



## Attachment 2

# DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ [WWW.DOF.CA.GOV](http://WWW.DOF.CA.GOV)

April 13, 2012

Vanessa Kirks, Fiscal Manager  
City of Riverside  
Development Department  
3900 Main Street, 5th Floor  
Riverside, CA 92522

Dear Ms. Kirks:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Riverside Successor Agency (City) submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on March 30, 2012. Finance staff contacted you for clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligations (EO) characteristics. Based on a sample of line items and application of the law, the review found the following do not qualify as EO's:

- HSC section 34171 (d) (2) states in part enforceable obligations do not include any agreements, contracts, or arrangements between the City that created the redevelopment agency and the redevelopment agency itself. The City and the Redevelopment Agency it created entered into multiple loan agreements. The following loan agreements are not EO's:
  - Page 1, items 21 and 27 through 36, and page 9 item 37 lists loans with the City totaling \$41.3 million.
  - Page 1, item 37 and 38 is a cooperative and a grant agreement with the city totaling \$61.2 million.
  - Page 2, item 13 is a loan with the City Housing Authority totaling \$1 million.
- Page 1, item 26 is a revolving line of credit with an unused balance of \$19.9 million. HSC section 34163 (b) prohibits a redevelopment agency from incurring any obligations or making commitments after June 27, 2011. Since the Riverside former RDA never accessed the \$19.9 million line of credit balance and there are no expenditure contracts or agreements supporting the liability, the line item is not an EO.
- Page 4, item 13; page 6, items 13, 16, and 17; page 7, items 34 and 36; Page 8, items 3, 7, and 8; and page 9, item 16 totaling \$19.9 million are contracts with the city and not with the RDA. Therefore, these are not EO's.
- Page 3, item 34; page 4, item 4; page 9, item 36; and page 10, item 1 are various projects with no expenditure contracts in place totaling \$15.4 million. HSC section 34163 (b) prohibits a redevelopment agency from incurring any obligations or making commitments after June 27, 2011.

Ms. Kirks  
April 11, 2012  
Page 2

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific ROPS items noted above to be ineffective until Finance approval. Further, items listed in future ROPS are subject to review and may be denied as EO's.

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO.

Please direct any inquiries to Robert Scott, Supervisor or Mindy Patterson, Lead Analyst at (916) 322-2985.

Sincerely,



MARK HILL  
Program Budget Manager

cc: Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County  
Auditor-Controller  
Ms. Jennifer Baechel, Business Process Analyst II, Riverside County Auditor-Controller  
Ms. April Nash, Supervising Accountant, Riverside County Auditor-Controller



**DEPARTMENT OF  
FINANCE**

EDMUND G. BROWN JR. - GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

October 14, 2012

Mr. Emilio Ramirez, Development Director  
City of Riverside  
3900 Main Street, 5<sup>th</sup> Floor  
Riverside, CA 92522

Dear Mr. Ramirez:

**Subject: Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Riverside Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 30, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

- Various items in the amount of \$13.1 million of bond proceeds. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. The following items had no contracts in place prior to June 27, 2011, and therefore are not enforceable obligations.

Item	Project Name	Total Outstanding Debt
9	BNSF Quiet Zones	\$ 159,908
16*	Arlington Park Childcare	4,500,000
25	BNSF Quiet Zones	327,469
28*	Villegas Park Improvements	3,200,000
125	BNSF Quiet Zones	351,066
154*	Camp Anza Officers Club	1,800,000
155*	Camp Anza Officers Club	266,760
156	Collett Street Expansion	2,500,000
	Total Amount	\$13,105,203

\*Based on review of additional information provided with the Agency's appeal letter, the items remain denied as enforceable obligations.

- Various items – City Loans in the amount of \$19.1 million of Redevelopment Property Tax Trust Fund (RPTTF) and bond proceeds. HSC section 34171 (d) (2) states that loans between the City that created the redevelopment agency (RDA) and the successor

agency are not enforceable obligations. Upon receiving a Finding of Completion from Finance, HSC section 34191.4 (b) may cause these items to be enforceable in future ROPS periods.

Item	Project Name	Fund Source	Total Outstanding Debt
84*	City loan entered into on April 1, 2008	RPTTF	\$ 167,191
87*	City loan entered into on August 1, 2009	RPTTF	4,429,072
88	City loan entered into on September 1, 2010	RPTTF	1,260,456
89	City Riverside Public Utilities reimbursement agreement entered into on March 1, 2011	RPTTF	1,083,033
90	City Riverside Public Utilities Reimbursement Agreement entered into on March 1, 2011 - Dwntwn	RPTTF	7,284,003
91*	City loan entered into on May 1, 2007 - Dwntwn	RPTTF	4,343,216
137	Gould and Gramercy Street Improvements	Bond	500,000
138	Gould and Gramercy Street Improvements	Bond	40,109
139	Gould and Gramercy Street Improvements	Bond	750
	Total Amount		\$19,107,830

\*Based on review of additional information provided with the Agency's appeal letter, items remain denied as enforceable obligations.

- Administrative costs claimed for RPTTF exceed the allowance by \$292,477. HSC section 34171 (b) limits the 2012-13 administrative expenses to three percent of property tax allocated to the Agency or \$250,000, whichever is greater. Additionally, items 162, 163, and 166 were reclassified as administrative costs.

Amount administrative costs for fiscal year 2012-13	\$ 943,414
Administrative costs claimed for July through December 2012	503,706
Administrative costs claimed for January through June 2013	732,815
Overage	\$ 292,477

Except for items denied in whole or in part as enforceable obligation(s) as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, 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/)

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$15,118,244 as summarized below:

<b>Approved RPTTF Distribution Amount</b>	
<b>For the period of January through June 2013</b>	
Total RPTTF funding requested for obligations	\$ 19,927,171
Less: Six-month total for items denied or reclassified as administrative cost	
Item No. 84	167,191
Item No. 87	200,755
Item No. 88	54,803
Item No. 89	45,124
Item No. 90	303,176
Item No. 91	4,343,216
Item No. 162**	35,000
Item No. 163**	25,000
Item No. 166**	75,000
Total approved RPTTF for enforceable obligations	\$ 14,677,906
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	440,338
<b>Total RPTTF approved:</b>	<b>\$ 15,118,244</b>

\*\* Reclassified as administrative cost

<b>Administrative Cost Calculation</b>	
Total RPTTF for the period July through December 2012	\$ 16,769,212
Total RPTTF for the period January through June 2013	14,677,906
<b>Total RPTTF for fiscal year 2012-13:</b>	<b>\$ 31,447,118</b>
Allowable administrative cost for fiscal year 2012-13 (Greater of 3% or \$250,000)	943,414
Administrative allowance for the period of July through December 2012	503,076
<b>Allowable RPTTF distribution for administrative cost for ROPS III:</b>	<b>\$ 440,338</b>

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/>

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

The amount available from the RPTTF is the same as the property tax increment that was available prior to 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 successor agency in the RPTTF.

