



City of Sand City

Memorandum

TO: Consolidated Oversight Board for the County of Monterey
FROM: Vibeke Norgaard, Sand City Successor Agency Counsel
DATE: December 20, 2021 (for January 14, 2022 meeting)
SUBJECT: Recognized Obligation Payment Schedule (ROPS) 22-23 and Administrative Budget for the period July 1, 2022 - June 30, 2023

Background/Discussion:

Pursuant to Assembly Bill No. 1X 26, enacted on June 28, 2011, and as subsequently amended by AB 1484 enacted on June 27, 2012 and SB 107 enacted September 22, 2015 ("**Dissolution Act**"), the Sand City Redevelopment Agency ("**Former Agency**") was dissolved on February 1, 2012. The City of Sand City elected to serve as the Successor Agency for the Former Agency ("**Successor Agency**") and is vested with all of the authority, rights, powers, duties and obligations of the Former Agency.

As part of the dissolution of the former Redevelopment Agency, Health and Safety Code Section 34177 (added by AB 1X 26, as amended to date) requires the Successor Agency to adopt a Recognized Obligation Payment Schedule ("**ROPS**") that lists all obligations of the former redevelopment agency that are enforceable within the meaning of subdivision (d) of Section 34167 for each twelve month period of each fiscal year.

ROPS 22-23

On December 21, 2021, by Resolution SA 21-05, the Successor Agency approved a ROPS for the period of July 1, 2022 through June 30, 2023 ("**ROPS 22-23**"), substantially in the form shown in Attachment 2. The ROPS 22-23 follows the form prescribed by the DOF and incorporates the remaining obligations identified in the previous ROPS. The ROPS 22-23 is separated into two annual periods known as ROPS 22-23A (July 1, 2022-December 30, 2022) and ROPS 22-23B (January 1, 2023 – July 30, 2023).

For the period 22-23A (July – December), the Successor Agency is requesting funding for the following obligations:

Line 2	2008B Tax Allocation Bonds	\$ 111,788
Line 3	Sand City Admin. Cost Allowance	\$ 125,000
Line 11	Tax Sharing Agreement (City of Seaside)	\$ 182,261
Line 13	Sand City Redevelopment Project (City Loan)	\$ 500,000
Line 26	Series 2017 Refunding Tax Allocation Bonds	\$ 215,963
Line 27	Fiscal Agent Fees – 2017 Bonds	\$ 2,000
Total Requested RPTTF Funding		\$ 1,137,012
Total coming from Reserves		\$ 272,500
Total for ROPS 22-23A		\$ 1,409,512

For the period 22-23B (January – June), the Successor Agency is requesting funding for the following obligations:

Line 2	2008B Tax Allocation Bonds	\$ 222,075
Line 3	Sand City Admin. Cost Allowance	\$ 125,000
Line 11	Tax Sharing Agreement (City of Seaside)	\$ 182,261
Line 21	Fiscal Agent Fees – 2008 Bonds	\$ 2,000
Line 22	Bond Disclosure Services (HdL)	\$ 1,400
Line 26	2017 Refunding Tax Allocation Bonds	\$ 305,320
Total Requested RPTTF Funding		\$ 838,056
Total Coming from Reserves		0
Total for ROPS 22-23B		\$ 838,056

As outlined above, the Successor Agency’s primary remaining enforceable obligations are the outstanding bonds and the City of Seaside Agreement. The ROPS 22-23 also requests Redevelopment Property Tax Trust Fund ("**RPTTF**") monies toward repayment of the City Loan (ROPS Item #13) in accordance with the City Loan Repayment Schedule (Seaside) approved by Successor Agency Resolution SA 21-02 and by the Consolidated Oversight Board for the County of Monterey Resolution No. 2021-09. No new enforceable obligations are included in the ROPS 22-23 that were not included in the previously adopted ROPS.

Administrative Budget 22-23

On December 21, 2021, by Resolution SA 21-05, the Successor Agency approved an administrative budget for the fiscal period commencing on July 1, 2022 and continuing through June 30, 2023 ("**FY 22-23 Administrative Budget**"), substantially in the form shown in Attachment 3, attached hereto and incorporated herein by this reference.

