



October 28, 2016

Ms. Tara Schultz, Director of Development Services
City of Alhambra
111 S. First Street
Alhambra, CA 91801

Dear Ms. Schultz:

Subject: Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Alhambra Successor Agency (Agency) submitted an amended Recognized Obligation Payment Schedule for the period January 1, 2017 through June 30, 2017 (ROPS 16-17B) to the California Department of Finance (Finance) on August 24, 2016. Finance has completed its review of the Amended ROPS 16-17B.

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

- Item No. 1 – DDA/Promissory Note for the requested adjustment of \$912,696 in Other Funds is partially allowed. The amortization schedule shows \$1,152,420 outstanding, comprised of \$959,970 in principal and \$192,449 in interest. The Promissory Note specifies payments shall be applied first to interest and all prepayments shall be applied in inverse order of their maturity. As such, \$52,407 of interest payments from April 2016 through January 2017 and \$959,970 in principal, totaling \$1,102,377 are allowed as part of the prepayment of the loan. The excess interest beyond January 2017 is not necessary as the Promissory Note will no longer be outstanding. Therefore, of the requested \$912,696, the excess \$140,043 (\$1,152,420 - \$1,102,377) is not eligible for Other Funds.
- Item No. 14 – LMH Fund Borrowing for purposes of the Supplemental Educational Revenue Augmentation Fund (SERAF) in the requested adjustment amount of \$4,350,041 is partially allowed.

HSC section 34191.4 (b) (3) (A) allows this repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in preceding fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year.

According to the Los Angeles County Auditor-Controller's report, the amounts distributed to the taxing entities for fiscal year 2012-13 and 2015-16 is \$453,632 and \$9,548,344, respectively. Therefore, pursuant to the repayment formula, the maximum repayment

amount authorized for the ROPS 16-17 period is \$4,547,356. Finance approved \$334,619 for the July 1, 2016 through December 31, 2016 period. As a result, of the \$4,350,041 requested, \$137,304 ($\$4,350,041 + \$334,619 - \$4,547,356$) is not eligible for Other Funds. The Agency may be eligible for additional funding on a subsequent ROPS.

Except for the adjustments denied in whole or in part, Finance is not objecting to the remaining adjustments listed on your Amended ROPS 16-17B.

Since no adjustments were requested for Redevelopment Property Tax Trust Fund (RPTTF), the Agency's maximum approved RPTTF distribution for the ROPS 16-17B period remains at \$2,330,974 for the ROPS 16-17B period, as summarized in the Approved RPTTF Distribution table on Page 3 (See Attachment).

Please refer to the ROPS 16-17B schedule used to calculate the total RPTTF approved for distribution:

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

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 16-17B. Please note there is not a Meet and Confer option for the Amended ROPS process so Finance's determination is final. 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 Amended 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 Kylie Oltmann, Supervisor, or Zuber Tejani, Lead Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Silvia Smith, Project Manager, City of Alhambra
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution	
For the period of January 2017 through June 2017	
Authorized RPTTF on ROPS 16-17B	\$ 2,205,974
Authorized Administrative RPTTF on ROPS 16-17B	125,000
Total Authorized RPTTF on ROPS 16-17B	2,330,974
Authorized 16-17B RPTTF Adjustments	0
Total Amended ROPS 16-17B RPTTF approved for distribution	\$ 2,330,974