



April 9, 2014

Ms. Terry Cahoon, Assistant Finance Director
City of Paramount
16400 Colorado Avenue
Paramount, CA 90723

Dear Ms. Cahoon:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Paramount Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to the California Department of Finance (Finance) on February 26, 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.

Based on our review, we are approving all of the items listed on your ROPS 14-15A at this time.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting Redevelopment Property Tax Trust Fund (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 possesses an additional \$17,757 available in Other Funds beyond the Other Funds that have already been requested.

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

- Item Nos. 63 through 64, 66 through 70, 72 and 73 – Various obligations totaling \$28,500. The Agency requests a combined \$17,757 of RPTTF, \$1,071 of Other Funds and \$9,672 of Reserve Balances; however Finance is reclassifying \$17,757 of RPTTF to Other Funds. These items are enforceable obligations for the ROPS 14-15A period. However, these obligations do not require payment from property tax revenues and the Agency has \$17,757 available in Other Funds. Therefore, Finance is approving Reserve Balances in the amount of \$9,672 and the use of Other Funds in the amount of \$18,828, totaling \$28,500.

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 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 the 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/

The Agency's maximum approved RPTTF distribution for the reporting period is \$6,079,412 as summarized below:

Approved RPTTF Distribution For the period of July through December 2014	
Total RPTTF requested for non-administrative obligations	5,994,013
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations	\$ 6,119,013
Total RPTTF for non-administrative obligations	5,994,013
<u>Cash Balances - Items reclassified to other funding sources</u>	
Item No. 63	(328)
Item No. 64	(1,000)
Item No. 66	(500)
Item No. 67	(200)
Item No. 68	(3,500)
Item No. 69	(6,029)
Item No. 70	(3,400)
Item No. 72	(2,000)
Item No. 73	(800)
	(17,757)
Total RPTTF authorized for non-administrative obligations	\$ 5,976,256
Total RPTTF authorized for administrative obligations	\$ 125,000
Total RPTTF authorized for obligations	\$ 6,101,256
ROPS 13-14A prior period adjustment	(21,844)
Total RPTTF approved for distribution	\$ 6,079,412

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 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 Kylie Oltmann, Supervisor or Hugo Lopez, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Karina Lam, Finance Director, City of Paramount
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County
California State Controller's Office