SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ITEM
3.7
(ID # 7243)

MEETING DATE:
Tuesday, June 12, 2018

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Subordination Request, Notice and Certification

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the subordination request relating to the proposed bond issue by the Successor Agency to the Redevelopment Agency of the City of Riverside;
2. Receive and file the Notice of Proposed Bond Issue by the Successor Agency to the Redevelopment Agency of the City of Riverside; and
3. Authorize the Chairman of the Board to execute on behalf of the County of Riverside, the acknowledgement letter confirming receipt of the notice of proposed bond sale and the acknowledgement letter approving the subordination.

ACTION: Policy

Ivan Chand, Deputy County Executive Officer 6/1/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes:	Jeffries, Tavaglione, Washington, Perez and Ashley
Nays:	None
Absent:	None
Date:	June 12, 2018
xc:	EO

Kecia Harper-Ihem
Clerk of the Board
By Deputy

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$0	$0	$0	$0
NET COUNTY COST	$0	$0	$0	$0
SOURCE OF FUNDS:			Budget Adjustment:	No
			For Fiscal Year:	17-18

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Pursuant to Section 34177.5 © of the California Health and Safety Code ("the Code"), the Successor Agency to the Redevelopment Agency of the City of Riverside (the "Agency") may, with a taxing entity's approval, subordinate amounts payable from property tax revenue of a redevelopment project area that the Agency is required to pay such taxing entity pursuant to Section 34183 (a)(1) of the Code (the "Statutory Pass-through Payments") to bonds or other indebtedness issued or incurred by the Agency pursuant to Section 34177.5 (a) of the Code to achieve debt service savings by refinancing outstanding bonds.

The Agency is expecting to issue two (2) Series of 2018 refunding bonds (the "2018 Bonds") as follows:

(a) Successor Agency to the Redevelopment Agency of the City of Riverside 2018 Tax Allocation Refunding Bonds, Series A; and
(b) Successor Agency to the Redevelopment Agency of the City of Riverside 2018 Tax Allocation Refunding Bonds, Series B.

The 2018 Bonds are proposed to be issued on a parity lien basis with the bonds that were issued in 2014 (2014 Bonds). The 2014 Bonds were issued on a senior basis to certain of the Agency's tax sharing obligations by notifying the applicable taxing entities, as required by law. Like the 2014 Bonds, the 2018 Bonds are secured by property tax revenues from all of the Agency's redevelopment project areas, with the exception of the closed Eastside project area.

The financial analysis prepared by the Agency's fiscal consultant and financial advisor shows that the Agency can reasonably expect to have sufficient funds available to pay the payments that are expected to be due for the 2018 Bonds, the 2014 Bonds and all of the Agency's negotiated pass-through payments, including the negotiated pass-through payments and statutory pass-through payments owed to the various affected taxing entities for the Project Areas. The issuance of the 2018 Bonds will result in total debt service payments lower than on the Outstanding Bonds without extending the term of such bonds.

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Staff recommends that the Board of Supervisors approve the attached Subordination Request relating to the issuance of the 2018 Bonds and acknowledge receipt of the Notice of the proposed issuance of the 2018 Bonds.

Impact on Residents and Businesses

No impact on residents and businesses.

ATTACHMENTS:

- Subordination Request dated May 24, 2018 from Adam Raymond, Chief Financial Officer/City Treasurer of the City of Riverside.
- Notice of Proposed Bond issue dated May 24, 2018 from Adam Raymond, Chief Financial Officer/City Treasurer of the City of Riverside.

Don R. Kent, Assistant CEO-County Finance Officer	6/5/2018	Gregory P. Priamos, Director County Counsel	6/5/2018

CITY OF RIVERSIDE
Finance
Department
City of Arts & Innovation

May 24, 2018

County of Riverside
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Attn: Mr. George Johnson

Re: Subordination Request Pursuant to Section 34177.5(c) of the California Health and Safety Code Relating to Proposed Bond Issue by the Successor Agency to the Redevelopment Agency of the City of Riverside Pursuant to Section 34177.5(a)(1) of the California Health and Safety Code

Dear Mr. Johnson:

I am writing to you on behalf of the Successor Agency to the Redevelopment Agency of the City of Riverside (the "Agency") pursuant to Section 34177.5(c) of the California Health and Safety Code (the "Code"). Under Section 34177.5(c) of the Code, the Agency may, with a taxing entity's approval (which must be granted except as provided below), subordinate amounts payable from property tax revenue (formerly tax increment revenue) of a redevelopment project area that the Agency is required to pay such taxing entity pursuant to Section 34183(a)(1) of the Code (the "Statutory Pass-through Payments") to bonds or other indebtedness issued or incurred by the Agency pursuant to Section 34177.5(a) of the Code to achieve debt service savings by refinancing outstanding bonds.

At this time, the Agency is expecting to issue the following series of bonds by August 20, 2018 (the "2018 Bonds"):

(a) Successor Agency to the Redevelopment Agency of the City of Riverside 2018 Tax Allocation Refunding Bonds, Series A.

(b) Successor Agency to the Redevelopment Agency of the City of Riverside 2018 Tax Allocation Refunding Bonds, Taxable Series B.

The 2018 Bonds will result in a refinancing of outstanding bonds in the aggregate outstanding principal amount of $125,595,000 (the "Outstanding Bonds").

As permitted by Section 34177.5(g), the 2018 Bonds will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, including property tax revenues from the project areas described in the enclosed financial analysis prepared by the fiscal consultant for the 2018 Bonds (collectively, the "Project Areas"). By this letter, the Agency requests that the

6.12.18 3.7

County of Riverside (the "Taxing Entity") agree to the subordination of Statutory Pass-through Payments that the Agency is required to pay the Taxing Entity in connection with the Project Areas to the payment of debt service on the 2018 Bonds.

Enclosed for your review, pursuant to Section 34177.5(c)(2) of the Code, is a financial analysis prepared by the Agency's fiscal consultant for the 2018 Bonds, DHA Consulting, LLC (the "Fiscal Consultant"), and its financial advisor for the 2018 Bonds, CSG Advisors Incorporated (the "Financial Advisor"). The financial analysis shows the following:

- a projection of the property tax revenues that will be deposited in the Redevelopment Property Tax Trust Fund during the term of the 2018 Bonds, including property tax revenues from the Project Areas

- a debt service coverage analysis showing (i) the Agency's negotiated pass-through obligations, (ii) the Agency's Statutory Pass-Through Payments, (iii) the scheduled debt service on the outstanding bonds issued by the Agency in 2014 that will be payable on a parity basis with the 2018 Bonds (the "2014 Bonds") and (iv) projected debt service for the 2018 Bonds.

The Fiscal Consultant and Financial Advisor's analysis shows that the Agency can reasonably expect to have sufficient funds available to pay the payments that are expected to be due for the 2018 Bonds, the 2014 Bonds and all of the Agency's Statutory Pass-through Payments owed to the various affected taxing entities for the Project Areas. The issuance of the 2018 Bonds will result in total debt service payments lower than on the Outstanding Bonds without extending the term of such bonds. In the event that the Agency does not have sufficient funds to make the required Statutory Pass-through Payments in a given year, the Agency's obligation to make such payments shall continue and shall be paid for from available property tax revenues of the Agency.

For the benefit of the Agency's records, please complete the attached Acknowledgement and return it in the self-addressed envelope no later than July 9, 2018, as the Authority is planning on selling the 2018 Bonds on or about August 6, 2018.

Please note that, in accordance with Section 34177.5(c)(3) of the Code, if the Taxing Entity does not respond to the requested subordination within forty-five (45) days of this letter, the subordination will be automatically deemed approved by the Taxing Entity and such approval shall be final and conclusive. Furthermore, to disapprove this subordination, the Taxing Entity must find, based upon substantial evidence, that the Agency will not be able to pay the payments due on the 2018 Bonds and the Statutory Pass-through Payments that it is required to pay the Taxing Entity.

Finance
Department

City of Arts & Innovation

Thank you in advance for your cooperation in this matter. If you have any questions regarding this matter, please do not hesitate to call the undersigned at (951) 826-2396.

