



City of Gonzales

AGENDA
ITEM

COUNTY CONSOLIDATED OVERSIGHT BOARD

STAFF REPORT

DATE: January 20, 2023

TO: Consolidated Oversight Board Members

FROM: Mike Howard, Finance Director

SUBJECT: Consideration and Approval of Recognized Obligation Payment Schedule ('ROPS') 23-24 for the Period of July 1, 2023 through June 30, 2024

RECOMMENDATION

It is recommended that the County Consolidated Oversight Board:

- Receive the staff report;
- Accept and consider public comment; and
- Adopt A Resolution of the County Consolidated Oversight Board for the Successor Agency to the Former Gonzales Redevelopment Agency Approving the Recognized Obligation Payment Schedule 23-24 for the Period of July 1, 2023 through June 30, 2024.

BACKGROUND

The Gonzales Redevelopment Agency was dissolved February 1, 2012. The Consolidated Oversight Board for the Successor Agency ("Successor Agency") to the Gonzales Redevelopment Agency ("Oversight Board") has been established pursuant to Health and Safety Code § 34179 to assist in the wind-down of the dissolved redevelopment agency.

Per Health and Safety Code § 34177 (l)(1), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule ('ROPS') before each six-month fiscal period, which corresponds to equal

halves of a fiscal year (i.e., July through December and January through June). The ROPS is the basis for the Successor Agency's authority to make payments due for enforceable obligations.

REVIEW AND ANALYSIS

Successor Agency staff has prepared ROPS 23-24 for the period of July 1, 2023 through June 30, 2024, which consists of several spreadsheets that are appended to the attached Exhibit "A" as Attachment '1'. There are no significant changes in the ROPS 23-24 from the approved ROPS 22-23.

Pursuant to Health and Safety Code § 34177 (m), the County Consolidated Oversight Board-approved ROPS for the period of July 1, 2023 through June 30, 2024 must be submitted to the County Auditor-Controller, County Administrative Officer, the State Controller and the State Department of Finance no later than February 1, 2023.

Upon approval of the ROPS by the County Consolidated Oversight Board, and pursuant to Health and Safety Code § 34177 (l)(2), a copy of this staff report and the attached resolution will be submitted to the County Auditor-Controller, County Administrative Officer, the State Controller and the State Department of Finance within the prescribed timeframe.

Approval of the attached Resolution will authorize the Successor Agency Director, or designee, to:

1. Post the ROPS for the period of July 1, 2023 through June 30, 2024 on the City's website;
2. Transmit the ROPS for the period of July 1, 2023 through June 30, 2024 to the County Auditor-Controller, County Administrative Officer, the State Controller, and the State Department of Finance within the timeframe prescribed by the Health and Safety Code; and
3. Make ministerial revisions to the ROPS which may include, but is not limited to, restating the information included within the ROPS in any format that may be requested by the State Department of Finance, take such other actions and execute such other documents as are necessary to effectuate the intent of the Resolution, and to implement the ROPS for the period of July 1, 2023 through June 30, 2024 on behalf of the Successor Agency, including authorizing and causing such payments.

ENVIRONMENTAL (CEQA) CLEARANCE

The approval of the ROPS by the Oversight Board has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, § 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines. The recommended action does not constitute a "project" for purposes of CEQA, as that term is defined by Guidelines § 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per § 15378(b) (5) of the Guidelines.

FISCAL IMPACT

Pursuant to Health and Safety Code § 34177, the Successor Agency is legally required to continue to make payments due for enforceable obligations. The County Consolidated Oversight Board's approval of ROPS 23-24 will ensure that the Successor Agency has the authority to continue to pay its enforceable obligations. The recommended action does not, in itself, cause any new financial obligations

CONCLUSION

It is recommended that the County Consolidated Oversight Board:

- Receive the staff report;
- Accept and consider public comment; and
- Adopt A Resolution of the County Consolidated Oversight Board for the Successor Agency to the Former Gonzales Redevelopment Agency Approving the Recognized Obligation Payment Schedule 23-24 for the Period of July 1, 2023 through June 30, 2024.

