

REVISED

October 3, 2019

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 – Amendment #1

This letter supersedes the California Department of Finance's (Finance) Amended Last and Final Recognized Obligation Payment Schedule (Amended Last and Final ROPS) letter dated September 26, 2019. A revision is necessary to clarify the time frame of bonds defeasement.

Pursuant to Health and Safety Code (HSC) section 34191.6 (b), the City of Grand Terrace Successor Agency (Agency) submitted its first amendment to the Last and Final ROPS to Finance on June 17, 2019.

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 Amended Last and Final ROPS:

- Item Nos. 1 and 2 – 2011 Tax Allocation Bonds, Series A and Series B (2011 Bonds). Finance originally approved the Bond Proceeds to make scheduled debt service payments through fiscal year 2033-34. The Agency now desires to defease the 2011 Bonds during fiscal year 2019-20. During the review, the Agency provided updated payoff amounts based upon additional interest incurred after the most recent bond payment. As a result, the following items were increased to reflect more accurate costs to defease the 2011 Bonds.

Item No.	Project Name	Bond Proceeds		
		Requested	Adjustment	Authorized
1	2011 A Tax Allocation Bond	\$13,128,694	\$113,270	\$13,241,964
2	2011 B Tax Allocation Bond	3,939,826	17,930	3,957,756
	Totals	\$17,068,520	\$131,200	\$17,199,720

- Item Nos. 3, 10, 38, and 53 – Due to the defeasement of the 2011 Bonds in ROPS 19-20B, the following services were no longer required in subsequent periods. As a result, the requested Redevelopment Property Tax Trust Fund (RPTTF) was reduced to \$9,000 (\$145,900 - \$136,900).

Item No.	Project Name	RPTTF		
		Requested	Adjustment	Authorized
3	Trustee Fees	\$5,400	(\$2,700)	\$2,700
10	Professional Services (Continuing Disclosure)	19,500	(18,200)	1,300
38	Annual Audit and Reporting	75,000	(70,000)	5,000
53	Administrative Expenses	46,000	(46,000)	0
	Totals	\$145,900	(\$136,900)	\$9,000

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

The Agency's updated maximum approved RPTTF distribution for the Amended Last and Final ROPS is \$824,512 as summarized in the Approved RPTTF Distribution table.

Approved Amended 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	0	0	0	915,412	46,000	961,412	\$ 961,412
Total adjustments	0	0	0	(90,900)	(46,000)	(136,900)	(136,900)
Totals	0	0	0	824,512	0	824,512	824,512
Total RPTTF Approved for Distribution							
ROPS 19-20**				292,438	0	292,438	292,438
ROPS 20-21	0	0	0	283,438	0	283,438	283,438
ROPS 21-22	0	0	0	50,000	0	50,000	50,000
ROPS 22-23	0	0	0	50,000	0	50,000	50,000
ROPS 23-24	0	0	0	50,000	0	50,000	50,000
ROPS 24-25	0	0	0	50,000	0	50,000	50,000
ROPS 25-26	0	0	0	48,636	0	48,636	48,636
Total	0	0	0	824,512	0	824,512	\$ 824,512

* Bond Proceeds in the amount of \$17,199,720 are approved for the defeasance for the ROPS 19-20 period.

**RPTTF distributions for the ROPS 19-20A period already occurred in June 2019.

Please refer to the approved Amended 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 Amended 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. This is the Agency's first amendment; therefore, the Agency may file one more amendment to the approved Last and Final ROPS.

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

The Agency shall not expend more than the amount approved for each enforceable obligation listed and approved on the First Amended 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 Amended Last and Final ROPS shall be remitted to 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 First Amended 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 First Amended 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 for Finance review.

Pursuant to HSC section 34191.6 (c), the Amended Last and Final ROPS approved shall become effective in the subsequent RPTTF distribution period.

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

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

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