



April 11, 2016

Penny Rose, Accounting Supervisor  
City of Adelanto  
11600 Air Expressway  
Adelanto, CA 92301

Dear Penny Rose:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Adelanto Successor Agency (Agency) submitted an annual 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 28, 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. 1 – Adelanto Improvement Project, Tax Allocation Bonds, debt service payment in the amount of \$2,284,476 has been adjusted. Per the debt service schedule, principal and interest payments due December 2016 total \$953,863 (\$745,000 + \$208,863) and the interest only payment due June 2017 is \$188,375, for a total debt service payment of \$1,142,238 (\$953,863 + \$188,375) for the ROPS 16-17 period.

However, the Agency requested \$1,142,238 from Reserve Balances and \$953,863 from Redevelopment Property Tax Trust Funds (RPTTF) for the July through December 2016 period (ROPS A period); and \$188,375 from RPTTF for the January through June 2017 period (ROPS B period), for a total requested amount of \$2,284,476. Since the amount required for debt service payments during the ROPS 16-17 period is only \$1,142,238, RPTTF in the amount of \$953,863 is not necessary at this time. Therefore, with the Agency's concurrence, Finance has authorized Reserve Balances in the amount of \$1,142,238 and RPTTF in the amount of \$188,375, for the periods specified below:

- \$745,000 from Reserve Balances for principal payment due December 1, 2016
- \$208,863 from Reserve Balances for interest payment due December 1, 2016
- \$188,375 from Reserve Balances for interest payment due June 1, 2017
- \$188,375 from RPTTF for interest payment due December 1, 2017

Except for the item adjusted, in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 16-17. If you disagree with Finance's determination with respect to any items on your ROPS 16-17, except for those items which are the subject of litigation disputing Finance's previous or related determinations, you may request a Meet and Confer within five

business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

[http://www.dof.ca.gov/redevelopment/meet\\_and\\_confer/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Finance performs a review of the Agency's self-reported cash balances on an ongoing basis. Be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved enforceable obligations, HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF.

The Agency's maximum approved RPTTF distribution for the reporting period is \$3,493,784 as summarized in the Approved RPTTF Distribution Table on Page 4 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the ROPS A period, and one distribution for the 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:

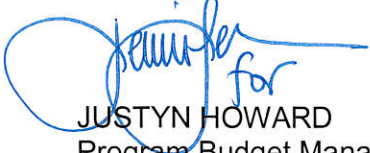
<http://www.dof.ca.gov/redevelopment/ROPS>

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 Nichelle Thomas, Supervisor, or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Larry Jarvis, Senior Management Analyst, City of Adelanto  
Ms. Linda Santillano, Property Tax Manager, San Bernardino 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)	\$ 2,740,480	\$ 1,457,167	\$ 4,197,647
Requested Administrative RPTTF	125,000	125,000	250,000
<b>Total RPTTF requested for obligations on ROPS 16-17</b>	<b>2,865,480</b>	<b>1,582,167</b>	<b>\$ 4,447,647</b>
<b>Total RPTTF requested</b>	<b>2,740,480</b>	<b>1,457,167</b>	<b>4,197,647</b>
<u>Denied Item</u>			
Item No. 1	(953,863)	0	(953,863)
<b>Total RPTTF authorized</b>	<b>1,786,617</b>	<b>1,457,167</b>	<b>\$ 3,243,784</b>
<b>Total Administrative RPTTF authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>\$ 250,000</b>
<b>Total RPTTF approved for distribution</b>	<b>1,911,617</b>	<b>1,582,167</b>	<b>\$ 3,493,784</b>