



September 4, 2018

Mr. Jeffrey Parker, City Manager  
City of Tustin  
300 Centennial Way  
Tustin, CA 92780

Dear Mr. Parker:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the City of Tustin Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on May 30, 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. 68 – Agency Administration. Total claimed administrative costs in the amount of \$1,720,000 has been adjusted by \$1,045,299 to \$674,701. 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, and with the Agency's concurrence, Finance adjusted the Administrative Cost Allowance for the entire Last and Final ROPS to \$674,701. 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 \$75,006,614 as summarized in the Approved Last and Final ROPS 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	63,722,394	880,000	64,602,394	10,609,519	840,000	11,449,519	\$76,051,913
Total adjustments	0	(205,299)	(205,299)	0	(840,000)	(840,000)	(1,045,299)
<b>Total RPTTF approved for distribution</b>							
ROPS 19-20	2,922,863	23,376	2,946,239	989,962	0	989,962	3,936,201
ROPS 20-21	2,954,963	23,960	2,978,923	950,662	0	950,662	3,929,585
ROPS 21-22	3,000,663	24,560	3,025,223	909,662	0	909,662	3,934,885
ROPS 22-23	3,039,663	25,173	3,064,836	867,062	0	867,062	3,931,898
ROPS 23-24	3,082,063	25,803	3,107,866	822,762	0	822,762	3,930,628
ROPS 24-25	3,127,763	26,448	3,154,211	776,662	0	776,662	3,930,873
ROPS 25-26	3,171,663	27,109	3,198,772	716,787	0	716,787	3,915,559
ROPS 26-27	3,231,788	27,787	3,259,575	653,912	0	653,912	3,913,487
ROPS 27-28	3,293,913	28,482	3,322,395	587,912	0	587,912	3,910,307
ROPS 28-29	2,947,913	29,194	2,977,107	528,912	0	528,912	3,506,019
ROPS 29-30	2,558,913	29,923	2,588,836	478,162	0	478,162	3,066,998
ROPS 30-31	2,608,163	30,671	2,638,834	424,912	0	424,912	3,063,746
ROPS 31-32	2,659,913	31,438	2,691,351	396,975	0	396,975	3,088,326
ROPS 32-33	2,691,975	32,224	2,724,199	351,075	0	351,075	3,075,274
ROPS 33-34	2,731,075	33,030	2,764,105	303,475	0	303,475	3,067,580
ROPS 34-35	2,788,475	33,856	2,822,331	253,775	0	253,775	3,076,106
ROPS 35-36	2,828,775	34,702	2,863,477	202,275	0	202,275	3,065,752
ROPS 36-37	2,887,275	35,569	2,922,844	162,000	0	162,000	3,084,844
ROPS 37-38	2,922,000	36,459	2,958,459	120,600	0	120,600	3,079,059
ROPS 38-39	2,965,600	37,370	3,002,970	77,925	0	77,925	3,080,895
ROPS 39-40	3,002,925	38,304	3,041,229	34,050	0	34,050	3,075,279
ROPS 40-41	2,304,050	39,262	2,343,312	0	0	0	2,343,312
<b>Total approved RPTTF</b>	<b>63,722,394</b>	<b>674,701</b>	<b>64,397,095</b>	<b>10,609,519</b>	<b>0</b>	<b>10,609,519</b>	<b>\$ 75,006,614</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 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.

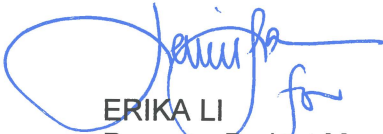
The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the Last and Final ROPS with property tax is limited to the amount of funding available 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), 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 18-19 approval would remain effective through June 30, 2019.

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

Sincerely,



ERIKA LI  
Program Budget Manager

cc: Mr. Jerry Craig, Economic Development & Housing Manager, City of Tustin  
Mr. Israel Guevara, Property Tax Manager, Orange County