DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 12, 2016

Mr. Andy Okoro, City Manager
City of Norco
2870 Clark Avenue
Norco, CA 92860

Dear Mr. Okoro:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Norco Successor Agency (Agency) submitted a 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 February 1, 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. 7 – Supplemental Educational Revenue Augmentation Fund Loan repayment in the amount of $161,308 has been adjusted. Per discussion with Agency staff and review of documentation provided, the $161,308 requested for the annual period should be $300,000. As a result, requested Redevelopment Property Tax Trust Fund (RPTTF) funding of $161,308 has been reduced by $11,308 to $150,000 for the July 1, 2016 through December 31, 2016 period (ROPS A period) and RPTTF has increased from zero to $150,000 for the January 1, 2017 through June 30, 2014 period (ROPS B period).

- On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Pursuant to HSC section 34177 (l) (1) (E), agencies are 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 funds that should be used prior to requesting RPTTF. Therefore, with the Agency's concurrence, funding source for Item No. 13 has been reclassified to Other Funds in the amount specified below:

    - Item No. 13 – Successor Administrative Cost Allowance in the amount of $250,000. The Agency requests $250,000 of administrative RPTTF; however, Finance is reclassifying $41,403 to Other Funds. This item is an enforceable obligation for the ROPS 16-17 period. However, the obligation does not require payment from property tax revenues and the Agency has a total of $41,403 in available Other Funds. Therefore, Finance is approving administrative RPTTF in

the amount of $208,597 and the use of Other Funds in the amount of $41,403, totaling $250,000 for the ROPS 16-17 period.

Except for the item that has been adjusted, 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/

The Agency's maximum approved RPTTF distribution for the reporting period is $7,399,490 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. As 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 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 Cindie Lor, Supervisor, or Jeremy Bunting, Lead Analyst at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Cheryl Link, City Clerk, City of Norco
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County

Attachment

Approved RPTTF Distribution For the period of July 2016 through June 2017			
	ROPS A Period	ROPS B Period	Total
Requested RPTTF (excluding administrative obligations)	$ 3,607,669	$ 3,444,532	$ 7,052,201
Requested Administrative RPTTF	125,000	125,000	250,000
Total RPTTF requested for obligations on ROPS 16-17	3,732,669	3,569,532	**$ 7,302,201**
Adjustment to Agency Requested RPTTF			
Item No. 7	(11,308)	150,000	138,692
Total RPTTF adjustments	(11,308)	150,000	**$ 138,692**
Total RPTTF authorized	3,596,361	3,594,532	**$ 7,190,893**
Total Administrative RPTTF requested	125,000	125,000	**250,000**
Reclassified Item			
Item No. 13	(41,403)	0	(41,403)
Total Administrative RPTTF authorized	83,597	125,000	**$ 208,597**
Total RPTTF approved for distribution	3,679,958	3,719,532	**$ 7,399,490**

OB RESOLUTION NO. 2016-02

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORCO COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE REPORTABLE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017 (THE "ROPS 16-17")

WHEREAS, the ROPS for the period of July 1, 2016 through June 30, 2017 (the "ROPS 16-17") is attached hereto as submitted to the Oversight Board of the Successor Agency to the Norco Community Redevelopment Agency (the "Oversight Board") for its approval; and

WHEREAS, the Department of Finance (the "DOF") requires that that the ROPS 16-17 be electronically submitted to the County Administrative Officer, the County Auditor-Controller (the "CAC") and the DOF at the same time as the proposed ROPS 16-17 is submitted to the Oversight Board for approval; and

WHEREAS, the approved ROPS 16-17 is required to be electronically submitted to the DOF and the CAC no later than February 1, 2016.

NOW, THEREFORE, BE IT RESOLVED, ordered, and determined by the Oversight Board as follows:

SECTION 1. Submittal of Proposed ROPS 16-17. The proposed ROPS 16-17 was electronically submitted to the County Administrative Officer, the DOF and the CAC at the same time the same ROPS 16-17 was submitted to the Oversight Board for approval.

SECTION 2. Approval of ROPS 16-17. The Oversight Board hereby approves the ROPS 16-17.

SECTION 3. Submittal of Approved ROPS. The approved ROPS 16-17 shall be electronically submitted to the DOF and the CAC no later than February 1, 2016.

SECTION 4. DOF Review of Oversight Board Actions. Commencing with the Recognized Obligation Payment Schedule covering the period from July 1, 2016, to June 30, 2017, inclusive, and for each period from July 1 to June 30, inclusive, thereafter, a successor agency shall submit an oversight board-approved Recognized Obligation Payment Schedule to the department and to the county auditor-controller no later than February 1, 2016, and each February 1 thereafter. The department shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than April 15, 2016, and each April 15 thereafter. Within five business days of the department's determination, a successor agency may request additional review by the department and an opportunity to meet and confer on disputed items, except for those items which are the subject of litigation disputing the department's previous or related determination. An untimely submittal of a Recognized Obligation Payment Schedule may result in a meet and confer period of less than 30 days. The department shall notify the successor agency and the county auditor-controller as to the

outcome of its review at least 15 days before the date of the first property tax distribution for that period.

PASSED AND ADOPTED by the Oversight Board at a regular meeting held on January 28, 2016.

Patrick Malone, Chairperson
Oversight Board

ATTEST:

Cheryl L. Link, CMC, City Clerk
Oversight Board Secretary

I, CHERYL L. LINK, City Clerk of the City of Norco, California and Oversight Board Secretary, do hereby certify that the foregoing Resolution was introduced and adopted by the Oversight Board at a regular meeting held on January 28, 2016 by the following votes of the Oversight Board:

AYES: BASH, BROWN, DIXON, MACGREGOR, MALONE, MATA, PETREE
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California on January 28, 2016.

