



August 23, 2018

Mr. Chuck Dantuono, Director of Administrative Services
City of Highland
27215 Base Line Street
Highland, CA 92346

Dear Mr. Dantuono:

Subject: Last and Final ROPS Determination

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the City of Highland submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on May 15, 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 Agency's Last and Final ROPS:

- Item No. 3 – 2004B Tax Allocation Refunding Bonds in the total outstanding obligation amount of \$1,984,586. According to the US Bank statement provided by the Agency, the current balance of bond reserves is \$179,986. However, the Agency requested \$180,817 for the ROPS 24-25A period on the Last and Final ROPS. Therefore, the following adjustments were necessary:

Funding Source (Description)	Requested	Adjustment	Authorized
Bond Proceeds (Reserve Funds)	\$180,817	(\$830)	\$179,986
Redevelopment Property Tax Trust Funds (RPTTF)	101,952	830	102,783
Total	\$282,769	\$0	\$282,769

- Item Nos. 83 and 84 – Repayment of City of Highland Loans, outstanding obligation amounts totaling \$2,517,791; \$675,105 and \$1,842,686, respectively. In order to reconcile the amount of RPTTF approved on ROPS 18-19, the funding amount for these items was decreased by a total of \$682,552.

Additionally, in order to allocate the remaining payments, Finance made the following adjustments:

ROPS Period	Item No.	Requested	Adjustment	Authorized
ROPS 18-19A	83	\$675,105	(\$618,459)	\$56,646
ROPS 18-19A	84	\$120,739	(\$64,093)	\$56,646
ROPS 19-20A	83	\$0	\$305,022	\$305,022
ROPS 19-20A	84	\$795,844	(\$795,844)	\$0
ROPS 20-21A	83	\$0	\$305,022	\$305,022
ROPS 20-21A	84	\$795,844	(\$795,844)	\$0
ROPS 21-22A	83	\$0	\$8,415	\$8,415
ROPS 21-22A	84	\$130,259	\$166,348	\$296,607
ROPS 22-23A	84	\$0	\$305,022	\$305,022
ROPS 23-24A	84	\$0	\$305,022	\$305,022
ROPS 24-25A	84	\$0	\$305,022	\$305,022
ROPS 25-26A	84	\$0	\$305,022	\$305,022
ROPS 26-27A	84	\$0	\$269,345	\$269,345
Totals		\$2,517,791	\$0	\$2,517,791

- Item No. 148 – 2015 Tax Allocation Refunding Bonds, outstanding obligation amount of \$16,374,003. Finance approved a total of \$589,363 during ROPS 18-19. In order to reconcile the amounts by funding source approved on ROPS 18-19, the funding amount for RPTTF was decreased by \$335,387 (\$589,363 - \$253,976), and Other Funds was increased by \$335,387, for a total of \$589,363 for ROPS 18-19.
- Item No. 166 – 2017 Tax Allocation Refunding Bonds, outstanding obligation amount of \$47,485,820. Finance approved a total of \$529,816 during ROPS 18-19. In order to reconcile the amounts by funding source approved on ROPS 18-19, the funding amount for RPTTF was increased by \$335,386 to \$529,816 (\$194,430 + 335,386), and Other Funds was decreased by \$335,386 to zero, for a total of \$529,816

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 \$67,233,766 as summarized in the following Approved RPTTF Distribution table.

Summary of Approved RPTTF Distribution For the Last and Final ROPS							
ROPS Period	A Periods			B Periods			Annual Total
	RPTTF	Admin RPTTF	A Periods Total	RPTTF	Admin RPTTF	B Periods Total	
Total requested	23,931,386	54,846	23,986,232	42,957,033	289,671	43,246,704	\$ 67,232,936
Total adjustments	830	0	830	0	0	0	830
Total approved	23,932,216	54,846	23,987,062	42,957,033	289,671	43,246,704	67,233,766
ROPS 18-19	1,143,064	2,213	1,145,277	1,993,059	14,838	2,007,897	3,153,174
ROPS 19-20	1,674,231	4,279	1,678,510	1,984,418	15,283	1,999,701	3,678,211
ROPS 20-21	1,678,983	2,347	1,681,330	1,978,371	17,491	1,995,862	3,677,192
ROPS 21-22	1,681,243	2,418	1,683,661	1,974,849	16,213	1,991,062	3,674,723
ROPS 22-23	1,685,921	2,490	1,688,411	1,973,586	16,700	1,990,286	3,678,697
ROPS 23-24	1,687,733	4,815	1,692,548	1,969,491	17,201	1,986,692	3,679,240
ROPS 24-25	1,507,465	4,642	1,512,107	1,968,285	17,717	1,986,002	3,498,109
ROPS 25-26	1,628,282	3,838	1,632,120	1,980,510	14,011	1,994,521	3,626,641
ROPS 26-27	1,594,080	1,893	1,595,973	1,975,985	12,629	1,988,614	3,584,587
ROPS 27-28	1,318,797	1,950	1,320,747	1,979,172	13,008	1,992,180	3,312,927
ROPS 28-29	1,309,451	4,258	1,313,709	1,991,126	13,398	2,004,524	3,318,233
ROPS 29-30	1,300,560	2,069	1,302,629	1,999,310	13,800	2,013,110	3,315,739
ROPS 30-31	1,292,816	2,131	1,294,947	2,005,566	15,964	2,021,530	3,316,477
ROPS 31-32	1,288,144	2,194	1,290,338	2,011,781	14,640	2,026,421	3,316,759
ROPS 32-33	1,273,516	2,260	1,275,776	2,026,629	15,080	2,041,709	3,317,485
ROPS 33-34	1,260,182	4,578	1,264,760	2,042,682	15,532	2,058,214	3,322,974
ROPS 34-35	287,479	2,398	289,877	2,051,944	15,998	2,067,942	2,357,819
ROPS 35-36	158,231	1,318	159,549	2,963,231	10,216	2,973,447	3,132,996
ROPS 36-37	107,391	1,357	108,748	3,017,391	8,720	3,026,111	3,134,859
ROPS 37-38	54,647	1,398	56,045	3,069,647	11,232	3,080,879	3,136,924
Grand Total	\$ 23,932,216	\$ 54,846	\$ 23,987,062	\$ 42,957,033	\$ 289,671	\$ 43,246,704	\$ 67,233,766

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

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

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

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

The Agency shall not expend more than the amount approved for each enforceable obligations listed and approved on the Last and Final ROPS. All unspent RPTTF received for enforceable obligations by the Agency should be retained for distribution to the affected taxing entities pursuant to HSC section 34191.6 (d) (2) (G). Further, any revenues, interest, and earnings of

the Agency not authorized for use pursuant to the approved Last and Final ROPS shall be remitted the County Auditor-Controller (CAC) pursuant to HSC section 34191.6 (c) (3). Pursuant to HSC section 34187 (e), once an agency has retired or paid off all enforceable obligations and all real property has been disposed of, the Agency is required to dispose of all remaining assets and remit any proceeds to the CAC for distribution to the affected taxing entities.

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

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

Pursuant to HSC section 34191.6 (c), Last and Final ROPS approved less than 15 days before the date of the RPTTF distribution shall not be effective until the subsequent RPTTF distribution period; therefore, if an agency receives a Last and Final ROPS approval after this cutoff date, the most recent annual ROPS 18-19 approval would remain effective through December 31, 2018.

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

Sincerely,


ERIKA LI
Program Budget Manager

cc: Ms. Leticia Nava-Cruz, Senior Accountant, City of Highland
Ms. Linda Santillano, Property Tax Manager, San Bernardino County