Exhibit 'A' – Resolution with Attachment '1' Gonzales Successor Agency's ROPS 23-24 (July 1, 2023 through June 30, 2024)

**Before the County Consolidated Oversight Board
Successor Agency for the
Former Gonzales Redevelopment Agency**

RESOLUTION NO. _____

WHEREAS, pursuant to Health and Safety Code § 34172(a) (1), the Gonzales Redevelopment Agency was dissolved February 1, 2012; and

WHEREAS, the County Consolidated Oversight Board for the Successor Agency (“Successor Agency”) to the Gonzales Redevelopment Agency (“Oversight Board”) has been established pursuant to Health and Safety Code § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, pursuant to Health and Safety Code § 34180 (g), County Consolidated Oversight Board approval is required for the establishment of each Recognized Obligation Payment Schedule (“ROPS”); and

WHEREAS, pursuant to Health and Safety Code § 34177 (m), an “Oversight Board”-approved ROPS 23-24 for the period of July 1, 2023 through June 30, 2024 must be submitted to the County Auditor-Controller, County Administrative Officer, the State Controller and the State Department of Finance not later than February 1, 2023; and

WHEREAS, pursuant to Health and Safety Code § 34177, the Successor Agency is legally required to continue to make payments due for enforceable obligations; and

WHEREAS, the County Consolidated Oversight Board’s approval of ROPS 23-24 will ensure that the Successor Agency has the authority to continue to pay its enforceable obligations; and

WHEREAS, the approval of ROPS 23-24 has been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, §§ 15000 *et seq.*, hereafter the “Guidelines”), and the City’s environmental guidelines; and

WHEREAS, the approval of ROPS 23-24 does not constitute a “project” for purposes of CEQA, as that term is defined by Guidelines § 15378, because the action is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per § 15378(b) (5) of the Guidelines.

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the County Consolidated Oversight Board for the Successor Agency to the Gonzales Redevelopment Agency, as follows:

Section 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The establishment of the Successor Agency’s ROPS 23-24 covering the period of July 1, 2023 through June 30, 2024, which is attached hereto as Attachment ‘1’, is approved.

Section 3. The Successor Agency Director, or designee, is hereby authorized to: i) post ROPS 23-24 on the City’s website; ii) transmit ROPS 23-24 to the County Auditor-Controller, the County Administrative Officer, the State Controller and the State Department of Finance for their review within the timeframe prescribed by the Health and Safety Code; and iii) make ministerial revisions to ROPS 23-24 which may include, but is not limited to restating the information included within ROPS 23-24 in any format that may be requested by the State Department of Finance, take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution, and to implement ROPS 23-24 on behalf of the Successor Agency, including authorizing and causing such payments.

Section 4. This Resolution shall take effect upon the date of its adoption.

PASSED AND ADOPTED by the County Consolidated Oversight Board at a regular meeting held on the 20th day of January 2023 by the following vote to wit:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Chair

ATTEST:

Board Clerk

ATTACHMENT '1'

**SUCCESSOR AGENCY TO THE
GONZALES REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE 23-24
(July 1, 2023 through June 30, 2024)**

Recognized Obligation Payment Schedule (ROPS 19-20) - Summary
Filed for the July 1, 2019 through June 30, 2020 Period

Successor Agency: Gonzales
County: Monterey

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	19-20A Total (July - December)	19-20B Total (January - June)	ROPS 19-20 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 592,042	\$ 596,087	\$ 1,188,129
F RPTTF	529,542	533,587	1,063,129
G Administrative RPTTF	62,500	62,500	125,000
H Current Period Enforceable Obligations (A+E):	\$ 592,042	\$ 596,087	\$ 1,188,129