In compliance with DOF guidance, all administrative costs, including city staff support costs, professional outside services, auditors and other administrative expenses have been combined into one line item. Pursuant to Health and Safety Code Sections 34171(b) and 34183(a)(3) the Successor Agency is entitled to an administrative cost allowance (the "Administrative Cost Allowance") in the amount of \$250,000.

CEQA:

Pursuant to the California Environmental Quality Act (CEQA), based upon a review of the evidence and information presented on the matter as it relates to the adoption of the ROPS 22-23, the Successor Agency has determined that such approval is categorically exempt from CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines because there is no possibility that the activities in question will have a significant impact on the environment and the amendment is merely the adoption of annual budget; it will

Consolidated Oversight Board for the County of Monterey
Meeting Date January 14, 2022
Re: Sand City ROPS 22-23
Page 3

not require any construction activities and will not lead to any direct or reasonably foreseeable indirect physical environmental impacts.

Recommendation:

The Successor Agency seeks Consolidated Oversight Board approval of the attached Resolution (Attachment 1) approving the Recognized Obligation Payment Schedule (ROPS 22-23) and Administrative Budget for the period July 1, 2022 through June 30, 2023.

Attachment 1 - Resolution No. 2021-__
Exhibit A -ROPS 22-23
Exhibit B - Administrative Budget 22-23

**BEFORE THE CONSOLIDATED OVERSIGHT BOARD
FOR THE COUNTY OF MONTEREY, STATE OF CALIFORNIA**

RESOLUTION NO. 2021-__

**RESOLUTION OF THE CONSOLIDATED OVERSIGHT BOARD FOR THE COUNTY
OF MONTEREY APPROVING THE RECOGNIZED OBLIGATION PAYMENT
SCHEDULE (ROPS 22-23) AND ADMINISTRATIVE BUDGET FOR THE PERIOD
JULY 1, 2022 THROUGH JUNE 30, 2023 FOR THE SAND CITY SUCCESSOR
AGENCY, MAKING RELATED FINDINGS AND DIRECTING THE SUCCESSOR
AGENCY STAFF TO TAKE ALL ACTIONS NECESSARY TO EFFECTUATE
REQUIREMENTS ASSOCIATED WITH THIS APPROVAL**

WHEREAS, pursuant to Assembly Bill No. 1X 26, enacted on June 28, 2011, and as subsequently amended by AB 1484 enacted on June 27, 2012 and SB 107 enacted September 22, 2015 ("**Dissolution Act**"), the Sand City Redevelopment Agency was dissolved on February 1, 2012 and its rights, powers, duties and obligations were transferred to a successor agency; and

WHEREAS, the City Council of the City of Sand City elected to act as the former Redevelopment Agency's successor agency ("**Successor Agency**") under Section 34173 of the Dissolution Act, and, as such, is charged with implementing enforceable obligations and winding down the affairs of the former Redevelopment Agency; and

WHEREAS, the Dissolution Act requires the Successor Agency to prepare and adopt a "Recognized Obligation Payment Schedule" ("**ROPS**") that lists all obligations of the former Redevelopment Agency that are enforceable within the meaning of subdivision (d) of Section 34171 for twelve month periods, including July 2022 through June 2023; and

WHEREAS, applicable law requires that the ROPS for the period July 1, 2022 through June 30, 2023 be submitted to the Department of Finance and the State Controller's office, after approval by the by the Consolidated Oversight Board of the County of Monterey ("**Oversight Board**"), no later than February 1, 2022 or be subject to penalties; and

WHEREAS, by Resolution SA 21-05, the Successor Agency approved a proposed ROPS 22-23 attached as Exhibit "A" and incorporated herein by reference and a FY 2022-23 Administrative Budget attached as Exhibit "B" and incorporated herein by reference for the fiscal period commencing on July 1, 2022 and continuing through June 30, 2023 and directed the Clerk to submit the ROPS 22-23 and FY 2022-23 Administrative Budget to the Oversight Board for consideration at its January 14, 2022 meeting; and

WHEREAS, the ROPS 22-23 and the FY 2022-23 Administrative Budget are not considered projects under the California Environmental Quality Act (CEQA) and therefore no environmental analysis is necessary.