Sincerely,

Adam Raymond,
Chief Financial Officer/City Treasurer

Enclosures

cc: Edward Enriquez, Assistant Chief Financial Officer/Deputy Treasurer

Finance
Department

CITY OF
RIVERSIDE

City of Arts & Innovation

ACKNOWLEDGEMENT

In response to the request by the Successor Agency to the Redevelopment Agency of the City of Riverside (the "Agency") set forth in a letter dated May 24, 2018 (the "Subordination Request"), to approve the Agency's subordination of Statutory Pass-through Payments, the County of Riverside (the "Taxing Entity") hereby confirms its approval of the subordination of the Agency's obligations to pay Statutory Pass-through Payments to the Taxing Entity in connection with the Agency's payment obligations on the 2018 Bonds (as defined in the Subordination Request) with respect to the Project Areas (as defined in the Subordination Request).

All capitalized terms used but not defined in this Acknowledgement have the meanings ascribed to them in the Subordination Request.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgement to be signed by its authorized representative on this 12th day of June, 2018.

COUNTY OF RIVERSIDE

By: Chuck Washington

Name: CHUCK WASHINGTON

Title: CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:
KECIA HARPER-IHEM, Clerk
By [signature]
DEPUTY

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel 6-6-18
SYNTHIA M. GUNZEL DATE

JH

JONES HALL

May 29, 2018

475 Sansome Street
Suite 1700
San Francisco, CA 94111
t. 415.391.5780
f. 415.276.2088

County of Riverside
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Attn: Mr. George Johnson

RCEO MAY30'18 AM10:47

Re: Financial Analysis Attachment to Previously Delivered Subordination Request Pursuant to Section 34177.5(c) of the California Health and Safety Code Relating to Proposed Bond Issue by the Successor Agency to the Redevelopment Agency of the City of Riverside Pursuant to Section 34177.5(a)(1) of the California Health and Safety Code

Dear Mr. Johnson:

I am writing to you on behalf of the Successor Agency to the Redevelopment Agency of the City of Riverside (the "Agency"). On May 24, 2018, our office mailed a Subordination Request Pursuant to Section 34177.5(c) of the California Health and Safety Code (the "Request") to you in connection with the Agency's anticipated issuance of the Successor Agency to the Redevelopment Agency of the City of Riverside 2018 Tax Allocation Refunding Bonds, Series A and the Successor Agency to the Redevelopment Agency of the City of Riverside 2018 Tax Allocation Refunding Bonds, Taxable Series B (together, the "2018 Bonds"). The Request referenced, but did not include, a financial analysis prepared by the Agency's fiscal consultant and fiscal advisor for the 2018 Bonds. We hereby attach such financial analysis.

Thank you in advance for your cooperation in this matter. If you have any questions regarding this matter, please do not hesitate to call Adam Raymond, Chief Financial Officer of the Agency and City Treasurer of the City of Riverside, at (951) 826-2396.

Sincerely,

Christopher Lynch

Enclosures

DHA Consulting, LLC

MEMORANDUM

DATE: May 17, 2018

TO: Adam Raymond, City of Riverside
Edward Enriquez, City of Riverside

FROM: Diane Hadland, DHA Consulting, LLC

RE: Demonstrated Coverage for Tax Sharing Subordination

As you know, the Successor Agency is proposing to issue certain refunding bonds (the 2018 Bonds) to achieve cash flow savings. The 2018 Bonds are proposed to be issued on a parity lien basis with the bonds that were issued in 2014 (2014 Bonds). The 2014 Bonds were issued on a senior basis to certain of the Agency's tax sharing obligations by notifying the applicable taxing entities, as required by law. Like the 2014 Bonds, the 2018 Bonds are secured by property tax revenues from all of the Agency's redevelopment project areas, with the exception of the closed Eastside Project Area (the Project Areas).

One of the requirements to obtaining subordination of certain tax sharing obligations is to demonstrate to the taxing entities that if they subordinate the tax sharing payments for the Project Areas there will be sufficient revenue to both pay all senior obligations, debt service on all bonds and all tax sharing requirements. The enclosed tables demonstrate the cash flow of the Successor Agency vis-à-vis property tax revenues related to bond debt service and other senior obligations. Specifically, the tables show the amount by which the estimated property tax revenues (former tax increment) for the Project Areas exceed the tax sharing requirements, debt service on the 2014 Bonds and on the proposed 2018 Bonds, and payments due under certain other obligations found to be senior to the 2018 Bonds.

<u>**The Dissolution Act:**</u> Prior law authorized the Agency to receive that portion of property tax revenue generated from the increase of the current year redevelopment project areas taxable values over the taxable values that existed at the time of the redevelopment project areas' adoption. This portion of property tax revenue is referred to as tax increment revenue. The law provided that the tax increment revenue may be pledged by redevelopment agencies for the repayment of redevelopment project area indebtedness. Effective February 1, 2012, redevelopment agencies were dissolved, although their successors, successor agencies are allowed to continue to receive former tax increment revenue to repay debt and can issue new bonds, with the approval of the state, to refund existing bonds under certain circumstances. The laws governing the dissolution of redevelopment agencies are included in ABx1 26, as amended by subsequent legislation, in particular AB 1484 and SB 107 enacted in 2012 and 2015 respectively, which are referred to in the memorandum as the "Dissolution Act".

The following are the tables included with this report:

Table No.	Description
Table 1	<u>**Tax Increment Projection and Debt Service Coverage:**</u> This table summarizes gross revenues and the related deductions for senior obligations, bond debt service and tax sharing requirements, both as a result of written tax sharing agreements and statutory tax sharing requirements (AB 1290).

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Table No.	Description (Continued)
Table 2	**Subordinate 33401 Tax Sharing Obligations by Taxing Entity**: This table shows the amount of the subordinate tax sharing obligations by taxing entity resulting from written tax sharing agreements which allow for subordination.
Table 3	Same as Table 2, but shows the amount of subordinate tax sharing obligations by taxing entity and by redevelopment project area
Table 4	**Subordinate AB 1290 Tax Sharing Payments by Taxing Entity:** This table shows the total amount of statutory tax sharing payments (AB 1290) estimated as due each taxing entity from the Project Areas.
Table 5	**Senior Obligations by Type:** Three of the redevelopment project areas (Downtown/Airport, La Sierra/Arlanza and the Auto Center) have other obligations that must be considered senior to debt service on the 2018 Bonds and the subordinate tax sharing requirements. These expenditures are detailed in Table 5.

The following are descriptions of the information contained in each column in Table 1 and discussions of the major assumptions used:

Gross Tax Revenue: Amounts shown in Table 1 have been estimated based on assessed values reported by the County in October 2017. The revenue estimates are based on a 1.0 percent tax rate, plus an estimated amount of $939,000 for unitary revenue. In January 2018, approximately $783,000 was allocated to the Agency trust fund as supplemental and miscellaneous revenues: these amounts are not included in the enclosed revenue estimates. In future fiscal years, estimated 2017-18 revenues are assumed to remain constant with the exception of reductions estimated to result from the resolution of outstanding appeals. Legislation enacted in 2015, SB 107, provides that deadlines for the receipt of tax increment revenue that were operable under prior law are no longer applicable for the purpose of paying approved enforceable obligations. As such, revenues for all of the redevelopment project areas should be available to pay debt service on the 2014 Bonds and 2018 Bonds for as long as they are outstanding.

County Administrative Charge: This amount is based on the amounts charged by the County for administration costs in prior fiscal years. In future fiscal years, this amount is assumed to remain a constant percentage of gross tax revenue.

Senior Obligations: This is a senior obligation incurred by the Agency from former Housing Set-Aside revenues in the Downtown/Airport Project Area. The Agreement, commonly known as the Breezewood Pledge Agreement, was entered into by the Agency with KDF Breezewood, LP on October 20, 2003. Under the Agreement, the Agency agreed to provide annual loan proceeds to Breezewood in the amount of $312,000 annually through fiscal year 2018-19. Payments will not be due on this obligation in 2019-20 or thereafter.

Senior Tax Sharing: Estimated tax sharing obligations for those written tax sharing agreements that did not contain provisions allowing for the subordination to the Agency's financings. Tables 2 and 3, which show amounts payable by taxing entity, do not include the estimated amounts due each taxing entity for these **senior** obligations as no subordination is being requested. These senior lien agreements include the following taxing entities covering the redevelopment project areas indicated:

Taxing Entity	Redevelopment Project Area
Riverside County	Merged Downtown/Airport and UC/Sycamore Merged Project
County Flood Control	Merged Downtown/Airport, Sycamore Canyon Project
County Superintendent of Schools	UC/Sycamore Merged Project

Senior Bond Debt Service: Following the proposed refunding, there will be no senior bonds outstanding.