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

Gonzales Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail

July 1, 2019 through June 30, 2020

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	19-20A (July - December)					Q	19-20B (January - June)					W	
											Fund Sources						Fund Sources						
											L	M	N	O	P		R	S	T	U	V		
																							Bond Proceeds
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 19-20 Total						19-20A Total						19-20B Total	
4	Loan Agreement	City/County Loan (Prior	6/1/2011	6/1/2041	City of Gonzales	Debt Service Payments for Police	Gonzales	\$ 13,391,432	Y	\$ 1,188,129	\$ 0	\$ 0	\$ 0	\$ 529,542	\$ 62,500	\$ 592,042	\$ 0	\$ 0	\$ 0	\$ 533,587	\$ 62,500	\$ 596,087	
5	Continuing Disclosure	Fees	10/21/2003	12/1/2044	Urban Futures, Inc.	Continuing Disclosure for TABs	Gonzales	90,000	N	\$ 2,600										2,600		\$ 2,600	
6	Securities Servicing	Fees	10/21/2003	12/1/2044	US Bank NA	Securty Servicing for all bonds	Gonzales	125,000	N	\$ 3,000				3,000		\$ 3,000							\$
13	Cal HFA Loan	Third-Party Loans	10/15/2003	12/1/2044	Cal HFA	Funding for Canyon Creek Apts. (36 units)	Gonzales	0	Y	\$						\$							\$
14	Successor Agency Administration	Admin Costs	2/1/2012	12/1/2044	City of Gonzales	Successor Agency Administration	Gonzales	2,300,000	N	\$ 125,000					62,500	\$ 62,500							\$ 62,500
23	2015 Tax Allocation Bonds	Refunding Bonds Issued After 6/27/12	10/5/2015	9/1/2031	US Bank NA	Refunding for Prior Year Tax Allocation Notes	Gonzales	6,514,432	N	\$ 702,653				349,695		\$ 349,695					352,958		\$ 352,958
24	2016 Tax Allocation Bonds	Refunding Bonds Issued After 6/27/12	3/1/2017	9/1/2035	US Bank NA	Refunding for Prior Year Tax Allocation Notes		4,362,000	N	\$ 354,876				176,847		\$ 176,847					178,029		\$ 178,029
26									N	\$						\$							\$
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Gonzales Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail

July 1, 2019 through June 30, 2020

(Report Amounts in Whole Dollars)

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/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 19-20 Total	19-20A (July - December)					19-20A Total	19-20B (January - June)					19-20B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
92									N	\$						\$							\$
93									N	\$						\$							\$
94									N	\$						\$							\$
95									N	\$						\$							\$
96									N	\$						\$							\$
97									N	\$						\$							\$
98									N	\$						\$							\$
99									N	\$						\$							\$

Gonzales Recognized Obligation Payment Schedule (ROPS 23-24) - Report of Cash Balances
July 1, 2020 through June 30, 2021
(Report Amounts in Whole Dollars)

funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 20-21 Cash Balances (07/01/16 - 06/30/17)	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 07/01/16) RPTTF amount should exclude "A" period distribution amount		6,119,459		9,130	(134,115)	
2	Revenue/Income (Actual 06/30/21) RPTTF amount should tie to the ROPS 20-21 total distribution from the County Auditor-Controller		733,464		35	1,252,937	
3	Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)		5,255,255			1,008,033	
4	Retention of Available Cash Balance (Actual 06/30/21) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						
5	ROPS 20-21 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 20-21 PPA form submitted to the CAC	No entry required					
6	Ending Actual Available Cash Balance (06/30/21) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 1,597,668	\$ 0	\$ 9,165	\$ 110,789	

Gonzales Recognized Obligation Payment Schedule (ROPS 23-24) - Notes July 1, 2023 through June 30, 2024

Item #	Notes/Comments



Transmitted via e-mail

March 11, 2022

Rene Mendez, City Manager
City of Gonzales
P. O. Box 647
Gonzales, CA 93926

2022-23 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Gonzales Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to the California Department of Finance (Finance) on January 31, 2022. Finance has completed its review of the ROPS 22-23.

Based on a sample of line items reviewed and application of the law, Finance approves all of the items listed on the ROPS 22-23 at this time. However, Finance notes the following:

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind down the Agency.

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, 2019 through June 30, 2020 (ROPS 19-20) period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 Redevelopment Property Tax Trust Fund (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 \$1,219,131, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2022 through December 31, 2022 period (ROPS A period), and one distribution for the January 1, 2023 through June 30, 2023 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 22-23 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Rene Mendez
March 11, 2022
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This is our final determination regarding the obligations listed on the ROPS 22-23. 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 22-23 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 22-23 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 Zuber Tejani, Supervisor, or Michael Barr, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Mike Howard, Finance Director, City of Gonzales
Jennifer Forsyth, Auditor-Controller Analyst, Monterey County

Approved RPTTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 536,644	\$ 533,607	\$ 1,070,251
Administrative RPTTF Requested	75,000	75,000	150,000
Total RPTTF Requested	611,644	608,607	1,220,251
RPTTF Authorized	536,644	533,607	1,070,251
Administrative RPTTF Authorized	75,000	75,000	150,000
ROPS 19-20 prior period adjustment (PPA)	(1,120)	0	(1,120)
Total RPTTF Approved for Distribution	\$ 610,524	\$ 608,607	\$ 1,219,131