Mr. Emilio Ramirez  
October 14, 2012  
Page 4

Please direct inquiries to Beliz Chappuie, Supervisor or Mindy Patterson, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. Al Zelinka, Community Development Director, City of Riverside  
Ms. Pam Elias, Chief Accountant, Property Tax Division, Riverside County  
Auditor Controller



**DEPARTMENT OF  
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ [WWW.DOF.CA.GOV](http://WWW.DOF.CA.GOV)

April 15, 2013

Mr. Emilio Ramirez, Development Director  
City of Riverside  
3900 Main Street, 5th Floor  
Riverside, CA 92522

Dear Mr. Ramirez:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Riverside Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14A) to the California Department of Finance (Finance) on March 1, 2013 for the period of July through December 2013. Finance has completed its review of your ROPS 13-14A, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

- Item No. 18 – AutoCtr Business Improvement District in the amount of \$800,000. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding that the contract for this line item was awarded after June 27, 2011. Therefore, this item is not an enforceable obligation and not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item Nos. 104 and 109 – Downtown Main Street repairs, maintenance and tenant improvement in the amount of \$988,000. Although maintenance costs are enforceable obligations, contracts for major repairs and improvement costs are not permitted. The contract provided for both of these obligations, ended in December 2012 and reverted to month-to-month basis. The amounts requested are not supported with documentation showing the work that needs to be completed. Therefore, these items are not eligible for funding RPTTF funding at this time.
- Item Nos. 119 and 120 – Downtown California Tower professional services in the amount of \$235,000. Although maintenance costs are enforceable obligations, contracts for major repairs and improvement costs are not permitted. The contract provided for both of these obligations, ended in June 30, 2010 and reverted to month-to-month basis. Furthermore, the contract was amended on March 2011 to increase the contract amount by \$70,500. However, the current amounts requested are not supported with

documentation showing the work that needs to be completed. Therefore, these are items not eligible for funding RPTTF funding at this time.

- Administrative costs claimed exceed the allowance by \$351,514. HSC section 34171 (b) limits the fiscal year 2013-14 administrative expenses to three percent of property tax allocated to the Agency or \$250,000, whichever is greater. Although \$665,133 is claimed for administrative costs, only \$388,619 is available pursuant to the three percent limit. Therefore, \$351,514 of the excess administrative cost is not allowed. Additionally, Item No. 166 was reclassified as administrative cost.
- Item Nos. 152, 170 through 173, 180 through 186 – Various projects totaling \$13,845,562 funded with bond proceeds. These are previously denied items. HSC section 34163 (b) prohibits an agency from entering into a contract with any entity after June 27, 2011. It is our understanding that contracts for these line items have not yet been awarded. Pursuant to HSC section 34191.4 (c), Agency's request to use bond funds for these obligations may be permitted once the Agency receives a finding of completion from Finance and if the bond proceeds requested for use were derived from bonds issued prior to January 1, 2011.
- Item Nos. 174 through 179 – City loan repayments in the amount of \$5,710,251 are not allowed at this time. These are previously denied items. HSC section 34176 (e) (6) (B) specifies that loan or deferral repayments to the Low and Moderate Income Housing Fund shall not be made prior to the 2013-14 fiscal year. While ROPS 13-14A falls within fiscal year 2013-14, the repayment of these City loans is subject to the repayment formula outlined in HSC section 34191.4 (b) (2) (A). HSC section 34191.4 (b) (2) (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 that fiscal year and the ROPS residual pass-through distributed to the taxing entities in the 2012-13 base year. Since the formula does not allow for estimates, the Agency must wait until the ROPS residual pass-through distributions are known for fiscal year 2013-14 before requesting funding for this obligation. Therefore, this item is not eligible for funding at this time. Upon receiving a finding of completion, the Agency will be allowed to request funding beginning with ROPS 14-15A.

Except for items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 13-14A. This determination applies only to items where funding was requested for the six month period. If you disagree with the determination with respect to any items on your ROPS 13-14A, 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/)

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$13,084,666 as summarized below:

<b>Approved RPTTF Distribution Amount</b>	
<b>For the period of July through December 2013</b>	
Total RPTTF funding requested for obligations	\$ 22,171,112
Minus: Six-month total for items denied or reclassified as administrative cost	
Item 18	100,000
Item 104	213,000
Item 109	385,000
Item 119	57,500
Item 120	60,000
Item 166*	75,000
Item 174	167,191
Item 175	200,755
Item 176	54,803
Item 177	45,124
Item 178	303,176
Item 179	4,343,216
Item 187	3,212,368
Total approved RPTTF for enforceable obligations	\$ 12,953,979
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	388,619
Minus: ROPS II prior period adjustment	(257,932)
<b>Total RPTTF approved for distribution:</b>	<b>\$ 13,084,666</b>

\*Reclassified as administrative cost.