Auto Center & La Sierra Obligations: The redevelopment plans for the La Sierra/Arlanza Project Area and Subareas E and F of the 2003 Amendment to the Arlington Project Area (Auto Center) include restrictions on the use of property tax revenues. Bond Counsel has opined that, because of dissolution, the revenues of these areas could be pledged to the proposed 2018 Bonds, but only after meeting all other annual costs from the Areas. These costs have been estimated and are detailed below and in the attached Table 5. While some of the obligations for these Areas are fixed amounts for a predetermined length of time, others are costs that are dependent on variables that cannot be precisely determined, and as such, actual future costs are likely to vary from the enclosed estimates.

Actual 2014 Bond Debt Service: This includes actual debt service for the 2014 Bonds, which will be on a parity baisis with the proposed 2018 Bonds. The proposed 2018 Bonds will refund all other bond debt service that is senior to the 2014 Bonds.

Estimated 2018 Bond Debt Service: The amount of debt service on the 2018 Bonds is an estimate based on current market conditions, plus a small margin to be conservative. If interest rates were to rise substantially and thereby substantially increase estimated debt service, the 2018 Bonds would likely not be issued as the Dissolution Act only allows refinancings that achieve debt service savings.

Subordinate Tax Sharing: Estimated tax sharing obligations for those written tax sharing agreements that do contain provisions allowing for the subordination of Agency's financings. The enclosed Tables 2 and 3 show amounts estimated as due each year for each taxing entity pursuant to a unique written tax sharing agreement. These agreements include the following taxing entities covering the redevelopment project areas indicated:

Taxing Entity	Redevelopment Project Area
Riverside County	Casa Blanca Project Area
County Flood Control	Casa Blanca, University Corridor Project Area
County Superintendent of Schools	Casa Blanca, Merged Downtown/Airport Project Area
Riverside Unified	Casa Blanca, Merged Downtown/Airport
Riverside City College	Casa Blanca, Merged Downtown/Airport and UC/Sycamore Merged Project

Subordinate AB 1290 Tax Sharing: Legislation adopted in 1993 required that all redevelopment project areas adopted after 1993, as well as geographical areas added to existing projects, be subject to uniform tax sharing payments. AB 1290 pass through payments are also applicable when an existing project is amended to increase one or more of its time and/or revenue limitations. The AB 1290 pass through requirement is triggered when the first original deadline that was amended is reached. For instance, for those project areas where the former debt incurrence limit was the first limit to be reached, the AB 1290 pass through would be payable in the fiscal year after the limit was reached, in many cases fiscal year 2004-05. In older project areas, taxing entities with written tax sharing agreements in a given Project Area continue to receive those amounts and are not eligible for the statutory pass through payments from that Project Area. The enclosed Table 4 shows the estimated AB 1290 tax sharing amount for each affected taxing entity from the Project Areas.

Remaining Revenue: This amount shows the amount of revenue remaining after paying all senior obligations, bond debt service and all tax sharing requirements (senior and subordinate). As shown on Table 1, over $35 million is estimated to be remaining in fiscal year 2018-19 after meeting all of these obligations.

Table 5: La Sierra/Arlanza and Auto Center. Senior Obligations by Type:

SERAF Loan Repayments (La Sierra and Auto Center)

Prior to dissolution, redevelopment agencies were from time to time required by the state to pay a certain portion of tax increment revenues into a state fund for schools, known as the Educational Revenue Augmentation Fund (ERAF) or Supplemental Educational Revenue Augmentation Fund (SERAF). Agencies were generally allowed to use Housing Funds to make the payment but only through a borrowing that was to be repaid to the Housing Fund when funds became available. The Dissolution Act provides that any monies borrowed from the Housing Fund are to be repaid before any monies borrowed from the City are to be repaid. Further, the Act stipulates a formula by which the loans are to be repaid. The formula for payment is tied to combined revenues and expenditures for the Project Areas; it is not calculated for individual areas.

The Agency borrowed $20,571,233 from the Housing Set-Aside Fund to make the SERAF payments on May 10, 2010 and May 10, 2011. Of that amount, $11,327,063 was advanced from the La Sierra Project Area and $1,188,950 from the Arlington Project Area. The Agency was approved to repay the Housing

Set-Aside Fund $3.3 million from 2018-19 revenues generated by the Project Areas. The loan is expected to be fully repaid with the final $3.3 million payment.

Since the loan repayments approved by DOF are based on revenue and expenditures for the Project Areas, the share for La Sierra/Arlanza and the Auto Center have been estimated based on the amount each area loaned the Agency for the SERAF payments. The La Sierra Housing Set-Aside fund loaned $11.3 million, or 55.1 percent of the total $20.6 million SERAF loan. The Housing Fund for the Arlington Project as a whole loaned $1.2 million or 5.8 percent of the total: a distinction was not made in Agency records of the amounts paid from the Auto Center versus the rest of the Arlington Project. As a result, the amount coming from the Auto Center was estimated based on the relative property tax revenue historically generated in the Auto Center versus the rest of the Arlington Project. As the Auto Center only generated about 12 percent of the revenue of the entire Project Area, the Auto Center's share is 12 percent of 5.8 percent, or less than 1 percent of the total SERAF loan (0.69 percent).

Property Maintenance (La Sierra)

Revenues from the La Sierra Project will be spent over the next few years to maintain and prepare for sale several properties currently held by the Successor Agency for resale. Costs include property maintenance and troubleshooting, appraisals, land surveys, the costs for preparation of Purchase and Sale Agreements, obtaining approval from the state Department of Finance and other miscellaneous costs. These costs have been estimated given that two properties closed escrow by 2017, and assuming that two properties will close escrow by December 31, 2019 and one will close escrow by the end of 2020. Actual escrow costs (title and escrow fees, etc.) will be paid from the proceeds of the sale and not property tax revenues.

There are no properties located in the Auto Center Area that are owned by the Agency so the Agency will not incur these types of disposition costs for the Auto Center.

Galleria Improvements Reimbursement (La Sierra)

The Agency and the City entered into an agreement with the owner of for the Tyler Galleria regional shopping center to provide for the upgrade and expansion of the center in 2005 (Agreement Regarding Financing and Construction of Parking Facility and Other Public Improvements). Additional parking was added as well as a movie theater, bookstore and free-standing destination restaurants. The Agreement provides that the City/Agency would assist the owner with the construction of certain public improvements that needed to be installed to expand and improve the shopping center. The financial assistance provided by the former Redevelopment Agency equaled the net property taxes associated with the improvements covered by the Agreement. The shopping center is located in the La Sierra Project Area. The amount of the reimbursement has been calculated and paid each year by the Agency. The last payment due under the agreement was made during 2017-18.

Table 1
City of Riverside Successor Agency
All Project Areas Combined
Tax Increment Projection and Debt Service Coverage