NOW, THEREFORE, BE IT RESOLVED by the Consolidated Oversight Board that:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. The Oversight Board finds the items on the ROPS 22-23 and the FY 2022-23 Administrative Budget are necessary for the continued administration of the ongoing enforceable obligations and the expeditious winding-down of the affairs of the former Redevelopment Agency.

SECTION 3. The Oversight Board hereby approves the attached Recognized Obligation Payment Schedule for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) (Exhibit "A"). Pursuant to Health & Safety Code Section 34173, the Successor Agency's liability, including, but not limited to, its liability for the obligations on the attached schedule, is limited to the total sum of property tax revenues it receives pursuant to Part 1.85 of AB X1 26.

SECTION 4. The Oversight Board hereby approves the attached FY 2022-23 Administrative Budget (Exhibit "B").

SECTION 5. The Oversight Board hereby authorizes and directs the Clerk of the Successor Agency to forward the ROPS 22-23 and the FY 2022-23 Administrative Budget to the County of Monterey Auditor Controller, State Controller's Office, and the California Department of Finance, to place the ROPS 22-23 and FY 2022-23 Administrative Budget on the Sand City website, and to take such other actions on behalf of the Successor Agency as may be necessary in accordance with applicable law.

SECTION 6. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 7. This Resolution shall take effect from and after the date of its passage and adoption in accordance with, and subject to, all applicable requirements of the Health & Safety Code.

PASSED AND ADOPTED this 14th day of January, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

Chairperson, Consolidated Oversight
Board For the County of Monterey

ATTEST:

By: _____
Clerk of the Consolidated Oversight
Board for the County of Monterey

Recognized Obligation Payment Schedule (ROPS 22-23) - Summary
Filed for the July 1, 2022 through June 30, 2023 Period

Successor Agency: Sand City

County: Monterey

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	22-23A Total (July - December)	22-23B Total (January - June)	ROPS 22-23 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 272,500	\$ -	\$ 272,500
B Bond Proceeds	-	-	-
C Reserve Balance	272,500	-	272,500
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 1,137,012	\$ 838,056	\$ 1,975,068
F RPTTF	1,012,012	713,056	1,725,068
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 1,409,512	\$ 838,056	\$ 2,247,568

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/ _____
Signature Date

Sand City
Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Detail
July 1, 2022 through June 30, 2023

