



Transmitted via e-mail

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Last and Final Recognized Obligation Payment Schedule–Amendment #2

Pursuant to Health and Safety Code (HSC) section 34191.6 (b), the City of Grand Terrace Successor Agency (Agency) submitted its Second Amended Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on June 23, 2021. This letter supersedes the Last and Final ROPS letter dated October 3, 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 Last and Final ROPS:

- Item No. 53 – Total claimed administrative costs in the amount of \$141,719 have been adjusted by \$116,719 to \$25,000. Based on our review, the Agency's Last and Final ROPS contains funding requests for administrative costs the Agency was unable to fully support. While the total administrative costs claimed are within the fiscal year administrative cap, pursuant to HSC section 34171 (b) (2), the amount appears excessive given the number and nature of the obligations listed on the Last and Final ROPS. Therefore, and with the Agency's concurrence, Finance adjusted the Administrative Cost Allowance for the entire Last and Final ROPS to the amount of \$25,000 in Other Funds.

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 \$0 and \$273,636 in Other Funds for the ROPS 21-22B period.

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

<http://www.dof.ca.gov/Programs/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. This is the Agency's second amendment; therefore, the Agency may not file any more amendments to 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 obligation 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 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, the Agency is required to dispose 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, 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's review.

The First Amended Last and Final ROPS approval will remain effective through December 31, 2021, and the approved Second Amended Last and Final ROPS will become effective on January 1, 2022.

Charles De Simoni
August 2, 2021
Page 3

Please direct inquiries to Joshua Mortimer, Supervisor, or Michael Barr, Staff, at
(916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

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