Fiscal Year	Gross Tax Revenue (1)	County Admin Chg	Senior (2) Obligations	Senior (3) Tax Sharing	Auto Center & La Sierra Obligations (4)	2014 Pledged Tax Revenue	2014 Bond Debt Service	2018 Bond Est. Debt Service (5)	Subordinate Written (6) Tax Sharing	Subordnate AB 1290 (7) Tax Sharing	Remaining Revenue
2018-19	76,571,008	957,138	312,000	9,197,267	1,872,000	64,232,604	6,643,542	7,563,788	1,806,431	12,534,394	35,684,449
2019-20	76,208,571	952,607		9,143,392	17,000	66,095,571	6,786,037	7,856,772	1,802,805	12,441,563	37,208,395
2020-21	76,208,571	952,607		9,328,609	7,000	65,920,354	6,790,272	7,866,779	1,802,805	12,441,563	37,018,936
2021-22	76,208,571	952,607		9,328,609	7,000	65,920,354	6,197,160	8,378,810	1,802,805	12,441,563	37,100,017
2022-23	76,208,571	952,607		9,328,609	-	65,927,354	6,191,270	8,159,973	1,802,805	12,441,563	37,331,743
2023-24	76,208,571	952,607		9,328,609	-	65,927,354	5,894,050	10,995,541	1,802,805	12,441,563	34,793,395
2024-25	76,208,571	952,607		9,328,609	-	65,927,354	5,009,500	11,453,085	1,802,805	12,441,563	35,220,401
2025-26	76,208,571	952,607		9,328,609	-	65,927,354	3,840,500	12,423,651	1,560,761	12,441,563	35,660,879
2026-27	76,208,571	952,607		9,328,609	-	65,927,354	3,264,750	11,538,247	1,560,761	12,441,563	37,122,033
2027-28	76,208,571	952,607		9,328,609	-	65,927,354	2,055,000	12,802,789	1,560,761	12,441,563	37,067,241
2028-29	76,208,571	952,607		9,328,609	-	65,927,354	1,984,750	11,973,039	1,560,761	12,441,563	37,967,241
2029-30	76,208,571	952,607		9,328,609	-	65,927,354	1,984,000	10,097,539	1,560,761	12,441,563	39,843,491
2030-31	76,208,571	952,607		9,328,609	-	65,927,354	1,249,250	9,694,539	1,560,761	12,441,563	40,981,241
2031-32	76,208,571	952,607		9,328,609	-	65,927,354	1,247,000	9,569,039	1,560,761	12,441,563	41,108,991
2032-33	76,208,571	952,607		9,328,609	-	65,927,354	1,252,250	9,572,289	1,560,761	12,441,563	41,100,491
2033-34	76,208,571	952,607		9,328,609	-	65,927,354	829,500	9,622,500	1,560,761	12,441,563	41,473,030
2034-35	76,208,571	952,607		9,328,609	-	65,927,354	-	10,036,250	1,560,761	12,441,563	41,888,780
2035-36	76,208,571	952,607		9,328,609	-	65,927,354	-	9,069,250	1,560,761	12,441,563	42,855,780
2036-37	76,208,571	952,607		9,328,609	-	65,927,354	-	7,108,500	1,560,761	12,441,563	44,816,530
2037-38	76,208,571	952,607		9,328,609	-	65,927,354	-		1,560,761	12,441,563	51,925,030

(1) Reflects all redevelopment project areas with the exception of the Eastside Project Area. Estimated to remain at 2017-18 levels throughout the term of the projections with the exception of estimated reductions in 2018-19 and 2019-20 to take into account potential assessed value reductions resulting from currently outstanding appeals
(2) Costs associated with the Breezewood Housing Agreement in the Downtown/Airport Project Area.
(3) Senior Tax Sharing: Includes written tax sharing agreements with the County, Flood and Superintendent of Schools for Downtown/Airport and UC/Sycamore Canyon. (The Flood Control Agreement covering the University Corridor Project Area, formerly the Central Industrial Project, is included with the subordinate tax sharing amounts.
(4) Obligations incurred for La Sierra/Arlanza and the Arlington 2003 Amendment Areas E & F (the "Auto Center") were determined by Bond Counsel to be senior to the lien on tax revenues of the 2014 Bonds and proposed 2018 Bonds. See Table 5 for a breakdown of those costs
(5) Debt service on the proposed 2018 Bonds, as estimated by Stifel, Nicolaus & Company, Incorporated, March 21, 2018. Interest rates and the amount of principal to be repaid in a given fiscal year are subject to change.
(6) In 2020-21, the share paid to the Flood Control District from the Sycamore Canyon Project increases and then remains a constant share of revenues. Certain payments to the County for the Casa Blanca Project Area are no longer due after 2024-25. See Table 2 for details on the amounts by taxing entity for the subordinate tax sharing agreements
(7) Statutory pass through payments to taxing entities without written tax sharing agreement are also to be subordinated to the proposed 2018 Bonds

Table 2
City of Riverside Successor Agency
Subordinate Written Tax Sharing Agreements (33401)
by Taxing Entity (1)

Fiscal Year	County of Riverside	Flood Control	County Superintendent of Schools	Riverside Unified	Riverside City College	Total Tax Sharing Agreements
2018-19	275,013	210,144	50,363	983,409	287,501	1,806,431
2019-20	275,013	209,259	49,928	982,739	285,866	1,802,805
2020-21	275,013	209,259	49,928	982,739	285,866	1,802,805
2021-22	275,013	209,259	49,928	982,739	285,866	1,802,805
2022-23	275,013	209,259	49,928	982,739	285,866	1,802,805
2023-24	275,013	209,259	49,928	982,739	285,866	1,802,805
2024-25	275,013	209,259	49,928	982,739	285,866	1,802,805
2025-26	32,969	209,259	49,928	982,739	285,866	1,560,761
2026-27	32,969	209,259	49,928	982,739	285,866	1,560,761
2027-28	32,969	209,259	49,928	982,739	285,866	1,560,761
2028-29	32,969	209,259	49,928	982,739	285,866	1,560,761
2029-30	32,969	209,259	49,928	982,739	285,866	1,560,761
2030-31	32,969	209,259	49,928	982,739	285,866	1,560,761
2031-32	32,969	209,259	49,928	982,739	285,866	1,560,761
2032-33	32,969	209,259	49,928	982,739	285,866	1,560,761
2033-34	32,969	209,259	49,928	982,739	285,866	1,560,761
2034-35	32,969	209,259	49,928	982,739	285,866	1,560,761
2035-36	32,969	209,259	49,928	982,739	285,866	1,560,761
2036-37	32,969	209,259	49,928	982,739	285,866	1,560,761
2037-38	32,969	209,259	49,928	982,739	285,866	1,560,761

(1) See Table 3 for a breakdown of the payments by redevelopment project area and taxing entity.

Table 3
City of Riverside Successor Agency
Subordinate Written Tax Sharing Agreements (33401)
by Project Area and Taxing Entity

	County	County Flood Control District			County Superintendant of Schools			Riverside Unified School District (1)			Riverside City College District			
	Casa Blanca	Casa Blanca	University Corridor (2)	Total	Casa Blanca	Merged DT/Airport	Total	Casa Blanca	Merged DT/Airport	Total	Casa Blanca	Merged DT/Airport	UC/Syc (2)	Total
2018-19	275,013	45,162	164,983	210,144	24,386	25,977	50,363	283,409	700,000	983,409	34,563	176,930	76,009	287,501
2019-20	275,013	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2020-21	275,013	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2021-22	275,013	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2022-23	275,013	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2023-24	275,013	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2024-25	275,013	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2025-26	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2026-27	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2027-28	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2028-29	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2029-30	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2030-31	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2031-32	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2032-33	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2033-34	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2034-35	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2035-36	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2036-37	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2037-38	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866

(1) Amounts payable to RUSD are only due through 2036-37. The amount of the payment each year is to equal the lesser of 31 percent of its share or $700,000. At current and estimated future revenue levels, the lesser amount is the fixed $700,000 payment.
(2) The University Corridor Project Area was formerly known as the Central Industrial Project Area.

Table 4
City of Riverside Successor Agency
Subordinate AB 1290 Tax Sharing Payments
by Taxing Entity / All Project Areas

Fiscal Year	County of Riverside	City of Riverside	Alvord (1) Unified Sch	Moreno Val Unified (1)	Riverside (1) Unified Sch	Riverside (1) Com College	County (1) Office of Ed	Co Regional Park &	Co Flood Control	Edgemont Comm Svc	N.W Mosquito	Western Muni Water	Riv. Corona Resource Conserv.	Other Special Districts (2)	Total (3) AB 1290
2018-19	1,568,773	1,431,077	3,302,366	560,634	3,179,824	898,614	676,223	56,350	357,804	31,245	39,824	397,360	25,985	8,314	12,534,394
2019-20	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2020-21	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2021-22	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2022-23	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2023-24	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2024-25	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2025-26	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2026-27	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2027-28	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2028-29	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2029-30	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2030-31	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2031-32	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2032-33	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2033-34	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2034-35	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2035-36	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2036-37	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2037-38	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563

(1) Amounts payable to the school districts include both revenues counted as property tax as well as those amounts the schools can keep for facilities.
(2) Includes Jurupa Area Recreation and Park Services (04-4121), the San Jacinto Basin Resources Conservation District (28-4743) and Loving Homes Park/Parkway Maintenance (38-2708)
(3) Amounts shown for each taxing entity have been estimated based on the allocation percentages used by the County for the January 2018 distribution and will likely not exactly match the actual County future payments

Table 5
City of Riverside Successor Agency
Arlington 2003 Amendment E & F
La Sierra / Arlanza Redevelopment Project Area
Senior Obligations by Type