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. HSC Section 34186 (a) also specifies that the 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 RPTTF approved in the above table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14A Forms by Successor Agency/>

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. 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 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 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

Mr. Emilio Ramirez  
April 15, 2013  
Page 4

ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to 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 Chappue, Supervisor or Anna Kyumba, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. Al Zelinka, Community Development Director, City of Riverside  
Ms. Pam Elias, Chief Accountant Property Tax Division, County of Riverside  
Auditor-Controller  
California State Controller's Office



## DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. ■ GOVERNOR  
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ [WWW.DOF.CA.GOV](http://WWW.DOF.CA.GOV)

November 8, 2013

Mr. Emilio Ramirez, Development Director  
Riverside City  
3900 Main Street, 3rd Floor  
Riverside, CA 92522

Dear Mr. Ramirez:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Riverside City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to the California Department of Finance (Finance) on September 27, 2013 for the period of January through June 2014. Finance has completed its review of your ROPS 13-14B, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations for the reasons specified:

- Item No 18 – AutoCtr Business Improvement District in the amount of \$800,000. Finance continues to deny this item. HSC 34178 (a) states that a successor agency or an oversight board shall not exercise the powers granted by this subdivision to restore funding for an enforceable obligation that was deleted or reduced by the Department of Finance pursuant to subdivision (h) of Section 34179 unless it reflects the decisions made during the meet and confer process with the Department of Finance or pursuant to a court order. This item was also denied with Other Funds and Accounts (OFA) Due Diligence Review (OFA) Meet and Confer determination letter dated April 26, 2013. Therefore, this item is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item Nos. 16, 28, and 156 – Bond funded projects in the amount of \$11,519,000. A Finding of Completion was issued on April 17, 2013 and the Agency can now utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants. However, the Agency requested 100 percent of the total obligation for each project. HSC section 34177 (l) (3) states that the Recognized Obligation Payment Schedule shall be forward looking to the next six months. The Agency agreed that the requests were for more than a six-month period and sent a revised schedule of estimated costs for the six months of \$5,040,000. Therefore, the total bond funding for these items has been adjusted by \$6,479,000 from the original requested amount of \$11,519,000 to \$5,040,000.

- Item Nos. 84 and 87 through 91 – City loans in the amount of \$4,778, 564. The Agency received a Finding of Completion on April 17, 2013. As such, the Agency may place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). However, HSC section 34176 (e) (6) (B) specifies loan or deferral repayments shall not be made prior to fiscal year 2013-14. While ROPS 13-14B falls within fiscal year 2013-14, the repayment of these City loans is subject to the repayment formula outlined in HSC section 34191.4 (b) (2) (A).

HSC section 34191.4 (b) (2) (A) allows maximum repayment amount in each fiscal year to be equal to one-half of the increase between the ROPS residual amounts distributed to the taxing entities in that fiscal year and the ROPS residual amounts distributed to the taxing entities in the 2012-13 base year. Since the formula does not allow for estimates, the Agency must wait until the ROPS residual pass-through distributions are known for fiscal year 2013-14 before requesting funding for this obligation. Therefore, this item is not eligible for RPTTF funding at this time.

- Item Nos. 188, 189, and 190 – Pending litigation costs for the University Avenue, Downtown Fox Plaza and Arlington Auto Center BID in the amount of \$300,000. The Agency was unable to provide documentation to support this obligation. Therefore, the amount requested is not eligible for RPTTF funding at this time.
- Administrative costs claimed for RPTTF exceed the allowance by \$158,357. HSC section 34171 (b) limits the 2013-14 administrative expenses to three percent of property tax allocated to the Agency or \$250,000, whichever is greater.

Allowable administrative cost amount for fiscal year 2013-14	\$778,255
Administrative costs distributed for July through December 2013	\$396,094
Administrative costs claimed for January through June 2014	\$540,518
Overage	\$158,357

Finance made the following adjustments based on our review of the Fund Balances form and information provided in the October 17, 2013 and November 6, 2013 email from the Agency. These adjustments have no effect on Agency's RPTTF request.

- Beginning Available Fund Balance (Actual 01/01/13) – Bonds Issued on or before December 31, 2010 in the amount of \$21,604,926 should be \$30,955,954. Therefore, this amount has been increased by \$9,351,028.
- Beginning Available Fund Balance (Actual 01/01/13) – Due Diligence Review balances Retained for Approved Enforceable Obligations in the amount of \$566,016 should be \$4,881,507. Therefore, this amount has been increased by \$4,315,491.
- Beginning Available Fund Balance (Actual 01/01/13) – Rents, Grants, Interest in the amount of \$15,953 should be \$1,609,205. Therefore, this amount has been increased by \$1,593,252.

- Beginning Available Fund Balance (Actual 01/01/13) – RPTTF Non-Admin in the amount of \$6,153,807 should be \$245,063. Therefore, this amount has been adjusted by \$5,908,744.

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. HSC Section 34186 (a) also specifies that the 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 RPTTF approved in the below table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Except for the items denied in whole or in part as enforceable obligations or for the items that have been reclassified, Finance is not objecting to the remaining items listed on your ROPS 13-14B. Finance acknowledges the trial court's judgment in City of Riverside v. Matosantos, Case No. 34-2013-80001421. However, the judgment is stayed pending Finance's appeal of that judgment, and thus, did not impact the above decisions. If you disagree with the determination with respect to any items on your ROPS 13-14B, 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/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$11,779,406 as summarized below:

<b>Approved RPTTF Distribution Amount For the period of January through June 2014</b>	
Total RPTTF requested for non-administrative obligations	18,017,266
Total RPTTF requested for administrative obligations	540,518
<b>Total RPTTF requested for obligations</b>	<b><u>\$ 18,557,784</u></b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>18,017,266</b>
<u>Denied Items</u>	
Item No. 18	(200,000)
Item No. 84	(338,945)
Item No. 87	(164,911)
Item No. 88	(45,018)
Item No. 89	(29,757)
Item No. 90	(199,933)
Item No. 91	(4,000,000)
Item No. 188	(100,000)
Item No. 189	(150,000)
Item No. 190	(50,000)
	<u>(5,278,564)</u>
<b>Total RPTTF approved for non-administrative obligations</b>	<b>12,738,702</b>
<b>Total RPTTF allowable for administrative obligations (see Admin Cost Cap table below)</b>	<b>382,161</b>
<b>Total RPTTF approved for obligations</b>	<b>13,120,863</b>
ROPS III prior period adjustment	(1,341,457)
<b>Total RPTTF approved for distribution</b>	<b>11,779,406</b>

<b>Administrative Cost Cap Calculation</b>	
Total RPTTF for 13-14A (July through December 2013)	13,203,125
Total RPTTF for 13-14B (January through June 2014)	12,738,702
Less approved unfunded obligations from prior periods	-
<b>Total RPTTF for fiscal year 2013-14</b>	<b>25,941,827</b>
Allowable administrative cost for fiscal year 2013-14 (Greater of 3% or \$250,000)	778,255
Administrative allowance for 13-14A (July through December 2013)	396,094
<b>Allowable RPTTF distribution for administrative cost for ROPS 13-14B</b>	<b>382,161</b>

Please refer to the ROPS 13-14B schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14B Forms by Successor Agency/>.

