



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 | | | | | | | |
|---|------------------|--------------------|-----------------------|------------------|--------------------|-----------------------|----------------------|
| | A Periods | | | B Periods | | | |
| ROPS Period | RPTTF | Admin RPTTF | A Period Total | RPTTF | Admin RPTTF | B Period Total | Annual 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.