



January 9, 2017

Mr. David Loya, Community Development Deputy Director  
City of Arcata  
736 F Street  
Arcata, CA 95221

Dear Mr. Loya:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the City of Arcata Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on October 26, 2016. 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. 5 – Total claimed administrative costs of \$3,236,519 have been adjusted by \$3,081,369, to \$155,150. While the total administrative costs originally claimed were within the fiscal year administrative cap, the amount appeared excessive given the number and nature of obligations listed on the Last and Final ROPS. Therefore, with the Agency's concurrence, Finance adjusted the Administrative Cost Allowance for the entire Last and Final ROPS to \$155,150. Adjustments specific to each ROPS period are reflected in the approved Last and Final ROPS.

Finance is approving the Agency's Last and Final ROPS with the above amendments and changes.

The Agency's maximum approved RPTTF distribution for the Last and Final ROPS is \$7,556,374 as summarized in the Approved 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	3,841,878	1,654,657	5,496,535	3,559,346	1,581,862	5,141,208	\$10,637,743
Total adjustments	0	1,574,407	1,574,407	0	1,506,962	1,506,962	3,081,369
<b>Total RPTTF approved for distribution</b>							
ROPS 16-17	282,534	5,350	287,884	282,535	5,350	287,885	\$ 575,769
ROPS 17-18	282,535	5,350	287,885	281,896	5,350	287,246	575,131
ROPS 18-19	281,896	5,350	287,245	223,152	5,350	228,502	515,747
ROPS 19-20	223,153	5,350	228,503	147,243	5,350	152,593	381,096
ROPS 20-21	147,244	5,350	152,594	145,231	5,350	150,581	303,175
ROPS 21-22	145,231	5,350	150,581	148,100	5,350	153,450	304,031
ROPS 22-23	148,100	5,350	153,450	313,113	5,350	318,463	471,913
ROPS 23-24	313,112	5,350	318,462	311,862	5,350	317,212	635,674
ROPS 24-25	311,862	5,350	317,212	312,487	5,350	317,837	635,049
ROPS 25-26	312,487	5,350	317,837	312,362	5,350	317,712	635,549
ROPS 26-27	312,362	5,350	317,712	311,487	5,350	316,837	634,549
ROPS 27-28	311,487	5,350	316,837	312,363	5,350	317,713	634,550
ROPS 28-29	312,361	5,350	317,711	311,925	5,350	317,275	634,986
ROPS 29-30	311,924	5,350	317,274	145,590	5,350	150,940	468,214
ROPS 30-31	145,591	5,350	150,941	0	0	0	150,941
<b>Total approved RPTTF</b>	<b>3,841,878</b>	<b>80,250</b>	<b>3,922,128</b>	<b>3,559,346</b>	<b>74,900</b>	<b>3,634,246</b>	<b>\$ 7,556,374</b>

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 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 16-17 approval would remain effective through June 30, 2017.

Please direct inquiries to Cindie Lor, Supervisor, or Satveer Ark, Analyst, at (916) 322-2985.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Janet Luzzi, Finance Director, City of Arcata  
Mr. Joe Mellett, Auditor-Controller, Humboldt County