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, 2014. This determination applies only 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 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 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 successor agency in the RPTTF.

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, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Mr. Al Zelinka, Community Development Director, Riverside City  
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County  
California State Controller's Office



**DEPARTMENT OF  
FINANCE**

EDMUND G. BROWN JR. ■ GOVERNOR  
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 10, 2014

Mr. Emilio Ramirez, Development Director  
Riverside City  
3900 Main Street, 3rd Floor  
Riverside, CA 92522

Dear Mr. Ramirez:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Riverside City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to the California Department of Finance (Finance) on February 27, 2014 for the period of July through December 2014. Finance has completed its review of your ROPS 14-15A, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations for the reasons specified:

- Item No. 18 – Auto Center Business Improvement District Agreement in the amount of \$800,000. This item was previously denied. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding that the contract for this line item was awarded after June 27, 2011. Therefore, this item is not an enforceable obligation and not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item Nos. 84 and 87 through 91 – City loan repayments in the amount of \$10,383,616 are not allowed at this time. HSC section 34191.4 (b) (2) (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 that fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year.

According to the County Auditor-Controller's report, the amount distributed to the taxing entities for fiscal year 2012-13 and 2013-14 are \$5,618,776 and \$13,713,000, respectively. Therefore, pursuant to the repayment formula, the maximum repayment amount authorized for fiscal year 2014-15 is \$4,047,112. Furthermore, pursuant to HSC 34191.4 (2) (B) repayments received by the city, county or city and county that formed the Agency shall be first used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Fund, which was requested in item 187. Therefore, repayment on the remaining loans is not allowed at this time. The Agency may request funding for these loans on a future ROPS.

- Item No. 187 - Low and Moderate Income Housing Fund (LMIHF) loan repayment for purposes of the Supplemental Educational Revenue Augmentation Fund (SERAF) in the amount of \$4,702,227 payable from Reserve funding.

As noted above, the maximum loan repayment amount authorized for fiscal year 2014-15 is \$4,047,112. Therefore, of the \$4,702,227 is requested for LMIHF loan repayment, \$655,115 of excess amount is not allowed at this time. The Agency may request funding for the remainder of the loan on the next ROPS.

- Item No. 192 – Housing Administrative Cost Allowance in the amount of \$289,687. Pursuant to HSC section 34171 (p), the housing entity administrative cost allowance is applicable only in cases where the city, county, or city and county that authorized the creation of the redevelopment agency elected to not assume the housing functions. Because the housing entity to the former redevelopment agency of the City of Riverside (City) is the City-formed Housing Authority (Authority) and the Authority operates under the control of the City, the Authority is considered the City under Dissolution Law. Therefore, \$289,687 of housing entity administrative allowance is not allowed.
- Administrative costs claimed exceed the allowance by \$329,199. HSC section 34171 (b) limits the fiscal year 2014-15 administrative expenses to three percent of property tax allocated to the Agency or \$250,000, whichever is greater. Although \$877,752 is claimed for administrative costs, only \$548,553 is available pursuant to the three percent limit. Therefore, \$329,199 of the excess administrative cost is not allowed.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF. Pursuant to HSC section 34177 (l) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. The Agency provided financial records that displayed available Reserve Balances totaling \$830,586 and Other Balances totaling \$1,892,572.

Therefore, with the Agency's concurrence, the funding source for the following items has been reclassified to Reserve Balances and Other Funds in the amounts specified below:

- Item No. 78 – 2007 Series C Tax Exempt Tax Allocation Bonds in the amount of \$1,298,369. The Agency requested \$1,298,369 of RPTTF; however, Finance is reclassifying \$1,298,369 to Other Funds. This item is an enforceable obligation for the ROPS 14-15B period. However, the obligation does not require payment from property tax revenues and the Agency has \$1,892,572 in available Other Balances. Therefore, Finance is approving RPTTF in the amount of \$0 and the use of Other Balances in the amount of \$1,298,369.
- Item No. 122 – 2007 Series C Tax Exempt Tax Allocation Bonds in the amount of \$1,430,869. The Agency requested \$1,430,869 of RPTTF; however, Finance is reclassifying \$594,203 to Other Funds and \$830,586 to Reserve Balances. This item is an enforceable obligation for the ROPS 14-15B period. However, the obligation does not require payment from property tax revenues and the Agency has \$1,892,572 in available Other Balances and \$830,586 in Reserve Available Balances. Therefore, Finance is approving RPTTF in the amount of \$6,080 and the use of Other Balances in

the amount of \$594,203 and Reserve Balances in the amount of \$830,586, in total amount of \$1,430,869.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2013 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 RPTTF approved in the table below includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Except for items denied in whole or in part as enforceable obligations or for items that have been reclassified, Finance is not objecting to the remaining items listed on your ROPS 14-15A. If you disagree with the determination with respect to any items on your ROPS 14-15A, 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/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$14,526,780 as summarized below:

<b>Approved RPTTF Distribution For the period of July through December 2014</b>	
Total RPTTF requested for non-administrative obligations	29,258,397
Total RPTTF requested for administrative obligations	877,752
<b>Total RPTTF requested for obligations</b>	<b>\$ 30,136,149</b>
 <b>Total RPTTF requested for non-administrative obligations</b>	 <b>29,258,397</b>
Denied Items	
Item No. 18	(300,000)
Item No. 84	(329,072)
Item No. 87	(4,122,786)
Item No. 88	(1,125,454)
Item No. 89	(53,693)
Item No. 90	(360,751)
Item No. 91	(4,391,860)
Item No. 192	(289,687)
	<hr/>
<b>Total RPTTF for non-administrative obligations</b>	<b>(10,973,303)</b>
	<b>18,285,094</b>
Cash Balances - Items reclassified to other funding sources	
Item No. 78	(1,298,369)
Item No. 122	<hr/>
	(1,424,789)
	<hr/>
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>(2,723,158)</b>
	<b>\$ 15,561,936</b>
 <b>Total RPTTF requested for administrative obligations</b>	 <b>877,752</b>
Administrative costs in excess of the cap (see Admin Cost Cap table below)	(329,199)
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 548,553</b>
 <b>Total RPTTF authorized for obligations</b>	 <b>\$ 16,110,489</b>
ROPS 13-14A prior period adjustment	<hr/>
	(1,583,709)
 <b>Total RPTTF approved for distribution</b>	 <b>\$ 14,526,780</b>

