



December 17, 2013

Ms. Debbie McIntyre, Accounting Manager
City of South Lake Tahoe
1901 Airport Road
South Lake Tahoe, CA 96150

Dear Ms. McIntyre:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated October 29, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of South Lake Tahoe Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to Finance on September 26, 2013, for the period of January through June 2014. Finance issued a ROPS determination letter on October 29, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on November 6, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific items being disputed.

- Item No. 6 – Contracted Financial Services in the amount of \$75,000. Finance no longer denies this item. Finance initially denied the item as documentation provided showed the former redevelopment agency (RDA) was not a party to the agreement. During the Meet and Confer, the Agency provided additional documentation as well as copies of the bond service contracts and debt issuance agreements related to the former RDA's bond obligations. The Agency also provided various bond disclosure and bond maintenance agreement contracts between the former RDA and third parties. Therefore, Finance no longer objects to this item.

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 table below includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Except for the item denied in whole or in part as enforceable an obligation, Finance is not objecting to the remaining items listed on your ROPS 13-14B. The Agency's maximum approved RPTTF distribution for the reporting period is \$2,162,322 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2014	
Total RPTTF requested for non-administrative obligations	2,119,822
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations	\$ 2,244,822
Total RPTTF requested for non-administrative obligations	2,119,822
<u>Denied Items</u>	
Total RPTTF approved for non-administrative obligations	2,119,822
Total RPTTF for administrative obligations	125,000
Self-Reported ROPS III prior period adjustment	(82,500)
Total RPTTF approved for distribution	\$ 2,162,322

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/.](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14B%20Forms%20by%20Successor%20Agency/)

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 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.

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Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor or Derk Symons, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Olga Tikhomirova, Accountant, City of South Lake Tahoe
Ms. Sally Zutter, Property Tax Division Manager, El Dorado County
California State Controller's Office