



City of Sand City

Staff Report

TO: Oversight Board Members
FROM: Vibeke Norgaard, City Manager
DATE: December 12, 2022 (for January 20, 2023 Oversight Board meeting)
SUBJECT: Resolution Approving the Recognized Obligation Payment Schedule (ROPS 23-24) and Administrative Budget for the period July 1, 2023 - June 30, 2024

Background/Discussion:

Pursuant to Assembly Bill No. x1 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 and Consolidated Oversight Board for the County of Monterey ("**Oversight Board**") 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 23-24

Successor Agency staff has prepared a proposed ROPS for the period of July 1, 2023 through June 30, 2024 ("**ROPS 23-24**"), substantially in the form shown in Attachment "2." The ROPS 23-24 follows the form prescribed by the California Department of Finance ("**DOF**") and incorporates the remaining obligations identified in the previous ROPS. The ROPS 23-24 is separated into two annual periods known as ROPS 23-24A (July 1, 2023-December 30, 2023) and ROPS 23-24B (January 1, 2024 – July 30, 2024).

For the period 23-24A (July – December), the Successor Agency is requesting funding for the following obligations:

Line 2	2008B Tax Allocation Bonds	\$ 216,038
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	\$ 533,546
Line 27	Fiscal Agent Fees – 2017 Bonds	\$ 2,100
	Total Requested RPTTF Funding	\$ 1,076,134
	Total coming from Reserves	\$ 482,811
	Total for ROPS 23-24A	\$ 1,558,945

For the period 23-24B (January – June), the Successor Agency is requesting funding for the following obligations:

Line 2	2008B Tax Allocation Bonds	\$ 0
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	\$ 250
Line 22	Bond Disclosure Services (HdL)	\$ 1,400
Line 26	2017 Refunding Tax Allocation Bonds	\$ 387,239
	Total Requested RPTTF Funding	\$ 696,150
	Total Coming from Reserves	0
	Total for ROPS 23-24B	\$ 696,150

As outlined above, the Successor Agency’s primary remaining enforceable obligations are the outstanding bonds and the City of Seaside Agreement. The ROPS 23-24 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 Oversight Board Resolution No. 2021-09. DOF denied the funding of the City Loan Repayment from RPTTF on ROPS 22-23, however the Successor Agency is requesting funding on ROPS 23-24 for payment under the City Loan in order to preserve its rights under pending litigation. No new enforceable obligations are included in the ROPS 23-24 that were not included in the previously adopted ROPS.

Administrative Budget 23-24

The Successor Agency staff has prepared an administrative budget for the fiscal period commencing on July 1, 2023 and continuing through June 30, 2024 (“FY 23-24 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.

Consolidated Oversight Board for the County of Monterey
Meeting Date January 20, 2023
Re: Sand City ROPS 23-24
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Oversight Board and Department of Finance (DOF) Review

Pursuant to Section 34177 and 34180(g) of the Health & Safety Code, the ROPS 23-24 and Administrative Budget 23-24 have been submitted to the Oversight Board for consideration and approval. The Successor Agency Board approved both documents at its meeting on December 6, 2022.

Applicable law requires that the ROPS 23-24 be submitted to DOF and the State Controller's office, after approval by the Oversight Board, no later than February 1, 2023. The DOF has until April 15, 2023 to make a determination on the ROPS 23-24.

Recommendation:

Staff seeks Oversight Board approval of the attached Resolution approving the Recognized Obligation Payment Schedule (ROPS 23-24) and Administrative Budget for the period July 1, 2023 through June 30, 2024.

Attachments:

1. - Resolution No. 22- ____
2. - ROPS 23-24
3. - Administrative Budget FY 23-24

**BEFORE THE CONSOLIDATED OVERSIGHT BOARD
FOR THE CITY OF SAND, STATE OF CALIFORNIA**

RESOLUTION NO. _____

**RESOLUTION OF THE CONSOLIDATED OVERSIGHT BOARD FOR THE COUNTY OF
MONTEREY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS
23-24) AND ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2023 THROUGH JUNE
30, 2024 FOR THE SAND CITY SUCCESSOR AGENCY, MAKING RELATED FINDINGS AND
DIRECTING THE SUCCESOR AGENCY STAFF TO TAKE ALL ACTIONS NECESSARY TO
EFFECTUATE REQUIREMENTS ASSOCIATED WITH THIS APPROVAL**