<b>Administrative Cost Cap Calculation</b>	
Total RPTTF for non-administrative obligations (prior to reclassification)	18,285,094
Percent allowed pursuant to HSC section 34171 (b)	3%
<b>Total RPTTF allowable for administrative obligations</b>	<b>548,553</b>
 Total RPTTF administrative obligations after Finance adjustments	 877,752
<b>Administrative costs in excess of the cap</b>	<b>\$ (329,199)</b>

Please refer to the ROPS 14-15A 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, 2014. 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 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 successor agency in the RPTTF.

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 Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Mr. Al Zelinka, Community Development Director, Riverside City  
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County  
California State Controller's Office



DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

October 27, 2014

Mr. Emilio Ramirez, Development Director  
Riverside City  
3900 Main Street, 3rd Floor  
Riverside, CA 92522

Dear Mr. Ramirez:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Riverside City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15B) to the California Department of Finance (Finance) on September 12, 2014 for the period of January 1 through June 30, 2015. Finance has completed its review of your ROPS 14-15B, which may have included obtaining clarification for various items.

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

- Item Nos. 61 and 131 – Property maintenance costs totaling \$32,000 are not allowed. Agency requested funding for properties that are currently in escrow. Finance has recently approved OB Resolution Nos. 70 and 71 approving the purchase and development agreement for the subject properties. Therefore, these items are not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item Nos. 84 and 87 through 91 – City loan repayments in totaling \$11,670,560 payable from RPTTF funding are not allowed at this time. The Agency received a Finding of Completion on April 17, 2014. As such the Agency may place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Additionally, HSC section 34191.4 (b) (2) (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 that fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year.

According to the County Auditor-Controller's (CAC) report, the amount distributed to the taxing entities for fiscal year 2012-13 and 2013-14 are \$5,618,776 and \$13,713,000, respectively. Pursuant to the repayment formula, outlined in HSC section 34191.4 (b) (2) (A), the maximum repayment amount authorized for fiscal year 2014-15 is \$4,047,112. During ROPS 14-15A the Agency requested this amount

for Item No. 187. Therefore, the Agency may request funding for these loans on ROPS 15-16A.

- Item No. 193 – Note Payable to Pepsi-Cola Bottling Company in the amount of \$8,546,151 is not an enforceable obligation at this time. The Agency could not provide sufficient documentation to support the payment due. The Agency provided documentation such as promissory note, repayment schedule, and disposition and development agreement pursuant to which the note was made. However, these documents are not sufficient to support the requested amount due during the ROPS 14-15B period. The note states that the repayment shall commence after the issuance of a certificate of completion, which was not provided. To the extent the Agency can provide suitable documentation, such as the certificate of completion or payee invoices, to support the requested funding, the Agency may be able to obtain RPTTF funding on future ROPS.
- Claimed administrative costs exceed the allowance by \$371,588. HSC section 34171 (b) limits the fiscal year 2014-15 administrative expenses to three percent of property tax allocated to the Agency or \$250,000, whichever is greater. The Riverside Auditor-Controller's Office distributed \$548,553 administrative costs for the July through December 2014 period, thus leaving a balance of \$555,475 available for the January through June 2015 period. Although \$927,063 is claimed for administrative cost, only \$555,475 is available pursuant to the cap. Therefore, \$371,588 of excess administrative cost is not allowed.

Review of ROPS 14-15B included Agency's Oversight Board (OB) Resolution No. 72 authorizing the agency to transfer un-programmed bond funds from the merged University Corridor and Sycamore Canyon and the merged Downtown/Airport Industrial and Hunter Park/Northside redevelopment project areas for future acquisition of property located at 3093 Kansas Avenue. The Agency requested the expenditure of the bond proceeds for property located at 3093 Kansas Avenue with Item No. 194 on ROPS 14-15B. Finance approves the OB resolution and Item No. 194.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2014 period. The amount of RPTTF approved in the table below reflects the prior period adjustment self-reported by the Agency. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the CAC and the State Controller. Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of RPTTF approved in the table below only reflects the prior period adjustment self-reported by the Agency.

Except for items denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 14-15B. If you disagree with the determination with respect to any items on your ROPS 14-15B, 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/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$17,448,982 as summarized in the Approved RPTTF Distribution Table below:

<b>Approved RPTTF Distribution</b> <b>For the period of January through June 2015</b>	
Total RPTTF requested for non-administrative obligations	30,902,098
Total RPTTF requested for administrative obligations	927,063
<b>Total RPTTF requested for obligations on ROPS</b>	<b>\$ 31,829,161</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>30,902,098</b>
<b>Denied Items</b>	
Item No. 61	(12,000)
Item No. 84	(335,720)
Item No. 87	(4,206,070)
Item No. 88	(1,148,190)
Item No. 89	(195,000)
Item No. 90	(1,305,000)
Item No. 91	(4,480,580)
Item No. 131	(20,000)
Item No. 193	(683,692)
	(12,386,252)
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 18,515,846</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>927,063</b>
Administrative costs in excess of the cap (see Admin Cost Cap table below)	(371,588)
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 555,475</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 19,071,321</b>
ROPS 13-14B prior period adjustment	(1,622,339)
<b>Total RPTTF approved for distribution</b>	<b>\$ 17,448,982</b>

