



August 16, 2018

Mr. Tae Rhee, Finance Director/City Treasurer
City of Bellflower
16600 Civic Center Drive
Bellflower, CA 90706

Dear Mr. Rhee:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the City of Bellflower submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on May 11, 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. 20 – Administrative Costs in the amount of \$3,750,000. 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 Costs for the entire Last and Final ROPS by decreasing total requested of \$3,750,000 by \$3,350,000 to \$400,000. Adjustments specific to each ROPS period are reflected in the approved Last and Final ROPS.
- Item No. 38 – 2016 Taxable Tax Allocation Refunding Bonds in the amount of \$7,296,653. The Agency has available excess bond proceeds of \$2,196. The excess bond proceeds should be used to make the bond payments. With the Agency's concurrence, a total of \$2,196 has been reclassified from Redevelopment Property Tax Trust Fund (RPTTF) to Bond Proceeds funding in the ROPS 19-20 period.

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 \$27,624,725 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	27,172,171	2,700,000	29,872,171	54,750	1,050,000	1,104,750	\$30,976,921
Total adjustments	(2,196)	(2,475,000)	(2,477,196)	0	(875,000)	(875,000)	(3,352,196)
Total RPTTF approved for distribution							
ROPS 19-20	1,538,181	15,000	1,553,181	3,650	15,000	18,650	1,571,831
ROPS 20-21	1,472,419	15,000	1,487,419	3,650	15,000	18,650	1,506,069
ROPS 21-22	1,631,130	15,000	1,646,130	3,650	15,000	18,650	1,664,780
ROPS 22-23	1,674,643	15,000	1,689,643	3,650	15,000	18,650	1,708,293
ROPS 23-24	1,761,664	15,000	1,776,664	3,650	15,000	18,650	1,795,314
ROPS 24-25	1,832,659	15,000	1,847,659	3,650	15,000	18,650	1,866,309
ROPS 25-26	1,918,087	15,000	1,933,087	3,650	10,000	13,650	1,946,737
ROPS 26-27	2,001,147	15,000	2,016,147	3,650	10,000	13,650	2,029,797
ROPS 27-28	2,091,747	15,000	2,106,747	3,650	10,000	13,650	2,120,397
ROPS 28-29	2,185,167	15,000	2,200,167	3,650	10,000	13,650	2,213,817
ROPS 29-30	2,284,016	15,000	2,299,016	3,650	10,000	13,650	2,312,666
ROPS 30-31	2,387,247	15,000	2,402,247	3,650	10,000	13,650	2,415,897
ROPS 31-32	2,494,658	15,000	2,509,658	3,650	10,000	13,650	2,523,308
ROPS 32-33	1,039,898	15,000	1,054,898	3,650	10,000	13,650	1,068,548
ROPS 33-34	857,312	15,000	872,312	3,650	5,000	8,650	880,962
Total approved RPTTF	27,169,975	225,000	27,394,975	54,750	175,000	229,750	\$ 27,624,725

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 redevelopment dissolution law. 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), a 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, since the Agency's Last and Final ROPS is approved after this cutoff date, the approved annual ROPS 18-19 would remain effective through June 30, 2019.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Erika Li', with a large circular flourish on the left side.

ERIKA LI
Program Budget Manager

cc: Ms. Pearl Tsui, Finance Manager, City of Bellflower
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County