



Transmitted via e-mail

April 7, 2021

Spencer Morrison, Director of Finance  
Yuba City  
1201 Civic Center Boulevard  
Yuba City, CA 95993

### **2021-22 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Yuba City 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 28, 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 – Supplemental Educational Revenue Augmentation Fund repayment in the requested amount of \$200,000 is partially allowed. HSC section 34191.4 (b) (3) (A) allows repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in the preceding fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year.

According to the County Auditor-Controller's (CAC) report, the ROPS residual pass-through amount distributed to the taxing entities for fiscal year 2012-13 and 2020-21 are \$124,953 and \$199,711, respectively. Pursuant to the repayment formula, the maximum repayment amount authorized for the ROPS 21-22 period is \$37,379. Therefore of the \$200,000 requested from Other Funds, \$162,621 (\$200,000-\$37,379) is not eligible for Other Funds funding. The Agency may be eligible for additional funding on subsequent ROPS.

- Item No. 10 – Environmental Remediation at 400 Bridge Street in the total outstanding obligation amount of \$290,127 is not allowed. Finance continues to deny this item. The Agency provided a Yuba City Resolution and Professional Services Agreement Amendment between Yuba City and Geosyntec Consultants. However, these documents are insufficient to support the requested amount because they do not identify the Agency as the party responsible to perform the remediation. Therefore, this item is not an enforceable obligation and the requested amount of \$290,127 from Redevelopment Property Tax Trust Fund (RPTTF) is not allowed. To the extent the Agency can provide suitable documentation, such as the executed contract and vendor invoices, to support the requested amount, the item may be considered on a future ROPS.

- Item No. 17 – 2015 Tax Allocation Refunding Bonds debt service payment in the amount of \$3,513,041 is partially adjusted. The Agency originally requested \$1,991,664 from RPTTF, \$3,430 from Other Funds, and \$1,517,947 from Reserve Balances. However, due to the denial of use of Other Funds for Item No. 6 in the amount of \$162,621, the Agency requested Other Funds be applied towards Item No. 17. Therefore, RPTTF and Other Funds have been adjusted in the amounts specified below:

<b>Funding Source</b>	<b>Funding Requested</b>	<b>Adjusted</b>	<b>Funding Approved</b>
RPTTF	\$1,991,664	(\$162,621)	\$1,829,043
Other Funds	3,430	162,621	166,051
Reserve Balances	1,517,947	0	1,517,947
<b>Total</b>	<b>\$3,513,041</b>	<b>\$0</b>	<b>\$3,513,041</b>

The CAC did not provide its review of the Agency's prior period adjustments for the July 1, 2018 through June 30, 2019 (ROPS 18-19) period as required by HSC section 34186. On the ROPS 21-22 form, the Agency reported cash balances and activities for ROPS 18-19. Therefore, we reviewed ROPS 18-19 expenditures. The amount of RPTTF approved includes the prior period adjustment self-reported by the Agency and reviewed by Finance.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,924,138, 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/](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 Anna Kyumba, Supervisor, or Daisy Rose, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Lynn Haile, Accounting Manager, Yuba City  
John Beaver, Tax Manager, Sutter County

<b>Approved RPTTF Distribution July 2021 through June 2022</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 290,127	\$ 2,093,262	\$ 2,383,389
Administrative RPTTF Requested	0	0	0
<b>Total RPTTF Requested</b>	<b>290,127</b>	<b>2,093,262</b>	<b>2,383,389</b>
<b>RPTTF Requested</b>	<b>290,127</b>	<b>2,093,262</b>	<b>2,383,389</b>
<u>Adjustment(s)</u>			
Item No. 10	(290,127)	0	(290,127)
Item No. 17	0	(162,621)	(162,621)
	(290,127)	(162,621)	(452,748)
<b>RPTTF Authorized</b>	<b>0</b>	<b>1,930,641</b>	<b>1,930,641</b>
<b>Administrative RPTTF Authorized</b>	<b>0</b>	<b>0</b>	<b>0</b>
ROPS 18-19 prior period adjustment (PPA)	0	(6,503)	(6,503)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 0</b>	<b>\$ 1,924,138</b>	<b>\$ 1,924,138</b>