



Transmitted via e-mail

May 17, 2021

Greg Folsom, City Manager
Suisun City
701 Civic Center Boulevard
Suisun City, CA 94585

2021-22 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 7, 2021. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Suisun City Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2021 through June 30, 2022 (ROPS 21-22) to Finance on January 28, 2021. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on April 15, 2021.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed:

- Item No. 4 – Marina Construction Loan totaling \$1,050,363 continues to be partially approved. The portion of the disallowed costs contested by the Agency continues to be denied. It is our understanding this item is related to the Loan and Operation Contract executed on July 27, 1992 between the Suisun City Redevelopment Agency, Suisun City, and the California Department of Boating and Waterways. The Agency requested \$1,050,363 for the loan repayment and maintenance costs related to the Marina project. However, documentation provided by the Agency indicates \$130,676 was already paid from other available funds and \$59,665 is for the purchase of a truck, which is not a maintenance cost.

The Agency contends funding received on prior ROPS was not sufficient to pay for the actual maintenance and repair costs incurred. The Agency further explained the City's Marina Fund was used to pay the additional costs. These maintenance and repair costs from prior fiscal years have been fully funded and no additional funding is required. Further, there is not an obligation for the Agency to reimburse the City for the additional paid costs. Therefore, the requested amount of \$1,050,363 is reduced by \$190,341 to \$860,022 (\$1,050,363 - \$130,676 - \$59,665) for Redevelopment Property Tax Trust Fund (RPTTF) funding.

In addition, per Finance's letter dated April 7, 2021, we continue to make the following determinations on the next page, not contested by the Agency during the Meet and Confer review:

- On the ROPS 21-22 form, the Agency reported cash balances and activity for the period July 1, 2018 through June 30, 2019 (ROPS 18-19). According to our review, the Agency has approximately \$65,553 from Other Funds and \$3,211 from Reserve Balances, totaling \$68,764, available to fund enforceable obligations on the ROPS 21-22. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. This item does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amounts specified below:
 - Item No. 5 – Marina Expansion Loan in the amount of \$268,000 is partially reclassified. Finance is approving RPTTF in the amount of \$199,236, Other Funds in the amount of \$65,553, and Reserve Balances in the amount of \$3,211, totaling \$268,000.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2018 through June 30, 2019 (ROPS 18-19) period. The ROPS 18-19 prior period adjustment (PPA) will offset the ROPS 21-22 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$6,695,247, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2021 through December 31, 2021 period (ROPS A period), and one distribution for the January 1, 2022 through June 30, 2022 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 21-22 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

This is our final determination regarding the obligations listed on the ROPS 21-22. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 21-22 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 21-22 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

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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 law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Todd Vermillion, Supervisor, or Michael Painter, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Elizabeth Luna, Accounting Services Manager, Suisun City
Rosemary Bettencourt, Deputy Auditor-Controller, Solano County

Approved RPTTF Distribution July 2021 through June 2022			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 3,772,595	\$ 3,023,680	\$ 6,796,275
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	3,897,595	3,148,680	7,046,275
RPTTF Requested	3,772,595	3,023,680	6,796,275
<u>Adjustment(s)</u>			
Item No. 4	0	(190,341)	(190,341)
Item No. 5	(68,764)	0	(68,764)
	(68,764)	(190,341)	(259,105)
RPTTF Authorized	3,703,831	2,833,339	6,537,170
Administrative RPTTF Authorized	125,000	125,000	250,000
ROPS 18-19 prior period adjustment (PPA)	(91,923)	0	(91,923)
Total RPTTF Approved for Distribution	\$ 3,736,908	\$ 2,958,339	\$ 6,695,247

ICC: Painter, Vermillion, Takagi-Galamba , McAllister, McCormick, Whitaker

Final Path: J:\Audits and Review\ROPS 21-22 Letters PDF

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