



Transmitted via e-mail

December 22, 2021

Marcela Piedra, Deputy City Manager
City of El Centro
1249 Main Street
El Centro, CA 92243

Last and Final Recognized Obligation Payment Schedule Determination

Pursuant to Health and Safety Code (HSC) section 34191.6 (b), the City of El Centro Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on October 4, 2021. 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. 2 – 2007 Tax Allocation Bonds, Series B. The Agency requested \$5,265,726 in Redevelopment Property Tax Trust Fund (RPTTF) funding. However, the Agency has \$563,342 in debt-service reserve funds that should be used toward the final payments of this bond. Therefore, with the Agency's concurrence, Finance reclassified \$563,342 from RPTTF funding to Bond Proceeds. As a result, a total of \$5,265,726 was approved for this item with \$563,342 in Bond Proceeds and \$4,702,384 (\$5,265,726 - \$563,342) in RPTTF funding.
- Item No. 5 – 2011 Revenue Bonds, Series C. The Agency requested \$2,281,657 in RPTTF funding. However, the Agency has \$1,109,500 in debt-service reserve funds that should be used toward the final payments of this bond. Therefore, with the Agency's concurrence, Finance reclassified \$1,109,500 from RPTTF funding to Bond Proceeds. As a result, a total of \$2,281,657 was approved for this item with \$1,109,500 in Bond Proceeds and \$1,172,157 (\$2,281,657 - \$1,109,500) in RPTTF funding.
- Item No. 8 – Total claimed administrative costs in the amount of \$3,500,000 have been adjusted by \$3,065,336 to \$434,664. The Agency requested \$3,500,000 over the next 14 years, or an average of \$250,000 per fiscal year to service the 2007 Tax Allocation Bonds Series B, 2011 Revenue Bonds Series C, and 2018 Tax Allocation Refunding Bonds Series A. However, the Agency was unable to fully support the requested administrative costs. The largest adjusted cost was for salaries and benefits for staff who administer housing loans, which are now the responsibility of the Housing Successor Agency.

Therefore, with the Agency's concurrence, Finance adjusted the Administrative RPTTF for the entire Last and Final ROPS to the amount of \$434,664. 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. 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 \$24,058,935, as summarized in the Approved RPTTF Distribution table (see Attachment).

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.

The Annual ROPS 21-22 approval will remain effective through June 30, 2022 and the approved Last and Final ROPS will become effective July 1, 2022.

Please direct inquiries to Joshua Mortimer, Supervisor, or Michael Barr, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Richard Romero, Director of Finance, City of El Centro
Ivonne Ramirez, Property Tax Manager, Imperial County

Attachment

Approved Last and Final ROPS RPTTF Distributions							
	A Periods			B Periods			
ROPS Period	RPTTF	Admin RPTTF	A Period Total	RPTTF	Admin RPTTF	B Period Total	Annual Total
Total requested	2,723,563	1,750,000	4,473,563	22,573,550	1,750,000	24,323,550	\$ 28,797,113
Total adjustments	(40,738)	(1,315,336)	(1,356,074)	(1,632,104)	(1,750,000)	(3,382,104)	(4,738,178)
Totals	2,682,825	434,664	3,117,489	20,941,446	0	20,941,446	24,058,935
Total RPTTF approved for distribution							
ROPS 22-23	491,516	34,831	526,347	2,511,515	0	2,511,515	3,037,862
ROPS 23-24	434,500	35,876	470,376	2,174,388	0	2,174,388	2,644,764
ROPS 24-25	352,344	36,952	389,296	1,947,344	0	1,947,344	2,336,640
ROPS 25-26	311,213	38,061	349,274	2,036,212	0	2,036,212	2,385,486
ROPS 26-27	266,720	25,205	291,925	2,131,718	0	2,131,718	2,423,643
ROPS 27-28	218,613	25,961	244,574	2,233,612	0	2,233,612	2,478,186
ROPS 28-29	166,626	26,740	193,366	2,326,624	0	2,326,624	2,519,990
ROPS 29-30	110,882	27,542	138,424	780,881	0	780,881	919,305
ROPS 30-31	93,607	28,368	121,975	803,606	0	803,606	925,581
ROPS 31-32	80,894	29,219	110,113	835,893	0	835,893	946,006
ROPS 32-33	67,301	30,096	97,397	877,299	0	877,299	974,696
ROPS 33-34	52,347	30,999	83,346	806,092	0	806,092	889,438
ROPS 34-35	23,859	31,928	55,787	728,860	0	728,860	784,647
ROPS 35-36	12,403	32,886	45,289	747,402	0	747,402	792,691
Total	2,682,825	434,664	3,117,489	20,941,446	0	20,941,446	\$ 24,058,935