



October 6, 2017

Mr. Paul Melikian, Assistant City Manager
City of Reedley
845 G Street
Reedley, CA 93654

Dear Mr. Melikian:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the City of Reedley submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on June 30, 2017. 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 that the Last and Final ROPS will become effective during ROPS 18-19. In addition, the Agency has agreed in writing to the following changes made by Finance to the Agency's Last and Final ROPS:

- Item No. 1 – 2011 Tax Allocation Bonds, Series A and B (2011 Bonds). Finance reduced the Agency's request for Redevelopment Property Tax Trust Funds (RPTTF) by \$3,624,915, the amount currently required for bond defeasance (\$2,921,992) and the amount held in reserve with the Trustee (\$702,923). The Agency inadvertently omitted the 2011 Bond Proceeds required for defeasance when submitting the Last and Final ROPS.
- Item No. 2 – Administrative Cost Allowance (ACA). After discussion and careful reconsideration, the Agency revised the resources needed to successfully wind-down the Agency over the remaining obligation period; therefore, Finance reduced the ACA to \$332,520 (\$1,487,500 - \$1,154,980).
- Item No. 27 – Bond Projects. Upon approval of the Last and Final ROPS, the Agency is authorized to expend up to 45 percent of the 2011 Bonds. Although the Agency requested \$2,357,523, pursuant to the formula, only \$2,166,690 is authorized for expenditure, resulting in an adjustment of \$190,833 (\$2,357,523 - \$2,166,690). In addition, the \$2,166,690 was moved from the ROPS 17-18 period to ROPS 18-19 to coincide with the effective date of the Last and Final ROPS.

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 \$12,440,074, as summarized in the following Approved Last and Final ROPS 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	11,851,289	750,000	12,601,289	3,881,180	737,500	4,618,680	\$17,219,969
Total adjustments	(3,323,316)	(583,740)	(3,907,056)	(301,599)	(571,240)	(872,839)	(\$4,779,895)
Total RPTTF approved for distribution							
ROPS 18-19	445,109	8,313	453,422	265,297	8,313	273,610	727,032
ROPS 19-20	455,297	8,313	463,610	259,834	8,313	268,147	731,757
ROPS 20-21	459,834	8,313	468,147	253,834	8,313	262,147	730,294
ROPS 21-22	463,834	8,313	472,147	247,272	8,313	255,585	727,732
ROPS 22-23	472,272	8,313	480,585	239,537	8,313	247,850	728,435
ROPS 23-24	479,537	8,313	487,850	231,287	8,313	239,600	727,450
ROPS 24-25	491,287	8,313	499,600	222,350	8,313	230,663	730,263
ROPS 25-26	432,350	8,313	440,663	215,131	8,313	223,444	664,107
ROPS 26-27	425,131	8,313	433,444	207,912	8,313	216,225	649,669
ROPS 27-28	432,912	8,313	441,225	200,037	8,313	208,350	649,575
ROPS 28-29	440,037	8,313	448,350	191,637	8,313	199,950	648,300
ROPS 29-30	446,637	8,313	454,950	182,712	8,313	191,025	645,975
ROPS 30-31	457,712	8,313	466,025	173,087	8,313	181,400	647,425
ROPS 31-32	468,087	8,313	476,400	162,762	8,313	171,075	647,475
ROPS 32-33	482,762	8,313	491,075	151,162	8,313	159,475	650,550
ROPS 33-34	491,162	8,313	499,475	138,837	8,313	147,150	646,625
ROPS 34-35	503,837	8,313	512,150	125,606	8,313	133,919	646,069
ROPS 35-36	520,606	8,313	528,919	111,287	8,313	119,600	648,519
ROPS 36-37	159,570	8,313	167,883		8,313	8,313	176,196
ROPS 37-38		8,313	8,313		8,313	8,313	16,626
Total approved RPTTF	8,527,973	166,260	8,694,233	3,579,581	166,260	3,745,841	\$ 12,440,074

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 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 RPTTF is the same as the amount of property tax increment available prior to the enactment of the 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 for 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 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 would remain effective. As the Agency has agreed the Last and Final ROPS will become effective during ROPS 18-19, the annual ROPS 17-18 approval will remain effective through June 2018.

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

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Tiffany Couto, Accountant, City of Reedley
Ms. Lori Oken, Accounting Manager, City of Reedley
Mr. George Gomez, Accounting Financial Manager, Fresno County