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)					22-23A Total	ROPS 22-23B (Jan - Jun)					22-23B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$20,803,870		\$2,247,568	\$-	\$272,500	\$-	\$1,012,012	\$125,000	\$1,409,512	\$-	\$-	\$-	\$713,056	\$125,000	\$838,056
2	2008B Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	01/18/2008	11/01/2023	US Bank	Finance Redevelopment Activities	Sand City	445,650	N	\$433,863	-	100,000	-	111,788	-	\$211,788	-	-	-	222,075	-	\$222,075
3	Sand City	Admin Costs	02/01/2012	06/30/2023	City acting as Successor Agency	Administrative Cost Allowance	Sand City	250,000	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	125,000	\$125,000
5	City of Sand City	Miscellaneous	04/01/1995	07/20/2037	City of Sand City	COP Reimbursement	Sand City	1,454,766	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
6	SERAF Payment	SERAF/ERAF	05/10/2010	06/30/2020	City of Sand City	Repay loan from LMIHF	Sand City	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
7	SERAF Payment	SERAF/ERAF	05/04/2011	06/30/2020	City of Sand City	Repay loan from LMIHF	Sand City	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
10	McDonald Coastal Project	OPA/DDA/Construction	06/20/2001	07/20/2037	John King - DDA	Contingency Reimbursement	Sand City	1,455,000	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
11	Tax Sharing Agreement	Litigation	05/18/1989	12/31/2027	City of Seaside	Judgment Entered 1-19-2016	Sand City	1,998,861	N	\$364,522	-	-	-	182,261	-	\$182,261	-	-	-	182,261	-	\$182,261
12	Sand City Redevelopment Project	City/County Loan (Prior 06/28/11), Cash exchange	01/20/1987	07/20/2037	City of Sand City	Repay loans for Staff and Facilities ***	Sand City	3,628,058	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
13	Sand City Redevelopment Project	City/County Loan (Prior 06/28/11), Cash exchange	01/20/1987	07/20/2037	City of Sand City	Repay for Monetary Loans (Seaside) ***	Sand City	6,308,552	N	\$500,000	-	-	-	500,000	-	\$500,000	-	-	-	-	-	\$-
21	Fiscal Agent Fees	Fees	01/30/2008	11/01/2023	US Bank	Annual Fiscal Agent for bond issues	Sand City	2,250	N	\$2,000	-	-	-	-	-	\$-	-	-	-	2,000	-	\$2,000
22	Bond Disclosure Services	Fees	01/17/2017	11/01/2027	HdL Coren & Cone	Annual continuing disclosure/ dissemination services for bond issues	Sand City	2,800	N	\$1,400	-	-	-	-	-	\$-	-	-	-	1,400	-	\$1,400
23	PERS Unfunded	Unfunded Liabilities	05/18/1989	11/01/2027	Sand City	Unfunded liability due to	Sand City	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)					22-23A Total	ROPS 22-23B (Jan - Jun)					22-23B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	Liability-Pension					PERS																
24	PERS Unfunded Liability-OPEB	Unfunded Liabilities	05/18/1989	11/01/2027	Sand City	Unfunded liability due to OBEP	Sand City	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
25	CalPERS	Unfunded Liabilities	01/27/2017	12/31/2017	Bartel Associates, LLC	Acturial Study to determine the Unfunded accrued liability related to CalPers	Sand City	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
26	Subordinate Tax Allocation Refunding Bonds, Series 2017	Bonds Issued After 12/31/10	08/10/2017	11/01/2027	US Bank	Refinance RDA Activities	Sand City	3,347,683	N	\$693,783	-	172,500	-	215,963	-	\$388,463	-	-	-	305,320	-	\$305,320
27	Fiscal Agent Fees	Fees	08/10/2017	11/01/2027	US Bank	Annual Fiscal Agent for bond issues	Sand City	10,250	N	\$2,000	-	-	-	2,000	-	\$2,000	-	-	-	-	-	\$-
28	Sand City Redevelopment Project	City/County Loan (Prior 06/28/11), Cash exchange	01/20/1987	07/20/2037	City of Sand City	Repay for Monetary Loans (Costco) ***	Sand City	1,900,000	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

Sand City
Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances
July 1, 2019 through June 30, 2020
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments
1	Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount.	1,283,249	23	367,515	6,555	141,851	
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller	867	46	-	75,020	1,406,099	
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)	487	69	367,515	3,621	1,222,111	
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	1,283,629	-	-	-	320,093	
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC		No entry required			5,744	
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$77,954	\$2	

Sand City
Recognized Obligation Payment Schedule (ROPS 22-23) - Notes
July 1, 2022 through June 30, 2023

Item #	Notes/Comments
2	Amount requested for 22-23B is in accordance with the Indenture for the 2008 Series B Bonds.
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26	Amount requested for 22-23B is in accordance with the Indenture for the Subordinate Tax Allocation Refunding Bonds, Series 2017.
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**SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY
PROPOSED ADMINISTRATIVE BUDGET
July 1, 2022 through June 30, 2023**

<u>EMPLOYEE COSTS:</u>	
Salaries	\$49,597.50
Deferred Compensation	\$630.00
PERS Retirement	\$6,408.75
Medicare	\$1,005.00
Health	\$10,455.00
Dental	\$743.25
Vision	\$125.25
LTD	\$386.25
Life	\$77.63
Workers Comp	\$3,375.00
Fitness	\$191.25
Auto	\$450.00
SUBTOTAL	\$73,444.88
<u>SUPPLIES & SERVICES:</u>	
Audit Services	\$7,500.00
Attorney/Legal Services	\$132,000.00
Mgmt/Consultant Services	\$29,305.12
Office Supplies	\$500.00
Implementation of LRPMP/EMC	\$2,500.00
SUBTOTAL	\$171,805.12
<u>ALLOCATED COSTS:</u>	
Technical Support	\$500.00
Liability Insurance	\$2,500.00
Property Insurance	\$250.00
Misc. Expense (Property/Taxes/Expenses)	\$1,500.00
SUBTOTAL	\$4,750.00
<u>TOTAL</u>	<u>\$250,000.00</u>