



December 1, 2016

Mr. Keith D. Neves, Deputy City Manager / Director of Finance
 City of Lake Forest
 25550 Commercenter Drive, Suite 100
 Lake Forest, CA 92630

Dear Mr. Neves:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the City of Lake Forest Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on November 10, 2016. Finance has completed its review of the Agency's Last and Final ROPS.

Based on our review, Finance is approving all of the items listed on the Last and Final ROPS.

The Agency's maximum approved RPTTF distribution for the Last and Final ROPS is \$9,293,590 as summarized in the Approved RPTTF Distribution table below.

Approved Last and Final ROPS RPTTF Distributions							
ROPS Period	A Periods			B Periods			Annual Total
	RPTTF	Admin RPTTF	A Period Total	RPTTF	Admin RPTTF	B Period Total	
Total requested	7,970,682	2,500	7,973,182	1,240,408	80,000	1,320,408	\$9,293,590
Total adjustments	0	0	0	0	0	0	0
Total RPTTF approved for distribution							
ROPS 17-18	415,274	0	415,274	130,374	5,000	135,374	550,648
ROPS 18-19	420,374	0	420,374	125,082	5,000	130,082	550,456
ROPS 19-20	425,082	0	425,082	119,457	5,000	124,457	549,539
ROPS 20-21	429,457	0	429,457	113,412	5,000	118,412	547,869
ROPS 21-22	438,412	0	438,412	106,912	5,000	111,912	550,324
ROPS 22-23	441,912	0	441,912	100,212	5,000	105,212	547,124
ROPS 23-24	450,212	0	450,212	93,037	5,000	98,037	548,249
ROPS 24-25	458,037	0	458,037	85,554	5,000	90,554	548,591
ROPS 25-26	465,554	0	465,554	77,574	5,000	82,574	548,128
ROPS 26-27	472,574	0	472,574	69,279	5,000	74,279	546,853
ROPS 27-28	479,279	0	479,279	60,669	5,000	65,669	544,948
ROPS 28-29	490,669	0	490,669	51,532	5,000	56,532	547,201
ROPS 29-30	496,532	0	496,532	42,075	5,000	47,075	543,607
ROPS 30-31	507,075	0	507,075	32,194	5,000	37,194	544,269
ROPS 31-32	517,194	0	517,194	21,888	5,000	26,888	544,082
ROPS 32-33	526,888	0	526,888	11,157	5,000	16,157	543,045
ROPS 33-34	536,157	2,500	538,657	0	0	0	538,657
Total approved RPTTF	7,970,682	2,500	7,973,182	1,240,408	80,000	1,320,408	\$ 9,293,590

Please refer to the approved Last and Final ROPS schedule used to calculate the total RPTTF approved for distribution:

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

This is Finance's determination related to the enforceable obligations reported on the Last and Final ROPS. HSC section 34191.6 (c) (2) allows agencies to submit no more than two requests to amend the approved Last and Final ROPS.

ROPS distributions will occur twice annually, one distribution for the July 1 through December 31 (ROPS A period), and one distribution for the January 1 through June 30 (ROPS B period). The Agency will receive RPTTF distributions up to the maximum approved amount on the Last and Final ROPS.

The Agency shall not expend more than the amount approved for each enforceable obligations listed and approved on the Last and Final ROPS. All unspent RPTTF received for enforceable obligations by the Agency should be retained for distribution to the affected taxing entities pursuant to HSC section 34191.6 (d) (2) (G). Further, any revenues, interest, and earnings of the Agency not authorized for use pursuant to the approved Last and Final ROPS shall be remitted the County Auditor-Controller (CAC) pursuant to HSC section 34191.6 (c) (3). Pursuant to HSC section 34187 (e), once an agency has retired or paid off all enforceable obligations and all real property has been disposed of, the Agency is required to dispose of all remaining assets and remit any proceeds to the CAC for distribution to the affected taxing entities.

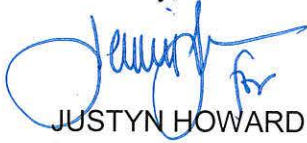
The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the Last and Final ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF. However, HSC section 34191.6 (c) (5) provides mechanisms for the Agency to pay enforceable obligations if insufficient RPTTF is available on an approved Last and Final ROPS.

HSC section 34187 (b) defines the process of final dissolution of the Agency. When all enforceable obligations have been retired or paid off, all real property has been disposed of, and all outstanding litigation has been resolved, the Agency shall, within 30 days of meeting these conditions, submit to the Oversight Board (OB) a request to formally dissolve. The OB shall approve the request within 30 days and submit the request to Finance's review.

Pursuant to HSC section 34191.6 (c), Last and Final ROPS approved less than 15 days before the date of the RPTTF distribution shall not be effective until the subsequent RPTTF distribution period; therefore, if an agency receives a Last and Final ROPS approval after this cutoff date, the most recent annual ROPS 17-18 approval would remain effective through June 30, 2018.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Justyn Howard". The signature is stylized and includes a large loop at the beginning.

JUSTYN HOWARD
Program Budget Manager

cc: Mr. Kevin Shirah, Accounting Manager, City of Lake Forest
Mr. Frank Davies, Property Tax Manager, Orange County