<b>Administrative Cost Cap Calculation</b>	
Total RPTTF for 14-15A (July through December 2014)	18,285,094
Total RPTTF for 14-15B (January through June 2015)	18,515,846
Less approved unfunded obligations from prior periods	0
<b>Total RPTTF for fiscal year 2014-2015</b>	<b>36,800,940</b>
Allowable administrative cost for fiscal year 2014-15 (Greater of 3% or \$250,000)	1,104,028
Administrative allowance for 14-15A (July through December 2014)	548,553
<b>Allowable RPTTF distribution for administrative cost for ROPS 14-15B</b>	<b>555,475</b>
Total RPTTF administrative obligations after Finance adjustments	927,063
<b>Administrative costs in excess of the cap</b>	<b>\$ (371,588)</b>

Pursuant to HSC section 34177 (I) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During the ROPS 14-15B review, Finance requested financial records to support the cash balances reported by the Agency. The Agency was able to support the amounts reported except the beginning available balances of \$3,449,997 of Other Funds. Therefore, Finance did not reclassify any available cash balances that were supported by the Agency's records. Finance will continue to work with the Agency after the ROPS 14-15B review period to resolve any remaining issues as described above. If it is determined the Agency possesses additional cash balances that are available to pay approved obligations, the Agency should request the use of these cash balances prior to requesting RPTTF in ROPS 15-16A.

Please refer to the ROPS 14-15B 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 January 1 through June 30, 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 for whatever reason 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 Chikako Takagi-Galamba, Manager or Beliz Chappuie, Supervisor at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Acting Program Budget Manager

cc: Mr. Al Zelinka, Community Development Director, Riverside City  
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County  
California State Controller's Office

April 12, 2015

Mr. Emilio Ramirez, Development Director  
Riverside City  
3900 Main Street, 3rd Floor  
Riverside, CA 92522

Dear Mr. Ramirez:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Riverside City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to the California Department of Finance (Finance) on February 27, 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 a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item Nos. 84, 87 through 91 – City loan repayments totaling \$10,646,615 is not allowed. The Agency received a Finding of Completion on April 17, 2013. As such, the Agency may place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Additionally, HSC section 34191.4 (b) (2) (A) specifies this repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in that fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year.

According to the County Auditor-Controller's report, the ROPS residual pass-through amount distributed to the taxing entities for fiscal year 2012-13 and 2014-15 are \$5,618,773 and \$10,373,977, respectively. Pursuant to the repayment formula, the maximum repayment amount authorized for 2015-16 is \$2,377,602. With the Agency concurrence, the maximum loan repayment amount has been applied towards Item No. 187, SERAF loan repayment in the amount of \$2,377,601. Therefore, the City loan repayments totaling \$10,646,615 are not eligible for funding on this ROPS. The Agency may be eligible for additional funding beginning ROPS 16-17A.

- Item No. 192 – Housing Admin Cost Allowance in the amount of \$222,926. Finance continues to deny this item. Pursuant to HSC section 34171 (p), the housing entity administrative cost allowance is applicable only in cases where the city, county, or city and county that authorized the creation of the redevelopment agency elected to not

assume the housing functions. Because the housing entity to the former redevelopment agency of the City of Riverside (City) is the City-formed Housing Authority (Authority) and the Authority operates under the control of the City, the Authority is considered the City under Dissolution Law. Therefore, the \$222,926 of housing entity administrative allowance is not allowed.

- Item Nos. 196 and 197 – Debt service reserves totaling \$2,620,418 for half of the payments due fiscal year 2016-17 is not allowed. HSC section 34171 (d) (1) (A) allows successor agencies to hold a reserve for debt service payments when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the calendar year. Therefore, the request to fund half of the payments due fiscal year 2016-17 is not allowed during the ROPS 15-16 A period.
- Item No. 198 – Marketing Design for Disposition Properties in the amount of \$75,000 is not allowed. Our review indicates that the amount requested is for architect and design services for properties that were approved for sale on Agency's Long-Range Property Management Plan. HSC section 34163 (b) prohibits an agency from entering into contracts with any entity for various activities including planning and design activities. Therefore, this item is not an enforceable obligation and not eligible for RPTTF funding.
- Claimed administrative costs exceed the allowance by \$406,949. HSC section 34171 (b) limits the fiscal year 2015-2016 administrative expenses to three percent of property tax allocated to the Agency or \$250,000, whichever is greater. Although \$675,466 is claimed for administrative cost, only \$268,517 is available pursuant to the cap. Therefore, \$406,949 of excess administrative cost is not allowed.

Except for the items denied in whole, Finance is not objecting to the remaining items listed on your ROPS 15-16A. If you disagree with the determination with respect to any items on your ROPS 15-16A, 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/)

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.

The Agency's maximum approved RPTTF distribution for the reporting period is \$6,693,738 as summarized in the Approved RPTTF Distribution table below:

<b>Approved RPTTF Distribution For the period of July through December 2015</b>	
Total RPTTF requested for non-administrative obligations	22,515,541
Total RPTTF requested for administrative obligations	675,466
<b>Total RPTTF requested for obligations on ROPS</b>	<b>\$ 23,191,007</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>22,515,541</b>
<u>Denied Items</u>	
Item No. 84	(335,720)
Item No. 87	(4,206,070)
Item No. 88	(1,148,190)
Item No. 89	(38,964)
Item No. 90	(437,091)
Item No. 91	(4,480,580)
Item No. 192	(222,926)
Item No. 196	(2,529,313)
Item No. 197	(91,105)
Item No. 198	(75,000)
	<u>(13,564,959)</u>
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 8,950,582</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>675,466</b>
Administrative costs in excess of the cap (see Admin Cost Cap table below)	(406,949)
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 268,517</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 9,219,099</b>
ROPS 14-15A prior period adjustment	(2,525,361)
<b>Total RPTTF approved for distribution</b>	<b>\$ 6,693,738</b>

<b>Administrative Cost Cap Calculation</b>	
Total RPTTF for non-administrative obligations	22,515,541
Percent allowed pursuant to HSC section 34171 (b)	3%
<b>Total RPTTF allowable for administrative obligations</b>	<b>675,466</b>
Total RPTTF administrative obligations after Finance adjustments	268,517
<b>Administrative costs in excess of the cap</b>	<b>\$ 406,949</b>

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: Mr. Al Zelinka, Community Development Director, Riverside City  
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County  
California State Controller's Office