	La Sierra/Arlanza Senior Obligations					Arlington 2003 Amendment Subareas E & F				Both Areas
Fiscal Year	SERAF Loan Allocation (1) 55.1%	Pension Allocation Bonds (2)	Galleria (3) Improvements Reimbursement	Costs for Property Disposition (4)	Total Obligations	SERAF Loan Allocation (5) 0.7%	Pension Allocation Bonds (2)	New Car Dealers (5) Agreement	Total Subarea E & F Obligations	Total Senior Obligations
2018-19	1,832,100		-	17,000	1,849,100	22,900		-	22,900	1,872,000
2019-20	-			17,000	17,000	-		-	-	17,000
2020-21				7,000	7,000			-	-	7,000
2021-22				7,000	7,000				-	7,000
2022-23				-	-				-	-
2023-24				-	-				-	-
2024-25				-	-				-	-
2025-26					-				-	-
2026-27					-				-	-
2027-28					-				-	-
2028-29					-				-	-
2029-30					-				-	-
2030-31					-				-	-
2031-32					-				-	-
2032-33					-				-	-
2033-34					-				-	-
2034-35					-				-	-
2035-36					-				-	-
2036-37					-				-	-

(1) The La Sierra/Arlanza Project Area's share of the annual SERAF payment has been estimated by computing the ratio of SERAF funds loaned from the La Sierra/Arlanza Housing Fund to total funds loaned from all Housing Funds. This ratio is then applied to the total amounts included on the ROPS, which amounts will result in the loan being fully repaid if the 2018-19 payments are made as approved. The amount of funds loaned from Subareas E and F was estimated based on the ratio of tax increment generated in the Subareas E and F to the rest of the Arlington Project Area.
(2) All payments on Pension Allocation Bonds (POBs) were disapproved by DOF commencing with the 2018-19 ROPS. While the Successor Agency paid a portion of the POBs from certain redevelopment project areas, it was the City/Agency's practice to not charge either La Sierra/Arlanza or Subareas E & F of the Arlington Project Area for any of these costs.
(3) The last payment due under this Agreement was made in 2017-18. The amount paid were based on increases in taxable value (above 2006 levels) for parcels on which the improvements to the Galleria shopping Center were constructed.
(4) Estimated costs associated with the maintenance and disposition of 3 properties in the La Sierra/Arlanza Project Area. Two properties, known as Site B, are anticipated to be sold together by the end of 2019, and the remaining property, known as Site C, sold by the end of 2020. Amounts included above are based on estimated sales costs not funded through escrow as well as maintenance costs prior to sale of the property.
(5) The Agreement with the New Car Dealer's Association, which provides for payments from the Agency (from Subareas E & F of the Arlington Project Area) in the amount of $100,000 through June 30, 2021, was disapproved by the state as an enforceable obligation and so has not been included as a senior obligation.

Finance
Department

City of Arts & Innovation

May 24, 2018

County of Riverside
4080 Lemon Street, 4th Floor
Riverside CA 92501
Attn: George Johnson

Re: Notice of Proposed Bond Issue by the Successor Agency to the Redevelopment Agency of the City of Riverside Pursuant to Section 34177.5(a)(1) of the California Health and Safety Code and Related Certification

Project Area: Casa Blanca Redevelopment Project Area

Dear Mr. Johnson:

I am writing to you on behalf of the Successor Agency to the Redevelopment Agency of the City of Riverside (the "Agency"). The Successor Agency is the successor agency to the Redevelopment Agency of the City of Riverside (the "Former Agency"). The Former Agency and the County of Riverside (the "Taxing Entity") entered into an Agreement for Cooperation dated September 15, 1992 (as amended from time to time, the "Negotiated Pass-Through Agreement") pursuant to which the Agency is required to pay the Taxing Entity certain property tax revenue (formerly tax increment revenue) of the Casa Blanca Redevelopment Project Area (the "Project Area") as more fully described in the Negotiated Pass-Through Agreement (such payments, the "Negotiated Pass-Though Payments"). Pursuant to Section 400 of the Negotiated Pass-Through Agreement, the Taxing Entity previously subordinated its right to payment of the Negotiated Pass-Through Payment to all payments required to pay long-term indebtedness of the Agency incurred for the Project Area.

At this time, the Agency is expecting to issue the following series of bonds by August 20, 2018 (the "2018 Bonds"):

(a) Successor Agency to the Redevelopment Agency of the City of Riverside 2018 Tax Allocation Refunding Bonds, Series A.

(b) Successor Agency to the Redevelopment Agency of the City of Riverside 2018 Tax Allocation Refunding Bonds, Taxable Series B.

The 2018 Bonds will result in a refinancing of outstanding bonds in the aggregate outstanding principal amount of $125,565,000 (the "Outstanding Bonds"). The refinancing of the Outstanding Bonds will result in debt service savings to the Agency as required by Section 34177.5(a)(1). Pursuant to the Negotiated Pass-Through Agreement, the Taxing Entity has subordinated its right to receive Negotiated Pass-Through Payments to payment of amounts payable with respect to all of the Outstanding Bonds.

JUN 12 2018 3.7

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As permitted by Section 34177.5(g) of the California Health and Safety Code (the "Code"), the 2018 Bonds will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in, the Redevelopment Property Tax Trust Fund, including property tax revenues from the Project Area.

Enclosed for your reference, is a financial analysis prepared by the Agency's fiscal consultant for the 2018 Bonds, DHA Consulting, LLC (the "Fiscal Consultant"), and its financial advisor for the 2018 Bonds, CSG Advisors Incorporated (the "Financial Advisor"). The financial analysis shows the following:

- a projection of the property tax revenues that will be deposited in the Redevelopment Property Tax Trust Fund during the term of the 2018 Bonds, including property tax revenues from the Project Area

- a debt service coverage analysis showing (i) the Agency's Negotiated Pass-Through Payments and other negotiated pass-through obligations, (ii) the Agency's statutory pass-through obligations, (iii) the scheduled debt service on the outstanding bonds issued by the Agency in 2014 that will be payable on a parity basis with the 2018 Bonds (the "2014 Bonds") and (iv) projected debt service for the 2018 Bonds.

The Fiscal Consultant and Financial Advisor's analysis shows that the Agency can reasonably expect to have sufficient funds available to pay the payments that are expected to be due for the 2018 Bonds, the 2014 Bonds and all of the Agency's negotiated pass-through payments, including the Negotiated Pass-Through Payments, and statutory pass-through payments owed to the various affected taxing entities for the Project Area. The issuance of the 2018 Bonds will result in total debt service payments lower than on the Outstanding Bonds without extending the term of such bonds.

This letter shall serve as (1) notice by the Agency to the Taxing Entity of the proposed issuance of the 2018 Bonds at least two weeks prior to the approval by the Agency of the preliminary official statement for the 2018 Bonds, and (2) a certification, at least ten days prior to the sale of the 2018 Bonds, by the Agency to the Taxing Entity that the Agency will be able to repay the 2018 Bonds without demand being made on the payments due to the Taxing Entity under the terms of the Negotiated Pass-Through Agreement, in each case as such notice and certification are required under the Negotiated Pass-Through Agreement.

Thank you in advance for your cooperation in this matter. If you have any questions regarding this matter, please do not hesitate to call the undersigned at (951) 826-2396.

CITY OF RIVERSIDE

Finance
Department

City of Arts & Innovation

For the benefit of the Agency's records, please complete the attached Acknowledgement and return it in the self-addressed envelope no later than July 9, 2018, as the Agency is planning on selling the 2018 Bonds on or about August 6, 2018.

Sincerely,

Adam Raymond,
Chief Financial Officer/City Treasurer

Enclosures

cc: Edward Enriquez, Assistant Chief Financial Officer/Deputy Treasurer

CITY OF RIVERSIDE

Finance
Department

City of Arts & Innovation

ACKNOWLEDGEMENT

The County of Riverside (the "Taxing Entity") hereby acknowledges receipt of the letter dated May 24, 2018 (the "Notice and Certification"), by the Successor Agency to the Redevelopment Agency of the City of Riverside (the "Agency") to the Taxing Entity regarding the issuance by the Agency of the 2018 Bonds. All capitalized terms used but not defined in this Acknowledgement have the meanings ascribed to them in the Notice and Certification.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgement to be signed by its authorized representative on this 12th day of June, 2018.

