



January 19, 2018

Mr. Jim Simon, Consultant
City of Oroville
309 W. Fourth Street
Santa Ana, CA 92701

Dear Mr. Simon:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the City of Oroville 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 11, 2017. 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. 4 – Fiscal Agent Fees and Arbitrage Rebate Services. Annual fiscal agent fees and arbitrage rebate services totaling \$8,200 have been adjusted by \$5,200 to \$3,000. As a result, total Redevelopment Property Tax Trust Fund (RPTTF) funding for this item has been reduced from \$114,800 to \$39,000.
- Item No. 12 – Agency Administrative Cost Allowance (ACA). 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 obligations listed on the Last and Final ROPS. Therefore, with the Agency's concurrence, the total ACA in the amount of \$95,000 has been adjusted by \$30,000 to \$65,000 for the remaining Last and Final ROPS periods.
- Item No. 21 – City of Oroville Loan. The Agency initially miscalculated the outstanding loan principal and interest amounts. Subsequently, pursuant to HSC section 34191.6 (b) (2), the Agency recalculated the outstanding loan principal and interest amounts. As a result, total RPTTF funding for this item has been adjusted from \$2,175,312 to \$3,586,616.
- The Agency agreed to withdraw all funding requested for the period January 1, 2017 through June 30, 2017 (ROPS17-18B), and agreed to the Last and Final ROPS funding to begin with the July 1, 2018 through December 31, 2018 (ROPS 18-19A). Therefore, total RPTTF and the ACA for this period has been adjusted from \$1,857,043 and

\$15,000 to \$0 and \$0, respectively. Adjustments specific to each ROPS period are reflected in the approved Last and Final ROPS RPTTF Distribution table.

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 \$23,062,626 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	1,453,180	80,000	1,533,180	21,822,436	15,000	21,837,436	\$23,370,616
Total adjustments	1,029,066	(15,000)	1,014,066	(1,307,056)	(15,000)	(1,322,056)	(307,990)
Totals	2,482,246	65,000	2,547,246	20,515,380	0	20,515,380	\$23,062,626
Total RPTTF approved for distribution							
ROPS 18-19	470,824	5,000	475,824	1,843,649	0	1,843,649	2,319,473
ROPS 19-20	483,540	5,000	488,540	1,859,235	0	1,859,235	2,347,775
ROPS 20-21	496,518	5,000	501,518	1,871,610	0	1,871,610	2,373,128
ROPS 21-22	509,014	5,000	514,014	1,885,052	0	1,885,052	2,399,066
ROPS 22-23	522,350	5,000	527,350	1,713,844	0	1,713,844	2,241,194
ROPS 23-24	0	5,000	5,000	1,612,344	0	1,612,344	1,617,344
ROPS 24-25	0	5,000	5,000	1,614,944	0	1,614,944	1,619,944
ROPS 25-26	0	5,000	5,000	1,609,194	0	1,609,194	1,614,194
ROPS 26-27	0	5,000	5,000	1,608,044	0	1,608,044	1,613,044
ROPS 27-28	0	5,000	5,000	1,610,594	0	1,610,594	1,615,594
ROPS 28-29	0	5,000	5,000	1,611,894	0	1,611,894	1,616,894
ROPS 29-30	0	5,000	5,000	359,863	0	359,863	364,863
ROPS 30-31	0	5,000	5,000	1,315,113	0	1,315,113	1,320,113
Total approved RPTTF	2,482,246	65,000	2,547,246	20,515,380	0	20,515,380	\$ 23,062,626

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

<http://www.dof.ca.gov/redevelopment/ROPS>

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 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 for Finance's review and approval.

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. The most recent annual ROPS 17-18 approval would remain effective through June 30, 2018.

Please direct inquiries to Nichelle Jackson, Supervisor, or Satveer Ark, Lead Analyst, at (916) 322-2985.

Sincerely,



ERIKA LI
Program Budget Manager

cc: Mr. Rick Farley, Business Assistance Coordinator, City of Oroville
Ms. Maria Solis, Auditor - Accountant, Butte County