

July 22, 2022

Mr. Matt Pressey, Finance Director
City of Salinas
200 Lincoln Avenue
Salinas, CA 93901

Dear Mr. Pressey:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the City of Salinas 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 8, 2018. Finance has completed its review of the Agency's Last and Final ROPS.

HSC section 34191.6 (c) authorizes Finance to make 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. 1 – 1992 Tax Allocations Bonds. The Agency requested Bond Proceeds in the amount of \$465,548 and Redevelopment Property Tax Trust Fund (RPTTF) in the amount of \$749,452, totaling \$1,215,000 for the final payment in ROPS 22-23A. However, this bond has parity debt to the 1996 Tax Allocation Bonds. Therefore, the use of Bond Proceeds will be reserved for the final payments of the 1996 bonds, as noted below. As a result, with the Agency's concurrence, the requested \$465,548 in Bond Proceeds is being reclassified to RPTTF for a total of \$1,215,000 in RPTTF funding.
- Item No. 2 – 1996 Tax Allocation Bonds. The Agency has \$1,436,360 in debt service reserve funds that should be used towards the final payments of this bond. The Agency has requested \$1,075,178 in Bond Proceeds for the ROPS 23-24B period. Therefore, with the Agency's concurrence, Finance has reclassified \$361,182 (\$1,436,360–\$1,075,178) in RPTTF to Bond Proceeds as follows:
 - ROPS 22-23A: \$1,560 in RPTTF reclassified to Bond Proceeds.
 - ROPS 22-23B: \$37,400 in RPTTF reclassified to Bond Proceeds.
 - ROPS 23-24A: \$322,222 in RPTTF reclassified to Bond Proceeds.
- Item No. 8 – Arbitrage Rebate Calculations. The Agency omitted a payment for rebate calculation services required for the 1996 Tax Allocation Bonds for the ROPS 21-22A period. Therefore, with the Agency's concurrence, Finance made an adjustment to include a payment of \$1,750 in RPTTF funding for ROPS 21-22A to accurately reflect the required payments for this item.

- Finance notes the Agency did not include funding authorized for the ROPS 18-19B period. Therefore, Finance is adjusting RPTTF funding for ROPS 18-19B to reflect the amounts approved, totaling \$270,456 in RPTTF and \$125,000 in Administrative RPTTF, as detailed below:
 - Item No. 2 – Increase of \$51,288 in RPTTF funding.
 - Item No. 3 – Increase of \$214,568 in RPTTF funding.
 - Item No. 7 – Increase of \$2,850 in RPTTF funding.
 - Item No. 8 – Increase of \$1,750 in RPTTF funding.
 - Item No. 9 – Increase of \$125,000 in Administrative RPTTF funding.

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 \$20,480,938 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	17,981,257	150,000	18,131,257	1,848,109	0	1,848,109	\$ 19,979,366
Total adjustments	143,516	0	143,516	233,056	125,000	358,056	501,572
Total approved	18,124,773	150,000	18,274,773	2,081,165	125,000	2,206,165	20,480,938
Total RPTTF approved for distribution							
ROPS 18-19	0	0	0	270,456	125,000	395,456	395,456
ROPS 19-20	2,137,415	10,000	2,147,415	254,809	0	254,809	2,402,224
ROPS 20-21	2,147,942	10,000	2,157,942	240,297	0	240,297	2,398,239
ROPS 21-22	2,167,683	10,000	2,177,683	225,104	0	225,104	2,402,787
ROPS 22-23	2,174,914	10,000	2,184,914	173,701	0	173,701	2,358,615
ROPS 23-24	796,621	10,000	806,621	161,139	0	161,139	967,760
ROPS 24-25	802,539	10,000	812,539	143,554	0	143,554	956,093
ROPS 25-26	817,554	10,000	827,554	130,007	0	130,007	957,561
ROPS 26-27	830,007	10,000	840,007	115,937	0	115,937	955,944
ROPS 27-28	846,937	10,000	856,937	101,244	0	101,244	958,181
ROPS 28-29	857,244	10,000	867,244	86,048	0	86,048	953,292
ROPS 29-30	876,048	10,000	886,048	70,169	0	70,169	956,217
ROPS 30-31	891,169	10,000	901,169	53,667	0	53,667	954,836
ROPS 31-32	909,667	10,000	919,667	36,461	0	36,461	956,128
ROPS 32-33	926,461	10,000	936,461	18,572	0	18,572	955,033
ROPS 33-34	942,572	10,000	952,572	0	0	0	952,572
Grand Total	18,124,773	150,000	18,274,773	2,081,165	125,000	2,206,165	\$ 20,480,938

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

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 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 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 until June 30, 2019, as necessary.

Please direct inquiries to Cindie Lor, Supervisor, or Michael Painter, Lead Analyst at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

ERIKA LI
Program Budget Manager

cc: Mr. Don Reynolds, Project Manager, City of Salinas
Ms. Julie Aguero, Auditor Controller Analyst II, Monterey County