COUNTY OF RIVERSIDE

By: Chuck Washington

Name: CHUCK WASHINGTON

Title: CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:
KECIA HARPER-IHEM, Clerk
By: [signature]
DEPUTY

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DHA Consulting, LLC

MEMORANDUM

DATE: May 17, 2018

TO: Adam Raymond, City of Riverside
Edward Enriquez, City of Riverside

FROM: Diane Hadland, DHA Consulting, LLC

RE: Demonstrated Coverage for Tax Sharing Subordination

As you know, the Successor Agency is proposing to issue certain refunding bonds (the 2018 Bonds) to achieve cash flow savings. The 2018 Bonds are proposed to be issued on a parity lien basis with the bonds that were issued in 2014 (2014 Bonds). The 2014 Bonds were issued on a senior basis to certain of the Agency's tax sharing obligations by notifying the applicable taxing entities, as required by law. Like the 2014 Bonds, the 2018 Bonds are secured by property tax revenues from all of the Agency's redevelopment project areas, with the exception of the closed Eastside Project Area (the Project Areas).

One of the requirements to obtaining subordination of certain tax sharing obligations is to demonstrate to the taxing entities that if they subordinate the tax sharing payments for the Project Areas there will be sufficient revenue to both pay all senior obligations, debt service on all bonds and all tax sharing requirements. The enclosed tables demonstrate the cash flow of the Successor Agency vis-à-vis property tax revenues related to bond debt service and other senior obligations. Specifically, the tables show the amount by which the estimated property tax revenues (former tax increment) for the Project Areas exceed the tax sharing requirements, debt service on the 2014 Bonds and on the proposed 2018 Bonds, and payments due under certain other obligations found to be senior to the 2018 Bonds.

<u>The Dissolution Act:</u> Prior law authorized the Agency to receive that portion of property tax revenue generated from the increase of the current year redevelopment project areas taxable values over the taxable values that existed at the time of the redevelopment project areas' adoption. This portion of property tax revenue is referred to as tax increment revenue. The law provided that the tax increment revenue may be pledged by redevelopment agencies for the repayment of redevelopment project area indebtedness. Effective February 1, 2012, redevelopment agencies were dissolved, although their successors, successor agencies are allowed to continue to receive former tax increment revenue to repay debt and can issue new bonds, with the approval of the state, to refund existing bonds under certain circumstances. The laws governing the dissolution of redevelopment agencies are included in ABx1 26, as amended by subsequent legislation, in particular AB 1484 and SB 107 enacted in 2012 and 2015 respectively, which are referred to in the memorandum as the "Dissolution Act".

The following are the tables included with this report:

Table No.	Description
Table 1	**<u>Tax Increment Projection and Debt Service Coverage:</u>** This table summarizes gross revenues and the related deductions for senior obligations, bond debt service and tax sharing requirements, both as a result of written tax sharing agreements and statutory tax sharing requirements (AB 1290).

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Table No.	Description (Continued)
Table 2	**Subordinate 33401 Tax Sharing Obligations by Taxing Entity**: This table shows the amount of the subordinate tax sharing obligations by taxing entity resulting from written tax sharing agreements which allow for subordination.
Table 3	Same as Table 2, but shows the amount of subordinate tax sharing obligations by taxing entity and by redevelopment project area
Table 4	**Subordinate AB 1290 Tax Sharing Payments by Taxing Entity:** This table shows the total amount of statutory tax sharing payments (AB 1290) estimated as due each taxing entity from the Project Areas.
Table 5	**Senior Obligations by Type:** Three of the redevelopment project areas (Downtown/Airport, La Sierra/Arlanza and the Auto Center) have other obligations that must be considered senior to debt service on the 2018 Bonds and the subordinate tax sharing requirements. These expenditures are detailed in Table 5.

The following are descriptions of the information contained in each column in Table 1 and discussions of the major assumptions used:

Gross Tax Revenue: Amounts shown in Table 1 have been estimated based on assessed values reported by the County in October 2017. The revenue estimates are based on a 1.0 percent tax rate, plus an estimated amount of $939,000 for unitary revenue. In January 2018, approximately $783,000 was allocated to the Agency trust fund as supplemental and miscellaneous revenues: these amounts are not included in the enclosed revenue estimates. In future fiscal years, estimated 2017-18 revenues are assumed to remain constant with the exception of reductions estimated to result from the resolution of outstanding appeals. Legislation enacted in 2015, SB 107, provides that deadlines for the receipt of tax increment revenue that were operable under prior law are no longer applicable for the purpose of paying approved enforceable obligations. As such, revenues for all of the redevelopment project areas should be available to pay debt service on the 2014 Bonds and 2018 Bonds for as long as they are outstanding.

County Administrative Charge: This amount is based on the amounts charged by the County for administration costs in prior fiscal years. In future fiscal years, this amount is assumed to remain a constant percentage of gross tax revenue.

Senior Obligations: This is a senior obligation incurred by the Agency from former Housing Set-Aside revenues in the Downtown/Airport Project Area. The Agreement, commonly known as the Breezewood Pledge Agreement, was entered into by the Agency with KDF Breezewood, LP on October 20, 2003. Under the Agreement, the Agency agreed to provide annual loan proceeds to Breezewood in the amount of $312,000 annually through fiscal year 2018-19. Payments will not be due on this obligation in 2019-20 or thereafter.

Senior Tax Sharing: Estimated tax sharing obligations for those written tax sharing agreements that did not contain provisions allowing for the subordination to the Agency's financings. Tables 2 and 3, which show amounts payable by taxing entity, do not include the estimated amounts due each taxing entity for these **senior** obligations as no subordination is being requested. These senior lien agreements include the following taxing entities covering the redevelopment project areas indicated:

Taxing Entity	Redevelopment Project Area
Riverside County	Merged Downtown/Airport and UC/Sycamore Merged Project
County Flood Control	Merged Downtown/Airport, Sycamore Canyon Project
County Superintendent of Schools	UC/Sycamore Merged Project

Senior Bond Debt Service: Following the proposed refunding, there will be no senior bonds outstanding.

Auto Center & La Sierra Obligations: The redevelopment plans for the La Sierra/Arlanza Project Area and Subareas E and F of the 2003 Amendment to the Arlington Project Area (Auto Center) include restrictions on the use of property tax revenues. Bond Counsel has opined that, because of dissolution, the revenues of these areas could be pledged to the proposed 2018 Bonds, but only after meeting all other annual costs from the Areas. These costs have been estimated and are detailed below and in the attached Table 5. While some of the obligations for these Areas are fixed amounts for a predetermined length of time, others are costs that are dependent on variables that cannot be precisely determined, and as such, actual future costs are likely to vary from the enclosed estimates.

Actual 2014 Bond Debt Service: This includes actual debt service for the 2014 Bonds, which will be on a parity baisis with the proposed 2018 Bonds. The proposed 2018 Bonds will refund all other bond debt service that is senior to the 2014 Bonds.

Estimated 2018 Bond Debt Service: The amount of debt service on the 2018 Bonds is an estimate based on current market conditions, plus a small margin to be conservative. If interest rates were to rise substantially and thereby substantially increase estimated debt service, the 2018 Bonds would likely not be issued as the Dissolution Act only allows refinancings that achieve debt service savings.

Subordinate Tax Sharing: Estimated tax sharing obligations for those written tax sharing agreements that do contain provisions allowing for the subordination of Agency's financings. The enclosed Tables 2 and 3 show amounts estimated as due each year for each taxing entity pursuant to a unique written tax sharing agreement. These agreements include the following taxing entities covering the redevelopment project areas indicated:

Taxing Entity	Redevelopment Project Area
Riverside County	Casa Blanca Project Area
County Flood Control	Casa Blanca, University Corridor Project Area
County Superintendent of Schools	Casa Blanca, Merged Downtown/Airport Project Area
Riverside Unified	Casa Blanca, Merged Downtown/Airport
Riverside City College	Casa Blanca, Merged Downtown/Airport and UC/Sycamore Merged Project

Subordinate AB 1290 Tax Sharing: Legislation adopted in 1993 required that all redevelopment project areas adopted after 1993, as well as geographical areas added to existing projects, be subject to uniform tax sharing payments. AB 1290 pass through payments are also applicable when an existing project is amended to increase one or more of its time and/or revenue limitations. The AB 1290 pass through requirement is triggered when the first original deadline that was amended is reached. For instance, for those project areas where the former debt incurrence limit was the first limit to be reached, the AB 1290 pass through would be payable in the fiscal year after the limit was reached, in many cases fiscal year 2004-05. In older project areas, taxing entities with written tax sharing agreements in a given Project Area continue to receive those amounts and are not eligible for the statutory pass through payments from that Project Area. The enclosed Table 4 shows the estimated AB 1290 tax sharing amount for each affected taxing entity from the Project Areas.