WHEREAS, pursuant to Assembly Bill No. x1 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 ("**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 2023 through June 2024; and

WHEREAS, applicable law requires that the ROPS for the period July 1, 2023 through June 30, 2024 be submitted to the Department of Finance and the State Controller's Office, after approval by the Consolidated Oversight Board of the County of Monterey ("**Oversight Board**"), no later than February 1, 2023 or be subject to penalties; and

WHEREAS, by Resolution SA 22-__, the Successor Agency approved a proposed ROPS 23-24 attached as Exhibit "A" and incorporated herein by reference and a FY 2023-24 Administrative budget attached as Exhibit "B" and incorporated herein by reference for the fiscal period commencing on July 1, 2023 and continuing through June 30, 2024 and directed the Clerk to submit the ROPS 23-24 and FY 2023-24 Administrative Budget to the Oversight Board for its consideration at its January 20, 2023 meeting; and

WHEREAS, the ROPS 23-24 and the FY 2023-24 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 reference.

SECTION 2. The Oversight Board finds the items on the ROPS 23-24 and the FY 2023-24 Administrative Budget are necessary for the continued administration of the ongoing enforceable obligations and 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, 2023 through June 30, 2024 (ROPS 23-24) (Exhibit "A"). Pursuant to Health and 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 approved the attached FY 2023-24 Administrative Budget (Exhibit "B").

SECTION 5. The Oversight Board hereby authorizes and directs the Clerk of the Successor Agency to forward the ROPS 23-24 and the FY 2023-24 Administrative Budget to the County of Monterey Auditor-Controller, State Controller's Office, and the California Department of Finance, to place the ROPS 23-24 and FY 2023-24 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 of the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provision 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 and Safety Code.

PASSED AND ADOPTED this 20th day of January 2023, by the following vote, to wit:

AYES:

NOES:

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 23-24) - Summary
Filed for the July 1, 2023 through June 30, 2024 Period

Successor Agency: Sand City

County: Monterey

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	23-24A Total (July - December)	23-24B Total (January - June)	ROPS 23-24 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 482,812	\$ -	\$ 482,812
B Bond Proceeds	-	-	-
C Reserve Balance	482,812	-	482,812
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 1,076,134	\$ 696,150	\$ 1,772,284
F RPTTF	951,134	571,150	1,522,284
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 1,558,946	\$ 696,150	\$ 2,255,096

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 23-24) - ROPS Detail
July 1, 2023 through June 30, 2024

A	B	C	D	E	F	G	H	I	J	K	M	O	P	Q	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	ROPS 23-24A (Jul - Dec)			23-24A Total	ROPS 23-24B (Jan - Jun)		23-24B Total
											Fund Sources				Fund Sources		
											Reserve Balance	RPTTF	Admin RPTTF		RPTTF	Admin RPTTF	
								\$20,490,270		\$2,255,096	\$482,812	\$951,134	\$125,000	\$1,558,946	\$571,150	\$125,000	\$696,150
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	216,038	N	\$216,038	216,038	-	-	\$216,038	-	-	\$-
3	Sand City	Admin Costs	02/01/2012	06/30/2023	City acting as Successor Agency	Administrative Cost Allowance	Sand City	1,000,000	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	\$-	-	-	-	\$-	-	-	\$-
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	1,640,345	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	250	N	\$250	-	-	-	\$-	250	-	\$250
22	Bond Disclosure Services	Fees	01/17/2017	11/01/2027	HdL Coren & Cone	Annual continuing disclosure/ dissemination services for bond issues	Sand City	1,400	N	\$1,400	-	-	-	\$-	1,400	-	\$1,400
23	PERS Unfunded Liability-Pension	Unfunded Liabilities	05/18/1989	11/01/2027	Sand City	Unfunded liability due to PERS	Sand City	-	N	\$-	-	-	-	\$-	-	-	\$-
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	2,877,211	N	\$920,786	266,774	266,773	-	\$533,547	387,239	-	\$387,239
27	Fiscal Agent Fees	Fees	08/10/2017	11/01/2027	US Bank	Annual Fiscal Agent for bond issues	Sand City	8,650	N	\$2,100	-	2,100	-	\$2,100	-	-	\$-

