



November 18, 2016

Mr. Mark Evanoff, Interim Deputy City Manager
Union City
34009 Alvarado-Niles Road
Union City, CA 94587

Dear Mr. Evanoff:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the Union City Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on August 9, 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. 7 – 2011 Tax Allocation Bonds (TAB) total outstanding amount of \$41,951,214 has been partially reclassified. The Official Statement for the 2011 TABs requires a reserve amount of the lesser of the maximum annual debt service or 10 percent of the original principal amount plus any premium or discount. The Agency has approximately \$3,043,094 in bond reserves available to satisfy the final debt service payments for the July through December 2031 (ROPS 31-32A) through the July through December 2033 (ROPS 33-34A) periods. Therefore, with the Agency's concurrence, a total of \$3,043,094 is reclassified from Redevelopment Property Tax Trust Fund (RPTTF) to Bond Proceeds funding.
- Item No. 20 – The total claimed administrative costs of \$6,479,739 have been adjusted by \$6,217,239, to \$262,500. While the total administrative costs claimed are within the fiscal year administrative cap, pursuant to HSC section 34171 (b) (2), the amount appears 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 the amount of \$262,500. 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 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 \$213,210,661 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	175,581,357	5,267,442	180,848,799	40,409,898	1,212,297	41,622,195	\$222,470,994
Total adjustments	(2,904,047)	(5,133,942)	(8,037,989)	(139,047)	(1,083,297)	(1,222,344)	(9,260,333)
Total RPTTF approved for distribution							
ROPS 17-18	6,619,123	9,000	6,628,123	3,467,579	9,000	3,476,579	\$ 10,104,702
ROPS 18-19	6,827,447	9,000	6,836,447	3,394,758	9,000	3,403,758	10,240,205
ROPS 19-20	7,018,784	9,000	7,027,784	3,314,475	9,000	3,323,475	10,351,259
ROPS 20-21	7,220,034	9,000	7,229,034	3,218,836	9,000	3,227,836	10,456,870
ROPS 21-22	7,447,239	9,000	7,456,239	3,107,621	9,000	3,116,621	10,572,860
ROPS 22-23	7,662,639	9,000	7,671,639	2,989,541	9,000	2,998,541	10,670,180
ROPS 23-24	7,919,111	9,000	7,928,111	2,857,791	9,000	2,866,791	10,794,902
ROPS 24-25	8,290,786	9,000	8,299,786	2,709,491	9,000	2,718,491	11,018,277
ROPS 25-26	8,563,929	9,000	8,572,929	2,549,706	9,000	2,558,706	11,131,635
ROPS 26-27	8,850,318	9,000	8,859,318	2,377,381	9,000	2,386,381	11,245,699
ROPS 27-28	9,155,342	9,000	9,164,342	2,187,166	9,000	2,196,166	11,360,508
ROPS 28-29	9,271,004	4,500	9,275,504	1,772,160	4,500	1,776,660	11,052,164
ROPS 29-30	9,992,414	4,500	9,996,914	1,543,767	4,500	1,548,267	11,545,181
ROPS 30-31	10,194,026	4,500	10,198,526	1,321,795	4,500	1,326,295	11,524,821
ROPS 31-32	10,407,059	4,500	10,411,559	993,062	4,500	997,562	11,409,121
ROPS 32-33	9,673,331	4,500	9,677,831	777,231	4,500	781,731	10,459,562
ROPS 33-34	9,607,505	4,500	9,612,005	557,705	1,500	559,205	10,171,210
ROPS 34-35	5,350,844	1,500	5,352,344	466,844	1,500	468,344	5,820,688
ROPS 35-36	5,466,987	1,500	5,468,487	341,987	1,500	343,487	5,811,974
ROPS 36-37	5,592,133	1,500	5,593,633	210,883	1,500	212,383	5,806,016
ROPS 37-38	5,726,031	1,500	5,727,531	111,072	1,500	112,572	5,840,103
ROPS 38-39	5,821,224	1,500	5,822,724			0	5,822,724
Total approved RPTTF	172,677,310	133,500	172,810,810	40,270,851	129,000	40,399,851	\$ 213,210,661

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 Mathew Rios, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Mr. Tony Acosta, Interim City Manager/Successor Agency Executive Director, Union City
Ms. Carol S. Orth, Tax Analysis, Division Chief, Alameda County