



April 4, 2017

Mr. Nelson Smith, Finance Director
City of Bakersfield
1600 Truxton Avenue
Bakersfield, CA 93301

Dear Mr. Smith:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b), the City of Bakersfield Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on January 23, 2017. Finance has completed its review of the 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. 6 – 2009 Tax Allocation Refunding Bond Series B in the outstanding amount of \$1,555,029 has been partially adjusted and reclassified as follows:
 - Bond payment in the amount of \$39,874 in Redevelopment Property Tax Trust Fund (RPTTF) funding is partially adjusted by \$35,887 to \$3,987 in the ROPS 28-29B period to match with the amount and timing of debt service payments.
 - The bond indenture requires a reserve to be held by the Agency in the amount equal to the annual debt service schedule. The Agency has \$133,206 in its reserve account to satisfy final debt service payments during the July 1, 2028 through June 30, 2029 (ROPS 28-29) and the July 1, 2029 through December 31, 2029 (ROPS 29-30A) periods. Therefore, a total of \$133,206 is reclassified from RPTTF to Bond Proceeds funding.
- Item No. 17 – 2009A Tax Allocation Refunding Bond Series A in the outstanding amount of \$2,602,314 has been partially reclassified. The bond indenture requires a reserve to be held by the Agency in the amount equal to the annual debt service schedule. The Agency has \$224,709 in its reserve account to satisfy final debt service payments during the July 1, 2028 through June 30, 2029 (ROPS 28-29) and the July 1, 2029 through December 31, 2029 (ROPS 29-30A) periods. Therefore, a total of \$224,709 is reclassified from RPTTF to Bond Proceeds funding.

- On the ROPS 17-18 form, the Agency reported cash balances and activity for the period of January 1, 2016 through June 30, 2016. Pursuant to HSC section 34177 (l) (1) (E), the Agency is required to use all available funding sources prior to RPTTF funding for payment of enforceable obligations. During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF.

Therefore, with the Agency's concurrence, the funding source for the administrative cost allowance for the ROPS 36-37B and 37-38A periods has been reclassified from RPTTF to Other Funds in the amounts specified below:

ROPS Period	Obligation Type	Administrative RPTTF Requested	Amount Reclassified to Other Funds
36-37B	Administrative Cost	\$22,000	\$2,345
37-38A	Administrative Cost	18,000	18,000
Total		\$40,000	\$20,345

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 \$29,678,777 as summarized in the Approved RPTTF Distribution table:

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	23,543,480	408,000	23,951,480	5,701,444	440,000	6,141,444	\$30,092,924
Total adjustments	346,803	18,000	364,803	46,999	2,345	49,344	414,147
Total RPTTF approved for distribution							
ROPS 17-18	2,597,327	18,000	2,615,327	918,381	22,000	940,381	3,555,708
ROPS 18-19	2,580,988	28,000	2,608,988	900,512	22,000	922,512	3,531,500
ROPS 19-20	2,235,586	18,000	2,253,586	881,379	22,000	903,379	3,156,965
ROPS 20-21	1,745,442	18,000	1,763,442	860,885	22,000	882,885	2,646,327
ROPS 21-22	1,766,504	18,000	1,784,504	839,121	22,000	861,121	2,645,625
ROPS 22-23	1,192,562	18,000	1,210,562	215,872	22,000	237,872	1,448,434
ROPS 23-24	1,217,408	28,000	1,245,408	191,152	22,000	213,152	1,458,560
ROPS 24-25	1,157,066	18,000	1,175,066	167,354	22,000	189,354	1,364,420
ROPS 25-26	1,181,939	18,000	1,199,939	142,089	22,000	164,089	1,364,028
ROPS 26-27	1,207,645	18,000	1,225,645	115,309	22,000	137,309	1,362,954
ROPS 27-28	1,088,146	18,000	1,106,146	91,177	22,000	113,177	1,219,323
ROPS 28-29	737,925	28,000	765,925	63,648	22,000	85,648	851,573
ROPS 29-30	477,015	18,000	495,015	57,410	22,000	79,410	574,425
ROPS 30-31	482,050	18,000	500,050	50,979	22,000	72,979	573,029
ROPS 31-32	487,240	18,000	505,240	44,348	22,000	66,348	571,588
ROPS 32-33	492,592	18,000	510,592	37,511	22,000	59,511	570,103
ROPS 33-34	498,110	18,000	516,110	30,461	22,000	52,461	568,571
ROPS 34-35	503,800	18,000	521,800	23,192	22,000	45,192	566,992
ROPS 35-36	509,666	18,000	527,666	15,697	22,000	37,697	565,363
ROPS 36-37	515,715	18,000	533,715	7,968	19,655	27,623	561,338
ROPS 37-38	521,951	0	521,951	0	0	0	521,951
Total approved RPTTF	23,196,677	390,000	23,586,677	5,654,445	437,655	6,092,100	\$ 29,678,777

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 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 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 for Finance's review and approval.

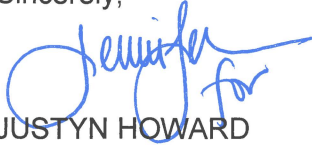
Pursuant to HSC section 34191.6 (c), a Last and Final ROPS approved less than 15 days before the date of the next RPTTF distribution shall not be effective until the subsequent RPTTF distribution period. Therefore, the Agency's annual ROPS 16-17 approval remains effective through June 30, 2017. The Agency's Last and Final ROPS will become effective beginning with the ROPS for the period July 1, 2017 through June 30, 2018 (ROPS 17-18).

Pursuant to HSC section 34177 (o) (1), the Agency also submitted ROPS 17-18 to Finance on January 30, 2017. Because Finance is approving the Agency's Last and Final ROPS, Finance's approval of the Agency's ROPS 17-18 is no longer necessary and Finance will not be issuing a ROPS 17-18 determination letter. The Agency's payment of approved enforceable obligations should be in accordance with the approved Last and Final ROPS beginning with the ROPS 17-18 period.

Mr. Nelson Smith
April 4, 2017
Page 4

Please direct inquiries to Anna Kyumba, Supervisor, or Daisy Rose, Lead Analyst, at (916) 322-2985.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Sarah Hunley, Accountant II, City of Bakersfield
Ms. Mary B. Bedard, Auditor-Controller, Kern County