A	B	C	D	E	F	G	H	I	J	K	M	O	P	Q	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	ROPS 23-24A (Jul - Dec)			23-24A Total	ROPS 23-24B (Jan - Jun)		23-24B Total
											Fund Sources				Fund Sources		
											Reserve Balance	RPTTF	Admin RPTTF		RPTTF	Admin RPTTF	
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 23-24) - Report of Cash Balances
July 1, 2020 through June 30, 2021
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), 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	
	ROPS 20-21 Cash Balances (07/01/20 - 06/30/21)	Fund Sources				Comments		
		Bond Proceeds		Reserve Balance	Other Funds			RPTTF
		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
1	Beginning Available Cash Balance (Actual 07/01/20) RPTTF amount should exclude "A" period distribution amount.	1,283,629		252,500	77,954	73,339	E: Reserve Balance held from ROPS 19-20B RPTTF for ROPS 20-21A debt service F: Other Funds reserved for ROPS 22-23 Item 8 (\$77,954) G: PPA 17-18 (\$60,520) + PPA 18-19 (\$7,073) + PPA 19-20 (\$5,746)	
2	Revenue/Income (Actual 06/30/21) RPTTF amount should tie to the ROPS 20-21 total distribution from the County Auditor-Controller	472			376	1,125,031		
3	Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)	373		252,500		922,876		
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)	1,283,728			77,954	262,500	F: Other Funds reserved for ROPS 22-23 Item 8 (\$77,954) G: RPTTF Retained for as Reserve Balance for ROPS 21-22 Bond Debt Service	
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			12,994	G: PPA 20-21 (\$175) + PPA 18-19 (\$7,073) + PPA 19-20 (\$5,746)	
6	Ending Actual Available Cash Balance (06/30/21)	\$-	\$-	\$-	\$376	\$-		

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
	<p align="center">ROPS 20-21 Cash Balances (07/01/20 - 06/30/21)</p>	Fund Sources					Comments
Bond Proceeds		Reserve Balance	Other Funds	RPTTF			
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		
	C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)						

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

Item #	Notes/Comments
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**SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF
THE CITY OF SAND CITY**

PROPOSED ADMINISTRATIVE BUDGET

July 1, 2023 through June 30, 2024

EMPLOYEE COSTS:	
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
SUPPLIES & SERVICES:	
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
ALLOCATED COSTS:	
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
TOTAL	\$250,000.00

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.
3	
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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.
27	
28	



Transmitted via e-mail

April 1, 2022

Connie Horca, City Clerk
Sand City
1 Pendergrass Way
Sand City, CA 93955

2022-23 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Sand City 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 February 1, 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 made the following determinations:

- Item Nos. 13 and 28 – Sand City Redevelopment Project in the total outstanding amount of \$8,208,552 is not allowed. Pursuant to HSC section 34191.4 (b), loan agreements between the former Redevelopment Agency (RDA) and sponsoring entity may be placed on the ROPS if the following requirements are met: (1) the Agency has received a Finding of Completion; and (2) the Agency's Oversight Board (OB) approves the loan as an enforceable obligation by finding the loan was for legitimate redevelopment purposes.

The Agency received a Finding of Completion on August 1, 2013. However, OB Resolution No. 2022-09, confirming reinstatement of a loan agreement between the City of Sand City and the former Sand City Redevelopment Agency (RDA) as an enforceable obligation and finding the loan was for legitimate redevelopment purposes, was denied in our letter dated March 10, 2022. The agreement in place was not solely for the purpose of securing or repaying the Seaside Agreement and the Costco Owner Participation Agreement and does not meet any of the other criteria of an enforceable obligation pursuant to HSC section 37171 (d) (2). Additionally, pursuant to HSC section 34191.4 (b) (2) (A), the Agreement does not meet the loan definition because it did not include a loan amount, interest rate, repayment terms, or a requirement for the loan to be repaid. Further, since the sales and use tax was issued from the Board of Equalization to the RDA, there was no transfer of money. Therefore, the items are not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding and the requested RPTTF funding of \$500,000 for Item No. 13 on the ROPS 22-23 is not allowed.

