April 4, 2018

Mr. David Welch, Successor Agency Manager
City of Riverside
3900 Main Street, 5th Floor
Riverside, CA 92522

Dear Mr. Welch:

Subject: 2018-19 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Riverside Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2018 through June 30, 2019 (ROPS 18-19) to the California Department of Finance (Finance) on January 25, 2018. Finance has completed its review of the ROPS 18-19.

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

- Item No. 65 – Commercial Improvement Program in the amount of $50,000 is not allowed. Based on discussions with Agency staff, funding is no longer required for this item. Therefore, this obligation is no longer outstanding and the request of $50,000 in Redevelopment Property Tax Trust Fund (RPTTF) is not allowed. As a result, the item has been retired.

- On the ROPS 18-19 form, the Agency reported cash balances and activity for the period July 1, 2015 through June 30, 2016 (ROPS 15-16). According to our review, the Agency has approximately $6,194,380 in RPTTF unexpended from prior ROPS periods available to fund enforceable obligations on the ROPS 18-19. These unexpended RPTTF funds are considered Reserve Balance. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. Therefore, with the Agency’s concurrence, the funding source for the following item has been reclassified in the amount specified below:

  - Item No. 196 – 2014 Series A Tax Allocation Refunding Bonds in the amount of $6,386,251 is partially reclassified. This item does not require payment from property tax revenues. Therefore, Finance is approving RPTTF in the amount of $191,871 and the use of Reserve Balances in the amount of $6,194,380, totaling $6,386,251.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 18-19. If the Agency disagrees with our determination with respect to any items on the ROPS 18-19, except items which are the subject of litigation disputing our 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 our website:

  http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/
The Agency’s maximum approved RPTTF distribution for the reporting period is $19,085,822 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2018 through December 31, 2018 period (ROPS A period) and one distribution for the January 1, 2019 through June 30, 2019 period (ROPS B period) based on Finance’s approved amounts. Since this determination is for the entire ROPS 18-19 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Pursuant to HSC section 34186 (c), beginning October 1, 2018, the Agency will be required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2016 through June 30, 2017 period (ROPS 16-17) to the County Auditor-Controller for review. The Agency will report actual payments for ROPS 16-17 on ROPS 19-20. A prior period adjustment may be applied to the Agency’s ROPS 19-20 RPTTF distribution. Therefore, the Agency should retain any unexpended RPTTF from the ROPS 16-17 period.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 18-19. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be deemed denied until the matter is resolved.

The ROPS 18-19 form submitted by the Agency and this determination letter will be posted on our website:

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

This determination is effective for the ROPS 18-19 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 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 Cindie Lor, Supervisor, or Mathew Rios, Lead Analyst, at (916) 322-2985.

Sincerely,

[Signature]

Program Budget Manager

cc: Mr. Rafael Guzman, Community and Economic Development Director, Riverside City
    Ms. Pam Elias, Chief Accountant, Property Tax Division, Riverside County
### Attachment

#### Approved RPTTF Distribution
For the period of July 2018 through June 2019

<table>
<thead>
<tr>
<th></th>
<th>ROPS A Period</th>
<th>ROPS B Period</th>
<th>ROPS 18-19 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPTTF Requested</td>
<td>$10,675,601</td>
<td>$13,915,828</td>
<td>$24,592,429</td>
</tr>
<tr>
<td>Administrative RPTTF Requested</td>
<td>320,298</td>
<td>417,475</td>
<td>737,773</td>
</tr>
<tr>
<td><strong>Total RPTTF Requested</strong></td>
<td><strong>10,996,899</strong></td>
<td><strong>14,333,303</strong></td>
<td><strong>25,330,202</strong></td>
</tr>
<tr>
<td>RPTTF Requested</td>
<td>10,675,601</td>
<td>13,915,828</td>
<td>24,592,429</td>
</tr>
<tr>
<td><strong>Adjustments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item No. 65</td>
<td>(50,000)</td>
<td></td>
<td>(50,000)</td>
</tr>
<tr>
<td>Item No. 196</td>
<td>(2,599,688)</td>
<td>(3,595,692)</td>
<td>(6,194,380)</td>
</tr>
<tr>
<td></td>
<td>(2,648,688)</td>
<td>(3,595,692)</td>
<td>(6,244,380)</td>
</tr>
<tr>
<td><strong>RPTTF Authorized</strong></td>
<td>8,027,913</td>
<td>10,320,136</td>
<td>18,348,049</td>
</tr>
<tr>
<td>Administrative RPTTF Authorized</td>
<td>320,298</td>
<td>417,475</td>
<td>737,773</td>
</tr>
<tr>
<td><strong>Total RPTTF Approved for Distribution</strong></td>
<td><strong>$8,348,211</strong></td>
<td><strong>$10,737,611</strong></td>
<td><strong>$19,085,822</strong></td>
</tr>
</tbody>
</table>