Remaining Revenue: This amount shows the amount of revenue remaining after paying all senior obligations, bond debt service and all tax sharing requirements (senior and subordinate). As shown on Table 1, over $35 million is estimated to be remaining in fiscal year 2018-19 after meeting all of these obligations.

Table 5: La Sierra/Arlanza and Auto Center. Senior Obligations by Type:

SERAF Loan Repayments (La Sierra and Auto Center)

Prior to dissolution, redevelopment agencies were from time to time required by the state to pay a certain portion of tax increment revenues into a state fund for schools, known as the Educational Revenue Augmentation Fund (ERAF) or Supplemental Educational Revenue Augmentation Fund (SERAF). Agencies were generally allowed to use Housing Funds to make the payment but only through a borrowing that was to be repaid to the Housing Fund when funds became available. The Dissolution Act provides that any monies borrowed from the Housing Fund are to be repaid before any monies borrowed from the City are to be repaid. Further, the Act stipulates a formula by which the loans are to be repaid. The formula for payment is tied to combined revenues and expenditures for the Project Areas; it is not calculated for individual areas.

The Agency borrowed $20,571,233 from the Housing Set-Aside Fund to make the SERAF payments on May 10, 2010 and May 10, 2011. Of that amount, $11,327,063 was advanced from the La Sierra Project Area and $1,188,950 from the Arlington Project Area. The Agency was approved to repay the Housing

Set-Aside Fund $3.3 million from 2018-19 revenues generated by the Project Areas. The loan is expected to be fully repaid with the final $3.3 million payment.

Since the loan repayments approved by DOF are based on revenue and expenditures for the Project Areas, the share for La Sierra/Arlanza and the Auto Center have been estimated based on the amount each area loaned the Agency for the SERAF payments. The La Sierra Housing Set-Aside fund loaned $11.3 million, or 55.1 percent of the total $20.6 million SERAF loan. The Housing Fund for the Arlington Project as a whole loaned $1.2 million or 5.8 percent of the total: a distinction was not made in Agency records of the amounts paid from the Auto Center versus the rest of the Arlington Project. As a result, the amount coming from the Auto Center was estimated based on the relative property tax revenue historically generated in the Auto Center versus the rest of the Arlington Project. As the Auto Center only generated about 12 percent of the revenue of the entire Project Area, the Auto Center's share is 12 percent of 5.8 percent, or less than 1 percent of the total SERAF loan (0.69 percent).

Property Maintenance (La Sierra)

Revenues from the La Sierra Project will be spent over the next few years to maintain and prepare for sale several properties currently held by the Successor Agency for resale. Costs include property maintenance and troubleshooting, appraisals, land surveys, the costs for preparation of Purchase and Sale Agreements, obtaining approval from the state Department of Finance and other miscellaneous costs. These costs have been estimated given that two properties closed escrow by 2017, and assuming that two properties will close escrow by December 31, 2019 and one will close escrow by the end of 2020. Actual escrow costs (title and escrow fees, etc.) will be paid from the proceeds of the sale and not property tax revenues.

There are no properties located in the Auto Center Area that are owned by the Agency so the Agency will not incur these types of disposition costs for the Auto Center.

Galleria Improvements Reimbursement (La Sierra)

The Agency and the City entered into an agreement with the owner of for the Tyler Galleria regional shopping center to provide for the upgrade and expansion of the center in 2005 (Agreement Regarding Financing and Construction of Parking Facility and Other Public Improvements). Additional parking was added as well as a movie theater, bookstore and free-standing destination restaurants. The Agreement provides that the City/Agency would assist the owner with the construction of certain public improvements that needed to be installed to expand and improve the shopping center. The financial assistance provided by the former Redevelopment Agency equaled the net property taxes associated with the improvements covered by the Agreement. The shopping center is located in the La Sierra Project Area. The amount of the reimbursement has been calculated and paid each year by the Agency. The last payment due under the agreement was made during 2017-18.

Table 1
City of Riverside Successor Agency
All Project Areas Combined
Tax Increment Projection and Debt Service Coverage

Fiscal Year	Gross Tax Revenue (1)	County Admin Chg	Senior (2) Obligations	Senior (3) Tax Sharing	Auto Center & La Sierra Obligations (4)	2014 Pledged Tax Revenue	2014 Bond Debt Service	2018 Bond Est. Debt Service (5)	Subordinate Written (6) Tax Sharing	Subordnate AB 1290 (7) Tax Sharing	Remaining Revenue
2018-19	76,571,008	957,138	312,000	9,197,267	1,872,000	64,232,604	6,643,542	7,563,788	1,806,431	12,534,394	35,684,449
2019-20	76,208,571	952,607		9,143,392	17,000	66,095,571	6,786,037	7,856,772	1,802,805	12,441,563	37,208,395
2020-21	76,208,571	952,607		9,328,609	7,000	65,920,354	6,790,272	7,866,779	1,802,805	12,441,563	37,018,936
2021-22	76,208,571	952,607		9,328,609	7,000	65,920,354	6,197,160	8,378,810	1,802,805	12,441,563	37,100,017
2022-23	76,208,571	952,607		9,328,609	-	65,927,354	6,191,270	8,159,973	1,802,805	12,441,563	37,331,743
2023-24	76,208,571	952,607		9,328,609	-	65,927,354	5,894,050	10,995,541	1,802,805	12,441,563	34,793,395
2024-25	76,208,571	952,607		9,328,609	-	65,927,354	5,009,500	11,453,085	1,802,805	12,441,563	35,220,401
2025-26	76,208,571	952,607		9,328,609	-	65,927,354	3,840,500	12,423,651	1,560,761	12,441,563	35,660,879
2026-27	76,208,571	952,607		9,328,609	-	65,927,354	3,264,750	11,538,247	1,560,761	12,441,563	37,122,033
2027-28	76,208,571	952,607		9,328,609	-	65,927,354	2,055,000	12,802,789	1,560,761	12,441,563	37,067,241
2028-29	76,208,571	952,607		9,328,609	-	65,927,354	1,984,750	11,973,039	1,560,761	12,441,563	37,967,241
2029-30	76,208,571	952,607		9,328,609	-	65,927,354	1,984,000	10,097,539	1,560,761	12,441,563	39,843,491
2030-31	76,208,571	952,607		9,328,609	-	65,927,354	1,249,250	9,694,539	1,560,761	12,441,563	40,981,241
2031-32	76,208,571	952,607		9,328,609	-	65,927,354	1,247,000	9,569,039	1,560,761	12,441,563	41,108,991
2032-33	76,208,571	952,607		9,328,609	-	65,927,354	1,252,250	9,572,289	1,560,761	12,441,563	41,100,491
2033-34	76,208,571	952,607		9,328,609	-	65,927,354	829,500	9,622,500	1,560,761	12,441,563	41,473,030
2034-35	76,208,571	952,607		9,328,609	-	65,927,354	-	10,036,250	1,560,761	12,441,563	41,888,780
2035-36	76,208,571	952,607		9,328,609	-	65,927,354	-	9,069,250	1,560,761	12,441,563	42,855,780
2036-37	76,208,571	952,607		9,328,609	-	65,927,354	-	7,108,500	1,560,761	12,441,563	44,816,530
2037-38	76,208,571	952,607		9,328,609	-	65,927,354	-		1,560,761	12,441,563	51,925,030

(1) Reflects all redevelopment project areas with the exception of the Eastside Project Area. Estimated to remain at 2017-18 levels throughout the term of the projections with the exception of estimated reductions in 2018-19 and 2019-20 to take into account potential assessed value reductions resulting from currently outstanding appeals
(2) Costs associated with the Breezewood Housing Agreement in the Downtown/Airport Project Area.
(3) Senior Tax Sharing: Includes written tax sharing agreements with the County, Flood and Superintendent of Schools for Downtown/Airport and UC/Sycamore Canyon. (The Flood Control Agreement covering the University Corridor Project Area, formerly the Central Industrial Project, is included with the subordinate tax sharing amounts.
(4) Obligations incurred for La Sierra/Arlanza and the Arlington 2003 Amendment Areas E & F (the "Auto Center") were determined by Bond Counsel to be senior to the lien on tax revenues of the 2014 Bonds and proposed 2018 Bonds. See Table 5 for a breakdown of those costs
(5) Debt service on the proposed 2018 Bonds, as estimated by Stifel, Nicolaus & Company, Incorporated, March 21, 2018. Interest rates and the amount of principal to be repaid in a given fiscal year are subject to change.
(6) In 2020-21, the share paid to the Flood Control District from the Sycamore Canyon Project increases and then remains a constant share of revenues. Certain payments to the County for the Casa Blanca Project Area are no longer due after 2024-25. See Table 2 for details on the amounts by taxing entity for the subordinate tax sharing agreements
(7) Statutory pass through payments to taxing entities without written tax sharing agreement are also to be subordinated to the proposed 2018 Bonds