- On the ROPS 22-23 form, the Agency reported cash balances and activity for the period July 1, 2019 through June 30, 2020 (ROPS 19-20). According to our review, the Agency has approximately \$77,954 from Other Funds available to fund enforceable obligations on the ROPS 22-23. 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 amount specified below:
 - Item No. 2 – 2008 B Tax Allocation Bonds in the amount of \$433,863 is partially reclassified. Finance is approving RPTTF in the amount of \$255,909, the use of Reserve Balances in the requested amount of \$100,000, and the use of Other Funds in the amount of \$77,954, totaling \$433,863.
- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the 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 ROPS 19-20 period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 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 \$1,391,368, 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.

Except for the adjusted item, Finance approves the remaining items listed on the ROPS 22-23 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 22-23, 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 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 Dylan Newton, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Cheryl Murase, Principal, HdL Companies, Sand City
Jennifer Forsyth, Auditor-Controller Analyst, Monterey County

Approved RPTTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 1,012,012	\$ 713,056	\$ 1,725,068
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	1,137,012	838,056	1,975,068
RPTTF Requested	1,012,012	713,056	1,725,068
<u>Adjustment(s)</u>			
Item No. 2	(77,954)	0	(77,954)
Item No. 13	(500,000)	0	(500,000)
	(577,954)	0	(577,954)
RPTTF Authorized	434,058	713,056	1,147,114
Administrative RPTTF Authorized	125,000	125,000	250,000
ROPS 19-20 prior period adjustment (PPA)	(5,746)	0	(5,746)
Total RPTTF Approved for Distribution	\$ 553,312	\$ 838,056	\$ 1,391,368



Transmitted via e-mail

May 17, 2022

Connie Horca, City Clerk
Sand City
1 Pendergrass Way
Sand City, CA 93955

2022-23 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 1, 2022. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Sand City Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to Finance on February 1, 2022. 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 26, 2022.

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 Nos. 13 and 28 – Sand City Redevelopment Project in the total outstanding amount of \$8,208,552 continues to be denied. OB Resolution Nos. 2021-09 and 2022-09, confirming the reinstatement of a loan agreement between the City of Sand City and the former Sand City Redevelopment Agency (RDA) as an enforceable obligation and finding the loan was for legitimate redevelopment purposes, were denied in our letters dated October 28, 2021 and March 10, 2022, respectively. During the Meet and Confer, the Agency did not provide any additional documentation to support the loan as enforceable under HSC section 37171 (d) (2) or HSC section 34191.4 (b) (2) (A).

The agreement in place was not solely for the purpose of securing or repaying the Seaside Agreement or the Costco Owner Participation Agreement and does not meet any of the other criteria of an enforceable obligation pursuant to HSC section 37171 (d) (2). Additionally, pursuant to HSC section 34191.4 (b) (2) (A), the Agreement does not meet the loan definition because it did not include a loan amount, interest rate, repayment terms, or a requirement for the loan to be repaid. Further, since the sales and use tax was issued from the Board of Equalization to the RDA, there was no transfer of money. Therefore, the line items are not eligible for Redevelopment Property Tax Trust Fund (RPTTF); the requested RPTTF funding of \$500,000 for Item No. 13 on the ROPS 22-23 is not allowed.

In addition, per Finance's letter dated April 13, 2022, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

- On the ROPS 22-23 form, the Agency reported cash balances and activity for the period July 1, 2019 through June 30, 2020 (ROPS 19-20). According to our review, the Agency has approximately \$77,954 from Other Funds available to fund enforceable obligations on the ROPS 22-23. 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 amount specified below:
 - Item No. 2 – 2008B Tax Allocation Bonds in the amount of \$433,863 is partially reclassified. Finance is approving RPTTF in the amount of \$255,909, the use of Reserve Balances in the requested amount of \$100,000, and the use of Other Funds in the amount of \$77,954, totaling \$433,863.
- 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 ROPS 19-20 period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 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 \$1,391,368, 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.

Except for the adjusted item, Finance approves the remaining items listed on the ROPS 22-23 at this time.

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 Painter, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Cheryl Murase, Principal, HdL Companies , Sand City
Jennifer Forsyth, Auditor-Controller Analyst, Monterey County

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