November 13, 2015

Mr. Emilio Ramirez, Development Director  
Riverside City  
3900 Main Street, 3rd Floor  
Riverside, CA 92522

Dear Mr. Ramirez:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m) (1) (A), the Riverside City 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 30, 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 No. 88 – City Loan – 3225 Market Street Acquisition with total outstanding balance of \$1,146,545 has been adjusted. The Agency requested to increase the total outstanding balance by \$11,456 to agree with the amortization schedule. Therefore, the corrected total outstanding balance is approved at \$1,158,001 (\$1,146,545 + \$11,456).
- Item No. 89 – City of Riverside Public Utilities Reimbursement Agreement in the amount of \$103,964 is partially allowed. This item pertains to Reid Park Acquisition. It is our understanding the Agency requested the incorrect amount and should be reduced by \$1,087 to agree with the amortization schedule. Therefore, \$102,877 (\$103,964 - \$1,087) is approved for Redevelopment Property Tax Trust Funds (RPTTF) funding and the excess \$1,087 is not eligible for funding for this this ROPS period.
- Item No. 90 – City of Riverside Public Utilities Reimbursement Agreement in the amount of \$696,790 is partially approved. This item pertains to Riverside Golf Course Acquisition. It is our understanding the Agency requested the incorrect amount and should be reduced by \$7,306 to agree with the amortization schedule. Therefore, \$689,484 (\$696,790 - \$7,306) is approved for RPTTF funding and the excess \$7,306 is not eligible for funding for this this ROPS period.

In addition, the total outstanding balance of \$5,094,984 has been adjusted. The Agency requested to reduce the total outstanding balance by \$3,000 to agree with the amortization schedule. Therefore, the corrected total outstanding balance is \$5,091,984 (\$5,094,984 - \$3,000).

- Item No. 163 – Oversight Board Legal Counsel in the amount of \$25,000 has been reclassified to the Agency's Administrative Cost Allowance (ACA). Although enforceable, the legal services requested are administrative in nature and do not fall into any of the categories that are specifically excluded from the administrative cap as defined by HSC section 34171 (b) such as litigation expenses related to assets or obligations and not against Finance; settlements and judgments and not against Finance; costs of maintaining assets prior to disposition; employee costs associated with work on specific project. Therefore, this item is considered a general administrative cost payable from the Agency's ACA.
- Item No. 166 – Successor Agency Board Legal Counsel in the amount of \$75,000 has been reclassified to the Agency's ACA. Pursuant to HSC section 34171 (d) (1) (F) (i), legal expenses related to civil actions, including writ proceeding, contesting the validity of the dissolution law, or challenging acts taken pursuant to the dissolution laws shall only be payable out of the ACA. The item relates to litigation between Finance and the Agency pertaining to the Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief. Therefore, this item is considered a general administrative cost payable from the Agency's ACA.
- Item No. 191 – Property disposition costs for property located at 3761 Van Buren Boulevard in the amount of \$5,000 is not allowed. This property was approved for sale under OB Resolution No. 80. According to the Agency, the property sale is in escrow and is anticipated to close by December 2, 2015. Therefore, disposition costs is not necessary during ROPS 15-16B and the requested \$5,000 is not eligible for RPTTF funding.
- The Agency's claimed ACA exceeds the allowance by \$103,401. HSC section 34171 (b) (2) limits fiscal year 2015-16 administrative expenses to three percent of distributed RPTTF in the preceding fiscal year or \$250,000, whichever is greater. As a result, the Agency is eligible for \$903,477 in administrative expenses. The Riverside County Auditor-Controller distributed \$268,517 administrative costs for the July through December ROPS 15-16A period, leaving a balance of \$634,960 available for the January through June ROPS 15-16B period. Although \$638,361 is requested for the ACA, Item Nos. 163 and 166, as described above, are considered administrative expenses and should be counted towards the cap. Therefore, \$103,401 of excess ACA is not allowed.

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). The amount of 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.

Except for the items denied in whole or in part or the items that have been reclassified, 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/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$18,855,564 as summarized in the Approved RPTTF Distribution table below:

<b>Approved RPTTF Distribution For the period of January through June 2016</b>	
Total RPTTF requested for non-administrative obligations	21,278,700
Total RPTTF requested for administrative obligations	638,361
<b>Total RPTTF requested for obligations on ROPS 15-16B</b>	<b>\$ 21,917,061</b>
 <b>Total RPTTF requested for non-administrative obligations</b>	 <b>21,278,700</b>
<u>Denied Items</u>	
Item No. 89	(1,087)
Item No. 90	(7,306)
Item No. 191	(5,000)
	<u>(13,393)</u>
<u>Reclassified Items</u>	
Item No. 163	(25,000)
Item No. 166	(75,000)
	<u>(100,000)</u>
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 21,165,307</b>
 <b>Total RPTTF requested for administrative obligations</b>	 <b>638,361</b>
<u>Reclassified Items</u>	
Item No. 163	25,000
Item No. 166	75,000
	<u>100,000</u>
Administrative costs in excess of the cap (see Admin Cost Cap table below)	(103,401)
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 634,960</b>
 <b>Total RPTTF authorized for obligations</b>	 <b>\$ 21,800,267</b>
ROPS 14-15B prior period adjustment	(2,944,703)
<b>Total RPTTF approved for distribution</b>	<b>\$ 18,855,564</b>

<b>Administrative Cost Cap Calculation</b>	
Total RPTTF for 15-16A (July through December 2015)	8,950,582
Total RPTTF for 15-16B (January through June 2016)	21,165,307
<b>Total RPTTF for fiscal year 2015-2016</b>	<b>30,115,889</b>
 Administrative cost cap for fiscal year 2015-16 (Greater of 3% of Total RPTTF or \$250,000)	 903,477
Administrative allowance for ROPS 15-16A (July through December 2015)	(268,517)
<b>Remaining administrative cost cap for ROPS 15-16B</b>	<b>634,960</b>
ROPS 15-16B administrative obligations after Finance adjustments	(738,361)
<b>Administrative costs in excess of the cap</b>	<b>\$ (103,401)</b>

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 Cindie Lor, Supervisor, or Medy Lamorena, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Al Zelinka, Community Development Director, Riverside City  
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County



