



Transmitted via e-mail

April 15, 2020

Andrew Haussler, Community and Economic Development Director
City of Clovis
1033 Fifth Street
Clovis, CA 93612

Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b), the City of Clovis 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 27, 2020. 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 Nos. 2 and 6 – Series 2008 Bonds and Housing Bonds Series 2013 A and B in the outstanding amounts of \$12,260,888 and \$3,709,300, respectively, have been partially reclassified. The Agency has cash in its bond reserve account in the amount of \$1,023,021 which must be used to satisfy the final debt service payment. Therefore, with the Agency's concurrence, \$1,023,021 has been reclassified from Redevelopment Property Tax Trust Fund (RPTTF) funding to Bond Proceeds. Adjustments specific to ROPS periods are reflected in the approved Last and Final ROPS.
- On the July 1, 2020 through June 30, 2021 ROPS (ROPS 20-21) form, the Agency reported cash balances and activity for the July 1, 2017 through June 30, 2018 (ROPS 17-18) period. During our review, which may have included obtaining financial records, Finance determined the Agency possesses \$3,175 in Other Funds available from the ROPS 17-18 period to fund enforceable obligations. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funds. Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
 - Item No. 4 – 2008 TAB Bonds Handling Fee in the amount of \$3,600 is partially reclassified. Finance is approving RPTTF in the amount of \$425 and the use of Other Funds in the amount of \$3,175, totaling \$3,600 for the ROPS 20-21 period.

- Total claimed administrative costs in the total outstanding amount of \$720,000 in Administrative RPTTF have been partially adjusted. While 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 cost allowance for the entire Last and Final ROPS by \$251,702 to \$468,298. Adjustments specific to ROPS periods 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. 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 \$15,356,093 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	14,048,336	360,000	14,408,336	1,865,655	360,000	2,225,655	\$ 16,633,991
Total adjustments	(990,681)	108,298	(882,383)	(35,515)	(360,000)	(395,515)	(1,277,898)
Totals	13,057,655	468,298	13,525,953	1,830,140	0	1,830,140	15,356,093
Total RPTTF approved for distribution							
ROPS 20-21	1,081,981	20,000	1,101,981	259,696	0	259,696	1,361,677
ROPS 21-22	1,105,520	20,600	1,126,120	243,030	0	243,030	1,369,150
ROPS 22-23	982,934	21,218	1,004,152	223,671	0	223,671	1,227,823
ROPS 23-24	1,137,570	21,855	1,159,425	203,540	0	203,540	1,362,965
ROPS 24-25	1,162,441	22,511	1,184,952	181,341	0	181,341	1,366,293
ROPS 25-26	1,175,241	23,186	1,198,427	158,332	0	158,332	1,356,759
ROPS 26-27	1,207,231	23,882	1,231,113	134,050	0	134,050	1,365,163
ROPS 27-28	1,227,950	24,598	1,252,548	108,728	0	108,728	1,361,276
ROPS 28-29	1,257,628	25,336	1,282,964	82,134	0	82,134	1,365,098
ROPS 29-30	1,286,034	26,096	1,312,130	54,269	0	54,269	1,366,399
ROPS 30-31	283,168	26,879	310,047	48,806	0	48,806	358,853
ROPS 31-32	287,706	27,685	315,391	43,106	0	43,106	358,497
ROPS 32-33	292,006	28,516	320,522	37,169	0	37,169	357,691
ROPS 33-34	275,486	29,371	304,857	24,366	0	24,366	329,223
ROPS 34-35	234,393	30,252	264,645	19,352	0	19,352	283,997
ROPS 35-36	56,866	31,160	88,026	2,850	0	2,850	90,876
ROPS 36-37	1,750	32,095	33,845	2,850	0	2,850	36,695
ROPS 37-38	1,750	33,058	34,808	2,850	0	2,850	37,658
Total	13,057,655	468,298	13,525,953	1,830,140	0	1,830,140	\$ 15,356,093

Please refer to the approved Last and Final ROPS schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/Programs/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 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, the Agency is required to dispose 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, 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.

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 19-20 approval would remain effective through June 30, 2020. The Agency's Last and Final ROPS will become effective beginning with the ROPS 20-21 period.

Pursuant to HSC section 34177 (o) (1), the Agency also submitted ROPS 20-21 to Finance on January 31, 2020. Because Finance is approving the Agency's Last and Final ROPS, Finance's approval of the Agency's ROPS 20-21 is no longer necessary, and Finance will not be issuing a ROPS 20-21 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 20-21 period.

Please direct inquiries to Anna Kyumba, Supervisor, or Satveer Ark, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Jeffrey Banks, Deputy Finance Director, City of Clovis
Mario Cabrera, Accounting and Financial Manager, Fresno County