Table 2
City of Riverside Successor Agency
Subordinate Written Tax Sharing Agreements (33401)
by Taxing Entity (1)

Fiscal Year	County of Riverside	Flood Control	County Superintendent of Schools	Riverside Unified	Riverside City College	Total Tax Sharing Agreements
2018-19	275,013	210,144	50,363	983,409	287,501	1,806,431
2019-20	275,013	209,259	49,928	982,739	285,866	1,802,805
2020-21	275,013	209,259	49,928	982,739	285,866	1,802,805
2021-22	275,013	209,259	49,928	982,739	285,866	1,802,805
2022-23	275,013	209,259	49,928	982,739	285,866	1,802,805
2023-24	275,013	209,259	49,928	982,739	285,866	1,802,805
2024-25	275,013	209,259	49,928	982,739	285,866	1,802,805
2025-26	32,969	209,259	49,928	982,739	285,866	1,560,761
2026-27	32,969	209,259	49,928	982,739	285,866	1,560,761
2027-28	32,969	209,259	49,928	982,739	285,866	1,560,761
2028-29	32,969	209,259	49,928	982,739	285,866	1,560,761
2029-30	32,969	209,259	49,928	982,739	285,866	1,560,761
2030-31	32,969	209,259	49,928	982,739	285,866	1,560,761
2031-32	32,969	209,259	49,928	982,739	285,866	1,560,761
2032-33	32,969	209,259	49,928	982,739	285,866	1,560,761
2033-34	32,969	209,259	49,928	982,739	285,866	1,560,761
2034-35	32,969	209,259	49,928	982,739	285,866	1,560,761
2035-36	32,969	209,259	49,928	982,739	285,866	1,560,761
2036-37	32,969	209,259	49,928	982,739	285,866	1,560,761
2037-38	32,969	209,259	49,928	982,739	285,866	1,560,761

(1) See Table 3 for a breakdown of the payments by redevelopment project area and taxing entity.

Table 3
City of Riverside Successor Agency
Subordinate Written Tax Sharing Agreements (33401)
by Project Area and Taxing Entity

	County	County Flood Control District			County Superintendant of Schools			Riverside Unified School District (1)			Riverside City College District			
	Casa Blanca	Casa Blanca	University Corridor (2)	Total	Casa Blanca	Merged DT/Airport	Total	Casa Blanca	Merged DT/Airport	Total	Casa Blanca	Merged DT/Airport	UC/Syc (2)	Total
2018-19	275,013	45,162	164,983	210,144	24,386	25,977	50,363	283,409	700,000	983,409	34,563	176,930	76,009	287,501
2019-20	275,013	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2020-21	275,013	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2021-22	275,013	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2022-23	275,013	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2023-24	275,013	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2024-25	275,013	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2025-26	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2026-27	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2027-28	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2028-29	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2029-30	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2030-31	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2031-32	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2032-33	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2033-34	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2034-35	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2035-36	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2036-37	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
2037-38	32,969	45,098	164,161	209,259	24,329	25,599	49,928	282,739	700,000	982,739	34,481	175,754	75,630	285,866
			-	-										

(1) Amounts payable to RUSD are only due through 2036-37. The amount of the payment each year is to equal the lesser of 31 percent of its share or $700,000. At current and estimated future revenue levels, the lesser amount is the fixed $700,000 payment.
(2) The University Corridor Project Area was formerly known as the Central Industrial Project Area.

Table 4
City of Riverside Successor Agency
Subordinate AB 1290 Tax Sharing Payments
by Taxing Entity / All Project Areas

Fiscal Year	County of Riverside	City of Riverside	Alvord (1) Unified Sch	Moreno Val Unified (1)	Riverside (1) Unified Sch	Riverside (1) Com College	County (1) Office of Ed	Co Regional Park &	Co Flood Control	Edgemont Comm Svc	N.W Mosquito	Western Muni Water	Riv. Corona Resource Conserv.	Other Special Districts (2)	Total (3) AB 1290
2018-19	1,568,773	1,431,077	3,302,366	560,634	3,179,824	898,614	676,223	56,350	357,804	31,245	39,824	397,360	25,985	8,314	12,534,394
2019-20	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2020-21	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2021-22	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2022-23	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2023-24	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2024-25	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2025-26	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2026-27	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2027-28	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2028-29	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2029-30	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2030-31	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2031-32	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2032-33	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2033-34	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2034-35	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2035-36	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2036-37	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563
2037-38	1,557,155	1,420,478	3,277,908	556,482	3,156,274	891,959	671,215	55,932	355,154	31,014	39,529	394,417	25,792	8,253	12,441,563

(1) Amounts payable to the school districts include both revenues counted as property tax as well as those amounts the schools can keep for facilities.
(2) Includes Jurupa Area Recreation and Park Services (04-4121), the San Jacinto Basin Resources Conservation District (28-4743) and Loving Homes Park/Parkway Maintenance (38-2708)
(3) Amounts shown for each taxing entity have been estimated based on the allocation percentages used by the County for the January 2018 distribution and will likely not exactly match the actual County future payments

Table 5
City of Riverside Successor Agency
Arlington 2003 Amendment E & F
La Sierra / Arlanza Redevelopment Project Area
Senior Obligations by Type

	La Sierra/Arlanza Senior Obligations					Arlington 2003 Amendment Subareas E & F				Both Areas
Fiscal Year	SERAF Loan Allocation (1) 55.1%	Pension Allocation Bonds (2)	Galleria (3) Improvements Reimbursement	Costs for Property Disposition (4)	Total Obligations	SERAF Loan Allocation (5) 0.7%	Pension Allocation Bonds (2)	New Car Dealers (5) Agreement	Total Subarea E & F Obligations	Total Senior Obligations
2018-19	1,832,100		-	17,000	1,849,100	22,900		-	22,900	1,872,000
2019-20	-			17,000	17,000	-		-	-	17,000
2020-21				7,000	7,000			-	-	7,000
2021-22				7,000	7,000				-	7,000
2022-23				-	-				-	-
2023-24				-	-				-	-
2024-25				-	-				-	-
2025-26					-				-	-
2026-27					-				-	-
2027-28					-				-	-
2028-29					-				-	-
2029-30					-				-	-
2030-31					-				-	-
2031-32					-				-	-
2032-33					-				-	-
2033-34					-				-	-
2034-35					-				-	-
2035-36					-				-	-
2036-37					-				-	-

(1) The La Sierra/Arlanza Project Area's share of the annual SERAF payment has been estimated by computing the ratio of SERAF funds loaned from the La Sierra/Arlanza Housing Fund to total funds loaned from all Housing Funds. This ratio is then applied to the total amounts included on the ROPS, which amounts will result in the loan being fully repaid if the 2018-19 payments are made as approved. The amount of funds loaned from Subareas E and F was estimated based on the ratio of tax increment generated in the Subareas E and F to the rest of the Arlington Project Area.

(2) All payments on Pension Allocation Bonds (POBs) were disapproved by DOF commencing with the 2018-19 ROPS. While the Successor Agency paid a portion of the POBs from certain redevelopment project areas, it was the City/Agency's practice to not charge either La Sierra/Arlanza or Subareas E & F of the Arlington Project Area for any of these costs.

(3) The last payment due under this Agreement was made in 2017-18. The amount paid were based on increases in taxable value (above 2006 levels) for parcels on which the improvements to the Galleria shopping Center were constructed.

(4) Estimated costs associated with the maintenance and disposition of 3 properties in the La Sierra/Arlanza Project Area. Two properties, known as Site B, are anticipated to be sold together by the end of 2019, and the remaining property, known as Site C, sold by the end of 2020. Amounts included above are based on estimated sales costs not funded through escrow as well as maintenance costs prior to sale of the property.

(5) The Agreement with the New Car Dealer's Association, which provides for payments from the Agency (from Subareas E & F of the Arlington Project Area) in the amount of $100,000 through June 30, 2021, was disapproved by the state as an enforceable obligation and so has not been included as a senior obligation.