**DEPARTMENT OF  
FINANCE**

EDMUND G. BROWN JR. ■ GOVERNOR  
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ [www.dof.ca.gov](http://www.dof.ca.gov)

April 14, 2016

Mr. Emilio Ramirez, Development Director  
Riverside City  
3900 Main Street, 3rd Floor  
Riverside, CA 92522

Dear Mr. Ramirez:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Riverside City 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. 4 – 2007 Series C Tax Exempt Tax Allocation Bonds (2007 Bonds) in the amount of \$578,425. It is our understanding the Agency requested the incorrect amount for the 2007 Bonds. Per discussion with Agency staff and review of documentation provided, the \$587,425 requested for the annual period should be \$578,425. As a result, the Redevelopment Property Tax Trust Fund (RPTTF) funding requested of has been decreased by \$9,000 to \$578,425.
- Item Nos. 21, 27, 28, 155, 156, and 195 – Bond funded projects in the amount of \$554,156 in Bond Proceeds. The Agency received a Finding of Completion on April 17, 2013 and is allowed to expend bond proceeds derived from bonds issued prior to January 1, 2011 (pre-2011 bond proceeds) in a manner consistent with the bond covenants. Our approval is specifically limited to the use of excess pre-2011 bond proceeds pursuant to HSC section 34191.4 (c) (1). Therefore, we have changed the Obligation Type to “Bond Funded Project – Pre-2011”. Such approval, however, should not be construed as approval of the project themselves as enforceable obligations.
- Item No. 65 – Univ-Commercial Improvement Program in the amount of \$50,000. The Agency previously requested this amount during ROPS 15-16A and ROPS 15-16B, but do not anticipate expenditure of the funded amounts in those periods. Under the understanding that the Agency will report the amounts previously funded as unspent and apply the amounts towards a future prior period adjustment, Finance is allowing RPTTF in the amount of \$50,000 for expenditure during the 2016-17 fiscal year.

- Item No. 80 – 1994 Series B Taxable Lease Revenue Bonds-California Tower (1994 Bonds) in the amount of \$430,320. It is our understanding the Agency requested the incorrect amount for the 1994 Bonds. Per discussion with Agency staff and review of documentation provided, the \$430,320 requested for the annual period should be \$432,720. As a result, the total RPTTF funding requested of \$430,320 has been increased by \$2,400 to \$432,720.
- Item Nos. 106, 114, and 115 – Property maintenance costs in the amount of \$70,000. It is our understanding the Agency no longer needs the amounts requested during the ROPS B period. Per discussion with Agency staff and review of documentation provided, the \$70,000 requested for the annual period should be \$35,000. As a result, the RPTTF funding requested of \$5,000, \$25,000, and \$5,000, totaling \$35,000 for Item Nos. 106, 114, and 115, respectively, are not eligible for RPTTF funding.
- The claimed administrative costs exceed the allowance by \$321,551. HSC section 34171 (b) (3) limits the fiscal year 2016-17 Administrative Cost Allowance (ACA) to three percent of actual distributed RPTTF in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the distributed RPTTF in the preceding fiscal year. As a result, the Agency's maximum ACA is \$739,375 for the fiscal year 2016-17. Although \$1,060,926 is claimed for administrative cost, only \$739,375 is available pursuant to the cap. Therefore, \$321,551 of excess administrative cost is not allowed.

Except for the items that have 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 (I) (1) (E) requires these balances to be used prior to requesting RPTTF.

The Agency's maximum approved RPTTF distribution for the reporting period is \$36,061,954 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:

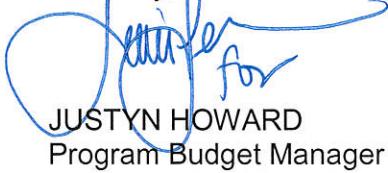
<http://www.dof.ca.gov/redevelopment/ROPS>

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.

Please direct inquiries to Cindie Lor, Supervisor, or Satveer Ark, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Al Zelinka, Community Development Director, Riverside City  
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside 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)	\$ 17,887,718	\$ 17,476,461	\$ 35,364,179
Requested Administrative RPTTF	536,632	524,294	1,060,926
<b>Total RPTTF requested for obligations on ROPS 16-17</b>	<b>18,424,350</b>	<b>18,000,755</b>	<b>\$ 36,425,105</b>
Adjustment to Agency Requested RPTTF			
Item No. 4	0	(9,000)	(9,000)
Item No. 80	2,400	0	2,400
<b>Total RPTTF adjustments</b>	<b>2,400</b>	<b>(9,000)</b>	<b>\$ (6,600)</b>
<b>Total RPTTF requested</b>	<b>17,890,118</b>	<b>17,467,461</b>	<b>35,357,579</b>
<u>Denied Items</u>			
Item No. 106	0	(5,000)	(5,000)
Item No. 114	0	(25,000)	(25,000)
Item No. 115	0	(5,000)	(5,000)
<b>Total RPTTF authorized</b>	<b>17,890,118</b>	<b>17,432,461</b>	<b>\$ 35,322,579</b>
<b>Total Administrative RPTTF requested</b>	<b>536,632</b>	<b>524,294</b>	<b>1,060,926</b>
Administrative costs in excess of the cap (see Administrative Cost Allowance Cap table below)	0	(321,551)	(321,551)
<b>Total Administrative RPTTF authorized</b>	<b>536,632</b>	<b>202,743</b>	<b>\$ 739,375</b>
<b>Total RPTTF approved for distribution</b>	<b>18,426,750</b>	<b>17,635,204</b>	<b>\$ 36,061,954</b>

<b>Administrative Cost Allowance Cap Calculation</b>			
Actual RPTTF distributed for fiscal year 2015-16		\$ 25,549,302	
Less sponsoring entity loan and Administrative RPTTF		903,477	
Actual RPTTF distributed for 2015-16 after adjustment		24,645,825	
Administrative Cap for 2016-17 per HSC section 34171 (b)		739,375	
ROPS 16-17 Administrative RPTTF after Finance adjustments		1,060,926	
<b>Administrative Cost Allowance in excess of the cap</b>		<b>\$ (321,551)</b>	