2000 bond indicate the final payment is due during the ROPS 17-18A period and trustee bank statements provided show reserve funds in the amount of \$252,505 are available to partially fund the final payment. Therefore, of the \$940,658 requested for the January 1, 2017 through June 30, 2017 period (ROPS B period), \$252,505 is not eligible for RPTTF funding. Additional funding necessary to make the final debt service payment may be requested on a subsequent ROPS.

Except for the item denied in whole or in part or the item that has been adjusted, Finance is not objecting to the remaining items listed on your ROPS 16-17. If you disagree with Finance's determination with respect to any items on your ROPS 16-17, 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/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Finance performs a review of the Agency's self-reported cash balances on an ongoing basis. 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 enforceable obligations, HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,525,573 as summarized in the Approved RPTTF Distribution Table on Page 4 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the July 1, 2016 through December 31, 2016 (ROPS A period), and one distribution for the January 1, 2017 through June 30, 2017 (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 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 determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-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.

Mr. Shawn Tillman  
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Please direct inquiries to Cindie Lor, Supervisor, or Todd Vermillion, Lead Analyst at  
(916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Anastasia Efstathiou, Consultant, City of Lincoln  
Ms. Roxanne Nored, Managing Accountant Auditor, Placer County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 2016 through June 2017</b>			
	<b>ROPS A Period</b>	<b>ROPS B Period</b>	<b>Total</b>
Requested RPTTF (excluding administrative obligations)	\$ 549,088	\$ 1,171,316	\$ 1,720,404
Requested Administrative RPTTF	20,000	20,000	40,000
<b>Total RPTTF requested for obligations on ROPS 16-17</b>	<b>569,088</b>	<b>1,191,316</b>	<b>\$ 1,760,404</b>
Adjustment to Agency Requested RPTTF	17,674	0	17,674
<b>Total RPTTF requested</b>	<b>566,762</b>	<b>1,171,316</b>	<b>1,738,078</b>
<u>Denied Item</u>			
Item No. 9	0	(252,505)	(252,505)
<b>Total RPTTF authorized</b>	<b>566,762</b>	<b>918,811</b>	<b>\$ 1,485,573</b>
<b>Total Administrative RPTTF authorized</b>	<b>20,000</b>	<b>20,000</b>	<b>\$ 40,000</b>
<b>Total RPTTF approved for distribution</b>	<b>586,762</b>	<b>938,811</b>	<b>\$ 1,525,573</b>