Cheryl L. Link, CMC, City Clerk
Oversight Board Secretary

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Norco

County: Riverside

	Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	16-17A Total	16-17B Total	ROPS 16-17 Total
A	**Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):**	$ -	$ -	$ -
B	Bond Proceeds Funding	-	-	-
C	Reserve Balance Funding	-	-	-
D	Other Funding	-	-	-
E	**Enforceable Obligations Funded with RPTTF Funding (F+G):**	$ 3,732,669	$ 3,569,532	$ 7,302,201
F	Non-Administrative Costs	3,607,669	3,444,532	7,052,201
G	Administrative Costs	125,000	125,000	250,000
H	**Current Period Enforceable Obligations (A+E):**	$ 3,732,669	$ 3,569,532	$ 7,302,201

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

PATRICK K. MALONE — CHAIRPERSON

Name — Title

/s/ — 28 JAN 2016

Signature — Date

Norco Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
											16-17A						16-17B					
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	16-17A Total	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	16-17B Total
								$ 136,555,706		$ 7,302,201	$ -	$ -	$ -	$ 3,607,669	$ 125,000	$ 3,732,669	$ -	$ -	$ -	$ 3,444,532	$ 125,000	$ 3,569,532
4	2005 RDA Refunding TAB	Bonds Issued On or Before	12/7/2005	3/1/2026	US Bank Trust	Refunded RDA TAB Issue of 1996		22,178,545	N	$ 885,238				442,619		$ 442,619				442,619		$ 442,619
5	2009 CNUSD Pass-Through TAB	Bonds Issued On or Before 12/31/10	3/1/2009	3/1/2034	US Bank Trust	RDA Pass-Through Issue to Fund Various School Projects		19,754,380	N	$ 980,824				490,412		$ 490,412				490,412		$ 490,412
6	2010 RDA Refunding TAB	Bonds Issued On or Before 12/31/10	5/11/2010	3/1/2036	US Bank Trust	Refunded RDA 2000 and 2003 TABS		46,886,819	N	$ 1,543,432				771,716		$ 771,716				771,716		$ 771,716
7	SERAF Loan from LMIHF	LMIHF Loans	7/7/2010	6/30/2015	LMI Housing Asset Fund	Loan to help pay 2010 SERAF		2,500,000	N	161,308				161,308		161,308						
8	Unfunded Pension Obligations	Unfunded Liabilities	1/1/2014	6/30/2024	CalPERS	Former Agency Share of UAAL - Pension		139,404	N	$ 18,588				9,294		$ 9,294				9,294		$ 9,294
9	Unfunded Post Retirement Health	Unfunded Liabilities	1/1/2014	6/30/2024	CalPERS	Former Agency Share of UAAL - Health		672,526	N	$ 89,670				44,835		$ 44,835				44,835		$ 44,835
13	Successor Agency Admin Cost	Admin Costs	1/1/2014	6/30/2036	City of Norco	Staff Costs to Serve as Successor Agency		5,000,000	N	$ 250,000					125,000	$ 125,000					125,000	$ 125,000
14	CFD Property Taxes	Miscellaneous	1/1/2014	7/1/2020	City of Norco	CFD 93-1 FY 2012 Property on RDA Parcels		20,119	N	1,829				1,829		1,829						
20	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	7/1/2014	3/1/2032	US Bank Trust	Refunded 2001 RDA Refunding Bonds		24,371,963	N	$ 2,435,512				1,217,756		$ 1,217,756				1,217,756		$ 1,217,756
21	2014 Tax Allocation Refunding Bonds - School District Pass-Through	Refunding Bonds Issued After 6/27/12	7/1/2014	3/1/2030	US Bank Trust	Refunded 2001 and 2004 School District Pass-Through Tax Allocation Bonds		15,031,950	N	$ 935,800				467,900		$ 467,900				467,900		$ 467,900
22	North Drive and California Avenue Traffic Calming Measures	Improvement/Infrastructure	1/21/2015	12/31/2015	RKA Engineering	Design and Construction of Round About, Landscape and Planting			N	$ -						$ -						$ -
23	ROPS 14-15B Short Paid	Miscellaneous	11/15/2014	3/1/2032	Norco Successor Agency	Insufficient Fund on ROPS 14-15B			N													
24									N	$ -						$ -						$ -
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Norco Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see CASH BALANCE TIPS SHEET

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		Reserve Balance		Other	RPTTF	
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments
ROPS 15-16A Actuals (07/01/15 - 12/31/15)								
1	**Beginning Available Cash Balance (Actual 07/01/15)**	6,253,544			229,149	26,539	733,292	
2	**Revenue/Income (Actual 12/31/15)** RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015	19,632				44,425	2,562,915	
3	**Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)**	426,085					2,302,487	
4	**Retention of Available Cash Balance (Actual 12/31/15)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						1,267,500	
5	**ROPS 15-16A RPTTF Balances Remaining**	No entry required						
6		**$ 5,847,091**	**$ -**	**$ -**	**$ 229,149**	**$ 70,964**	**$ (273,780)**	
ROPS 15-16B Estimate (01/01/16 - 06/30/16)								
7	**Beginning Available Cash Balance (Actual 01/01/16)** **(C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)**	**$ 5,847,091**	**$ -**	**$ -**	**$ 1,496,649**	**$ 70,964**	**$ (273,780)**	
8	**Revenue/Income (Estimate 06/30/16)** RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016					7,102	3,571,308	
9	**Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)**						4,838,807	
10	**Retention of Available Cash Balance (Estimate 06/30/16)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							
11	**Ending Estimated Available Cash Balance (7 + 8 - 9 -10)**	**$ 5,847,091**	**$ -**	**$ -**	**$ 1,496,649**	**$ 78,066**	**$ (1,541,279)**	