



April 12, 2017

Mr. John Dutrey, Housing Program Manager  
City of Rialto  
150 South Palm Avenue  
Rialto, CA 92376

Dear Mr. Dutrey:

Subject: 2017-18 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Rialto Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2017 through June 30, 2018 (ROPS 17-18) to the California Department of Finance (Finance) on January 31, 2017. Finance has completed its review of the ROPS 17-18.

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

- Item No. 39 – Bond Servicing fees in the requested amount of \$44,000 has been adjusted. With the Agency's concurrence, the amount requested from Other Funds has been adjusted to \$27,000 (\$44,000 - \$17,000) to reflect what is required for this period. Therefore, Finance is approving Other Funds in the amount of \$27,000 and applying the excess \$17,000 to Item No. 7, 2008 Series A Tax Allocation Bonds, as further discussed below.
- Item No. 196 – Affordable Housing Project in the total outstanding obligation amount of \$1,218,361. At the Agency's request, Finance has reduced the requested amount from \$1,218,361 to zero. It is our understanding the Agency is working with the bond trustee to identify the correct amount of excess bond proceeds. To the extent the Agency can provide documentation to support the availability of excess bond proceeds, this item may be considered on a future ROPS.
- Item No. 197 – Enterprise Agreement in the total outstanding obligation amount of \$27,165 is not allowed. It is our understanding the Agency included this item on the ROPS in error. Therefore, at the Agency's request, Finance has reduced this item from \$27,165 to zero, and funding from the Redevelopment Property Tax Trust Fund (RPTTF) is not allowed.
- On the ROPS 17-18 form, the Agency reported cash balances and activity for the period of January 1, 2016 through June 30, 2016. Pursuant to HSC section 34177 (l) (1) (E), the Agency is required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During our review, which may have included obtaining

financial records, Finance determined the Agency possesses \$57,422 that should be used prior to requesting RPTTF. Further, as discussed above, Other Funds in the amount of \$17,000 are available.

Therefore, Finance is approving RPTTF in the amount of \$2,477,748 and the use of the Other Funds in the amount of \$74,422 (\$57,422 + \$17,000), totaling \$2,552,170, for Item No. 7 – 2008 Tax Allocation Bonds, for the ROPS 17-18 period.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 17-18. If the Agency disagrees with Finance's determination with respect to any items on the ROPS 17-18, except items which are the subject of litigation disputing Finance's previous or related determinations, the Agency 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 on Finance's website:

[http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$12,072,184 as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2017 through December 31, 2017 period (ROPS A period) and one distribution for the January 1, 2018 through June 30, 2018 period (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 17-18 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 17-18 form, the Agency reported cash balances and activity for the period of January 1, 2016 through June 30, 2016. Finance reviews the Agency's self-reported cash balances on an ongoing basis. The Agency should be prepared to submit financial records and bridging documents to support the cash balances reported upon request.

The Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through June 30, 2016 period (ROPS 15-16). The Agency will report actual payments for ROPS 15-16 on ROPS 18-19, pursuant to HSC section 34186 (a) (1). A prior period adjustment may be applied to the Agency's ROPS 18-19 RPTTF distribution. Therefore, the Agency should retain any unexpended ROPS 15-16 RPTTF.

Absent a Meet and Confer, this is Finance's determination regarding the obligations listed on the ROPS 17-18. This determination only applies to items when funding was requested for the 12-month period.

The ROPS 17-18 form submitted by the Agency and Finance's determination letter will be posted on Finance's website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

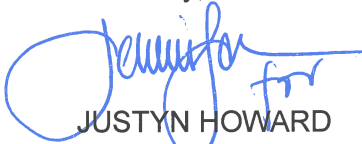
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Finance's determination is effective for the ROPS 17-18 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding 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 law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Nichelle Thomas, Supervisor, or Moses Ofurio, Lead Analyst, at (916) 322-2985.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Robb Steel, Assistant to the City Administrator/Development Services Director, City of Rialto  
Ms. Linda Santillano, Property Tax Manager, San Bernardino County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 2017 through June 2018</b>			
	<b>ROPS A Period</b>	<b>ROPS B Period</b>	<b>ROPS 17-18 Total</b>
RPTTF Requested	\$ 4,028,069	\$ 7,792,136	\$ 11,820,205
Administrative RPTTF Requested	176,783	176,783	353,566
<b>Total RPTTF Requested</b>	<b>4,204,852</b>	<b>7,968,919</b>	<b>12,173,771</b>
<b>RPTTF Requested</b>	<b>4,028,069</b>	<b>7,792,136</b>	<b>11,820,205</b>
<u>Adjustments</u>			
Item No. 7	(74,422)	0	(74,422)
Item No. 197	(27,165)	0	(27,165)
	(101,587)	0	(101,587)
<b>RPTTF Authorized</b>	<b>3,926,482</b>	<b>7,792,136</b>	<b>11,718,618</b>
<b>Administrative RPTTF Authorized</b>	<b>176,783</b>	<b>176,783</b>	<b>353,566</b>
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 4,103,265</b>	<b>\$ 7,968,919</b>	<b>\$ 12,072,184</b>