



August 6, 2018

Ms. Cynthia A. Fortune, Finance Director
City of Grand Terrace
22795 Barton Road
Grand Terrace, CA 92313

Dear Ms. Fortune:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b), the City of Grand Terrace Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on May 1, 2018. Finance has completed its review of the Agency's Last and Final ROPS.

HSC section 34191.6 (c) authorizes Finance to make amendments or changes to the Last and Final ROPS, if the changes are agreed to in writing by the Agency. The Agency has agreed in writing to the following changes made by Finance to the Last and Final ROPS:

- Item Nos. 1 and 2 – Finance approved Oversight Board (OB) Resolution No. 2018-03, and the Agency may now transfer a portion of its 2011 bond proceeds to the City of Grand Terrace (City), so the proceeds can be expended in a manner consistent with the original bond covenants. The remaining portion of 2011 bond proceeds ineligible for transfer to the City is required to be used to defease the 2011 bonds. Additionally, in order to reconcile the Redevelopment Property Tax Trust Fund (RPTTF) funding already approved on the annual ROPS 18-19, the following adjustments were necessary:

- Item No. 1 – 2011 Tax Allocation Bonds, Series A Bonds.

Funding Source (Description)	Requested	Adjustment	Authorized
Bond Proceeds (Reserve Funds)	\$ 1,282,487	\$0	\$ 1,282,487
Bond Proceeds (Used to Defease Bonds)	8,434,294	2,374,160	10,808,454
RPTTF	12,197,478	(2,374,160)	9,823,318
Total	\$21,914,259	\$0	\$21,914,259

- Item No. 2 – 2011 Tax Allocation Bonds, Series B Bonds.

Funding Source (Description)	Requested	Adjustment	Authorized
Bond Proceeds (Reserve Funds)	\$ 477,499	\$0	\$ 477,499
Bond Proceeds (Used to Defease Bonds)	5,142,890	(1,128,406)	4,014,484
RPTTF	0	1,128,406	1,128,406
Total	\$5,620,389	\$0	\$5,620,389

- Item No. 3 – Trustee Fees in the total outstanding amount of \$46,200. According to the schedule of fees provided by the Agency, the calculation should be \$2,700 per year. However, the Agency requested \$5,700 for the ROPS 18-19 period on the Last and Final ROPS. Therefore, the funding amount was decreased by \$3,000, resulting in a total of \$43,200 ($\$46,200 - \$3,000$) in RPTTF approved for this item.
- Item No. 9 – Property Maintenance in the total outstanding amount of zero. In order to reconcile the amount of RPTTF approved on the annual ROPS 18-19, the funding amount was increased to a total of \$790.
- Item No. 41 – 2011 A Tax Allocation Bond Projects in the total outstanding amount of \$2,026,585 in bond proceeds. Due to the concurrent approval of OB 2018-03, authorizing a revised bond proceeds expenditure agreement, and at the request of the Agency, the funding amount was increased by \$830,831 for a total of \$2,857,416 ($\$830,831 + \$2,026,585$) to reflect the amount of 2011 bond proceeds eligible to be transferred to the City.
- Item No. 51 – Supplemental Educational Revenue Augmentation Fund Loan/Low and Moderate Income Housing Fund Reserve in the total outstanding amount of \$398,636. During the annual ROPS 18-19 review, Finance reclassified \$22,062 from RPTTF to Other Funds based on a review of the Agency's cash balances. To be consistent with what was approved in the annual ROPS 18-19, Finance makes the same adjustment to the Agency's Last and Final ROPS.
- Item No. 53 – Administrative Expenses in the total outstanding amount of \$135,500. In order to reconcile the amount of Administrative RPTTF already approved through the annual ROPS 18-19, the Administrative Cost Allowance was increased by \$24,760, resulting in total of \$160,260 ($\$24,760 + \$135,500$) approved for the Agency's administrative expenses.

Finance is approving the Agency's Last and Final ROPS with the above amendments and changes. These changes are reflected in the approved Last and Final ROPS.

The Agency's maximum approved RPTTF distribution for the Last and Final ROPS is \$12,333,662, as summarized in the Approved Last and Final ROPS RPTTF Distribution table on the next page:

Approved Last and Final ROPS RPTTF Distributions							
ROPS Period	A Periods			B Periods			Annual Total
	RPTTF	Admin RPTTF	A Period Total	RPTTF	Admin RPTTF	B Period Total	
Total requested	8,839,610	135,500	8,975,110	4,603,818	0	4,603,818	\$ 13,578,928.00
Total adjustments	(1,025,926)	4,630	(1,021,296)	(244,100)	20,130	(223,970)	(1,245,266)
Total approved RPTTF	7,813,684	140,130	7,953,814	4,359,718	20,130	4,379,848	12,333,662
Total RPTTF approved for distribution							
ROPS 18-19	1,210,178	20,130	1,230,308	797,687	20,130	817,817	2,048,125
ROPS 19-20	1,223,346	13,000	1,236,346	669,958	0	669,958	1,906,304
ROPS 20-21	737,520	13,000	750,520	660,778	0	660,778	1,411,298
ROPS 21-22	748,340	13,000	761,340	417,650	0	417,650	1,178,990
ROPS 22-23	758,650	10,000	768,650	407,450	0	407,450	1,176,100
ROPS 23-24	768,450	10,000	778,450	394,850	0	394,850	1,173,300
ROPS 24-25	775,850	10,000	785,850	381,650	0	381,650	1,167,500
ROPS 25-26	787,650	10,000	797,650	366,336	0	366,336	1,163,986
ROPS 26-27	803,700	7,000	810,700	200,359	0	200,359	1,011,059
ROPS 27-28	0	7,000	7,000	9,000	0	9,000	16,000
ROPS 28-29	0	4,500	4,500	9,000	0	9,000	13,500
ROPS 29-30	0	4,500	4,500	9,000	0	9,000	13,500
ROPS 30-31	0	4,500	4,500	9,000	0	9,000	13,500
ROPS 31-32	0	4,500	4,500	9,000	0	9,000	13,500
ROPS 32-33	0	4,500	4,500	9,000	0	9,000	13,500
ROPS 33-34	0	4,500	4,500	9,000	0	9,000	13,500
Total approved RPTTF	7,813,684	140,130	7,953,814	4,359,718	20,130	4,379,848	\$ 12,333,662

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

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

Any agreed upon amendments or changes are reflected in the approved Last and Final ROPS posted on the above website.

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

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

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

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 Last and Final ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF. However, HSC section 34191.6 (c) (5) provides mechanisms for the Agency to pay enforceable obligations if insufficient RPTTF is available on an approved Last and Final ROPS.

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

Pursuant to HSC section 34191.6 (c), a Last and Final ROPS approved less than 15 days before the date of the RPTTF distribution shall not be effective until the subsequent RPTTF distribution period; therefore, if an agency receives a Last and Final ROPS approval after this cutoff date, the most recent annual ROPS 18-19 approval would remain effective through June 30, 2019.

Please direct inquiries to Nichelle Jackson, Supervisor, or Michael Barr, Lead Analyst, at (916) 322-2985.

Sincerely,



ERIKA LI
Program Budget Manager

cc: Mr. Harold Duffey, City Manager, City of Grand Terrace
Ms. Linda Santillano, Property Tax Manager, San Bernardino County