



Transmitted via e-mail

April 2, 2021

Sylvia E. Solis Daniels, Housing Program Manager
City of Vista
200 Civic Center Drive
Vista, CA 92084

2021-22 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Vista Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2021 through June 30, 2022 (ROPS 21-22) to the California Department of Finance (Finance) on January 27, 2021. Finance has completed its review of the ROPS 21-22.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 6 – Relocation Obligations in the amount of \$1,522,941 is partially allowed. The Agency requests the use of \$941,100 in Redevelopment Property Tax Trust Fund (RPTTF) and \$581,841 in Reserve Balances. The Reserve Balances are not needed to make the debt service payment; therefore, at the Agency's request, the requested use of Reserve Balances has been reduced from \$581,841 to \$0.
- Item No. 9 – 2010 Housing Tax Allocation Bonds in the amount of \$1,631,873 is partially allowed. The Agency requests the use of \$1,028,088 in RPTTF and \$603,785 in Other Funds. The Other Funds are not needed to make the debt service payment; therefore, at the Agency's request, the requested use of Other Funds has been reduced from \$603,785 to \$0.
- Item No. 65 – City Loans 2011-1, 2011-2, and 2011-4 in the total outstanding amount of \$10,499,472 is overstated. Pursuant to HSC section 34191.4 (b) (3), interest on the remaining outstanding principal amount of the loan shall be recalculated from the date of origination of the loan on a quarterly basis, at a simple interest rate of three percent, and repayments shall be applied first to principal, and second to interest.

The total outstanding loan balance includes repayments applied to interest prior to principal. After adjusting applied payments, the total outstanding loan balance reported on the Agency's ROPS Detail Form has been reduced by \$3,941,225 to \$6,558,247. However, since the amount of \$5,470,586 in RPTTF requested for the ROPS 21-22 period does not exceed the repayment formula outlined in HSC section 34191.4 (b) (3) (A), Finance is approving the amount requested.

- Item No. 68 – Legal Services Agreement in the amount of \$20,000 is partially allowed. The Agency requested to reduce RPTTF from \$20,000 to \$5,000. Therefore, the excess \$15,000 has been denied.
- Item No. 74 – 2015 Tax Allocation Bonds Series B-1 in the amount of \$2,721,044 is allowed. However, the Agency inadvertently omitted a request to use \$1,346,410 in Other Funds on the ROPS 21-22 submission. Therefore, with the Agency's concurrence, Finance is approving \$1,374,634 in RPTTF and \$1,346,410 in Other Funds, totaling \$2,721,044.

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 \$11,391,668, 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.

Except for the adjusted items, Finance does not object to the remaining items listed on the ROPS 21-22. If the Agency disagrees with our determination with respect to any items on the ROPS 21-22, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, 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.

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 Joshua Mortimer, Supervisor, or Zuber Tejani, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Amanda Lee, Assistant to the City Manager, City of Vista
Jon Baker, Senior Auditor and Controller Manager, San Diego County

Approved RPTTF Distribution July 2021 through June 2022			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 9,979,185	\$ 3,127,918	\$ 13,107,103
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	10,104,185	3,252,918	13,357,103
RPTTF Requested	9,979,185	3,127,918	13,107,103
<u>Adjustment(s)</u>			
Item No. 68	(5,000)	(10,000)	(15,000)
Item No. 74	(1,346,410)	0	(1,346,410)
	(1,351,410)	(10,000)	(1,361,410)
RPTTF Authorized	8,627,775	3,117,918	11,745,693
Administrative RPTTF Authorized	125,000	125,000	250,000
ROPS 18-19 prior period adjustment (PPA)	(604,025)	0	(604,025)
Total RPTTF Approved for Distribution	\$ 8,148,750	\$ 3,242,918	\$ 11,391,668