



Transmitted via e-mail

REVISED

July 23, 2021

Curtis Yakimow, Town Manager
Town of Yucca Valley
57090 29 Palms Highway
Yucca Valley, CA 92284

Last and Final Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) letter dated June 24, 2021. A revision is necessary to apply the correct effective date.

Pursuant to Health and Safety Code (HSC) section 34191.6 (b), the Town of Yucca Valley Successor Agency (Agency) submitted a Last and Final ROPS to Finance on March 16, 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. 1 – 2018 Tax Allocation Bond Refunding in the total requested amount of \$9,929,151 for the Redevelopment Property Tax Trust Fund (RPTTF) funding has been adjusted by \$7,852 to \$9,921,299. Since the Annual ROPS 21-22 A distribution already took place, the amount requested for the Last and Final ROPS 21-22 A period was adjusted to match the distributed amounts for the same period. Specifically, Other Funds funding was increased from \$0 to \$7,852 and the RPTTF funding was decreased by \$7,852 from \$294,812 to \$286,960 for the Annual ROPS 21-22 A period.
- Item No. 3 – Successor Agency Administration in the amount of \$1,989,000 has been adjusted by \$1,322,875 to \$666,125. Based on our review, the Agency's Last and Final ROPS contains funding requests for administrative costs the Agency was unable to fully support. Specifically, the Agency requests \$1,989,000 over the next 17 years, or an average of \$117,000 per fiscal year, for the administrative costs to administer Item No. 1 – 2018 Tax Allocation Bond Refunding. 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 the 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 the amount of \$666,125. Adjustments specific to each ROPS period are reflected in the approved Last and Final ROPS.

In addition, since the Annual ROPS 21-22 A distribution already took place, the administrative costs requested for the Last and Final ROPS 21-22 A period were adjusted to match the distributed amount for the Annual ROPS 21-22 A period. Specifically, the requested \$58,500 was increased by \$26,000 to \$84,500.

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 \$10,587,424, 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 December 31, 2021 and the approved Last and Final ROPS will become effective January 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: Linda Santillano, Chief Deputy, Property Tax, San Bernardino County

Attachment

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	5,001,724	994,500	5,996,224	4,927,427	994,500	5,921,927	\$ 11,918,151
Total adjustments	(7,852)	(628,000)	(635,852)	0	(694,875)	(694,875)	(1,330,727)
Totals	4,993,872	366,500	5,360,372	4,927,427	299,625	5,227,052	10,587,424
Total RPTTF approved for distribution							
ROPS 21-22 *	286,960	84,500	371,460	290,102	17,625	307,727	679,187
ROPS 22-23	292,885	17,625	310,510	290,133	17,625	307,758	618,268
ROPS 23-24	294,769	17,625	312,394	291,569	17,625	309,194	621,588
ROPS 24-25	293,369	17,625	310,994	290,440	17,625	308,065	619,059
ROPS 25-26	294,760	17,625	312,385	290,717	17,625	308,342	620,727
ROPS 26-27	294,868	17,625	312,493	290,730	17,625	308,355	620,848
ROPS 27-28	294,710	17,625	312,335	289,999	17,625	307,624	619,959
ROPS 28-29	293,307	17,625	310,932	289,004	17,625	306,629	617,561
ROPS 29-30	293,657	17,625	311,282	289,245	17,625	306,870	618,152
ROPS 30-31	293,704	17,625	311,329	289,185	17,625	306,810	618,139
ROPS 31-32	294,448	17,625	312,073	291,150	17,625	308,775	620,848
ROPS 32-33	292,832	17,625	310,457	289,104	17,625	306,729	617,186
ROPS 33-34	293,951	17,625	311,576	288,084	17,625	305,709	617,285
ROPS 34-35	294,730	17,625	312,355	289,724	17,625	307,349	619,704
ROPS 35-36	296,111	17,625	313,736	290,093	17,625	307,718	621,454
ROPS 36-37	295,094	17,625	312,719	289,819	17,625	307,444	620,163
ROPS 37-38	293,717	17,625	311,342	288,329	17,625	305,954	617,296
Total	4,993,872	366,500	5,360,372	4,927,427	299,625	5,227,052	\$ 10,587,424

* ROPS 21-22 A period approved RPTTF amount does not reflect the prior period adjustment of \$129,755, which offset the ROPS 21-22 A RPTTF distribution.