

June 29, 2016

Ms. Carol Huchingson, County Administrative Officer  
Lake County  
255 North Forbes Street  
Lakeport, CA 95453

Dear Ms. Huchingson:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the Lake County Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on March 25, 2016. Finance has completed its review of the Agency's Last and Final ROPS.

HSC section 34191.6 (c) authorizes Finance to make amendments or changes to the Last and Final ROPS if the changes are agreed to in writing by the Agency. The Agency agreed in writing to the following changes made by Finance to the Agency's Last and Final ROPS:

- Item No. 1 – The administrative cost of \$117,194 claimed for the 2017-18 fiscal year has been adjusted by \$29. Due to the funding changes for Item No. 6 (see bullet below), the Agency's 2017-18 Administrative Cost Allowance (ACA) is \$117,165.

Pursuant to HSC section 34171 (b) (4), the Agency's annual ACA is limited to 50 percent of RPTTF distributed for enforceable obligations in the preceding fiscal year. The Agency's ACA request for the period of July through December 2017 (17-18A) of \$58,597 is approved. Although the Agency requests \$58,597 of Redevelopment Property Tax Trust Fund (RPTTF) for the January through June 2018 (17-18B) ACA, only \$58,568 is allowed. Therefore, the ACA cap remaining for the 17-18B period is \$58,568 (\$117,165 - \$58,597).

- Item No. 6 – Supplemental Educational Revenue Augmentation Fund (SERAF) Loan funding is adjusted for the 2016-17 fiscal year as follows:
  - Other Funds is increased from zero to \$57 for the period of July through December 2016 (ROPS 16-17A).
  - RPTTF funding is decreased by \$69,806 from \$117,193 to \$47,387 for the ROPS 16-17A period.
  - RPTTF funding is increased by \$69,749 from \$117,194 to \$186,943 for the period of January through June 2017 (ROPS 16-17B).

Since the RPTTF distribution for the 16-17A period has already occurred as of the date of this letter, the ROPS 16-17A funding changes to Item No. 6 – SERAF Loan are needed to match the funding previously approved for the ROPS 16-17A period in Finance’s April 10, 2016 ROPS 16-17 determination letter. The subsequent increase in ROPS 16-17B funding is needed to ensure the Agency’s obligation is fully funded.

Finance is approving the Agency’s Last and Final ROPS with the above amendments and changes. These changes are reflected in the approved Last and Final ROPS.

The Agency’s maximum approved RPTTF distribution for the Last and Final ROPS is \$4,147,421 as summarized in the Approved Last and Final ROPS RPTTF Distribution table below.

Approved Last and Final ROPS RPTTF Distributions							
ROPS Period	A Period			B Period			Annual Total
	RPTTF	Admin RPTTF	A Period Total	RPTTF	Admin RPTTF	B Period Total	
Total requested	2,026,672	74,982	2,101,654	1,970,872	74,981	2,045,853	\$ 4,147,507
Total adjustments	(69,806)	0	(69,806)	69,749	(29)	69,720	\$ (86)
<b>Total RPTTF Approved for Distribution</b>							
ROPS 16-17	47,387	3,038	<b>50,425</b>	186,943	3,038	<b>189,981</b>	\$ 240,406
ROPS 17-18	119,537	58,597	<b>178,134</b>	119,538	58,568	<b>178,106</b>	356,240
ROPS 18-19	121,928	13,347	<b>135,275</b>	121,928	13,346	<b>135,274</b>	270,549
ROPS 19-20	124,366	0	<b>124,366</b>	124,367	0	<b>124,367</b>	248,733
ROPS 20-21	126,854	0	<b>126,854</b>	126,854	0	<b>126,854</b>	253,708
ROPS 21-22	129,391	0	<b>129,391</b>	129,391	0	<b>129,391</b>	258,782
ROPS 22-23	131,979	0	<b>131,979</b>	131,979	0	<b>131,979</b>	263,958
ROPS 23-24	134,618	0	<b>134,618</b>	134,619	0	<b>134,619</b>	269,237
ROPS 24-25	137,311	0	<b>137,311</b>	137,311	0	<b>137,311</b>	274,622
ROPS 25-26	140,057	0	<b>140,057</b>	140,057	0	<b>140,057</b>	280,114
ROPS 26-27	142,858	0	<b>142,858</b>	142,858	0	<b>142,858</b>	285,716
ROPS 27-28	145,715	0	<b>145,715</b>	145,716	0	<b>145,716</b>	291,431
ROPS 28-29	148,629	0	<b>148,629</b>	148,630	0	<b>148,630</b>	297,259
ROPS 29-30	151,602	0	<b>151,602</b>	151,603	0	<b>151,603</b>	303,205
ROPS 30-31	154,634	0	<b>154,634</b>	98,827	0	<b>98,827</b>	253,461
<b>Total RPTTF</b>	<b>1,956,866</b>	<b>74,982</b>	<b>2,031,848</b>	<b>2,040,621</b>	<b>74,952</b>	<b>2,115,573</b>	<b>\$ 4,147,421</b>

Please refer to the approved Last and Final ROPS schedule used to calculate the total RPTTF approved for distribution:

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

Any agreed upon amendments or changes are reflected in the approved Last and Final ROPS posted on the above website.

This is Finance’s determination related to the enforceable obligations reported on the Last and Final ROPS. Pursuant to HSC section 34191.6 (c) (2), the Agency may submit no more than two requests to amend the approved Last and Final ROPS.

ROPS distributions will occur twice annually, one distribution for the period of July 1 through December 31 (ROPS A period), and one distribution for the period of January 1 through June 30 (ROPS B period). The Agency will receive RPTTF distributions up to the maximum approved amount on the Last and Final ROPS.

The Agency shall not expend more than the amount approved for each enforceable obligation listed and approved on the Last and Final ROPS. All unspent RPTTF received for enforceable obligations by the Agency should be retained for distribution to the affected taxing entities pursuant to HSC section 34191.6 (d) (2) (G). Further, any revenues, interest, and earnings of the Agency not authorized for use pursuant to the approved Last and Final ROPS shall be remitted the County Auditor-Controller (CAC) pursuant to HSC section 34191.6 (c) (3).

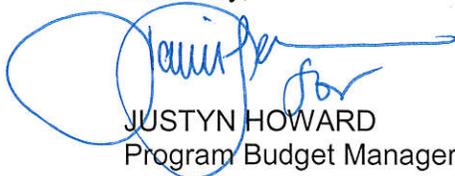
The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the Last and Final ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF. However, HSC section 34191.6 (c) (5) provides mechanisms for the Agency to pay enforceable obligations if insufficient RPTTF is available on an approved Last and Final ROPS.

HSC section 34187 (b) defines the process of final dissolution of the Agency. When all enforceable obligations have been retired or paid off, all real property has been disposed of, and all outstanding litigation has been resolved, the Agency shall, within 30 days of meeting these conditions, submit to the Oversight Board (OB) a request to formally dissolve. The OB shall approve the request within 30 days and submit the request to Finance's review.

Pursuant to HSC section 34191.6 (c), a Last and Final ROPS approved less than 15 days before the date of the RPTTF distribution shall not be effective until the subsequent RPTTF distribution period. Therefore, the Agency's Annual ROPS 16-17 approval remains effective through December 31, 2016. The Agency's Last and Final ROPS will become effective beginning with the ROPS 16-17B period.

Please direct inquiries to Kylie Oltmann, Supervisor, or Jonathan Cox, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Kathleen Barnwell, Administrative Analyst, Lake County  
Ms. Cathy Saderlund, Auditor-Controller, Lake County