



# City of Gonzales

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AGENDA  
ITEM

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## COUNTY CONSOLIDATED OVERSIGHT BOARD

### STAFF REPORT

**DATE:** January 18, 2024

**TO:** Consolidated Oversight Board Members

**FROM:** Mike Howard, Finance Director

**SUBJECT:** Consideration and Approval of Recognized Obligation Payment Schedule ('ROPS') 24-25 for the Period of July 1, 2024 through June 30, 2025

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### 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 24-25 for the Period of July 1, 2024 through June 30, 2025.

### 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 24-25 for the period of July 1, 2024 through June 30, 2025, which consists of several spreadsheets that are appended to the attached Exhibit "A" as Attachment '1'. There are no significant changes in the ROPS 24-25 from the approved ROPS 23-24.

Pursuant to Health and Safety Code § 34177 (m), the County Consolidated Oversight Board-approved ROPS for the period of July 1, 2024 through June 30, 2025 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, 2024.

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, 2024 through June 30, 2025 on the City's website;
2. Transmit the ROPS for the period of July 1, 2024 through June 30, 2025 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, 2024 through June 30, 2025 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 24-25 for the Period of July 1, 2024 through June 30, 2025.

Exhibit 'A' – Resolution with Attachment '1' Gonzales Successor Agency's ROPS 24-25 (July 1, 2024 through June 30, 2025)

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

**RESOLUTION NO. 2024-05**

**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 24-25 for the period of July 1, 2024 through June 30, 2025 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, 2024; 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 24-25 will ensure that the Successor Agency has the authority to continue to pay its enforceable obligations; and

**WHEREAS**, the approval of ROPS 24-25 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 24-25 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 24-25 covering the period of July 1, 2024 through June 30, 2025, which is attached hereto as Attachment ‘1’, is approved.

**Section 3.** The Successor Agency Director, or designee, is hereby authorized to: i) post ROPS 24-25 on the City’s website; ii) transmit ROPS 24-25 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 24-25 which may include, but is not limited to restating the information included within ROPS 24-25 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 24-25 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 18th day of January 2024 by the following vote to wit:

**AYES: BOARD MEMBERS:**

**NOES: BOARD MEMBERS:**

**ABSENT: BOARD MEMBERS:**

**ABSTAIN: BOARD MEMBERS:**

\_\_\_\_\_  
Chair

**ATTEST:**

\_\_\_\_\_  
Board Clerk

**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary**  
**Filed for the July 1, 2024 through June 30, 2025 Period**

**Successor Agency:** Gonzales

**County:** Monterey

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>24-25A Total (July - December)</b>	<b>24-25B Total (January - June)</b>	<b>ROPS 24-25 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 591,173</b>	<b>\$ 593,185</b>	<b>\$ 1,184,358</b>
F RPTTF	531,173	533,185	1,064,358
G Administrative RPTTF	60,000	60,000	120,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 591,173</b>	<b>\$ 593,185</b>	<b>\$ 1,184,358</b>

**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 24-25) - ROPS Detail**  
**July 1, 2024 through June 30, 2025**

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 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
								\$10,075,942		\$1,184,358	\$-	\$-	\$-	\$531,173	\$60,000	\$591,173	\$-	\$-	\$-	\$533,185	\$60,000	\$593,185	
5	Continuing Disclosure	Fees	10/21/2003	12/01/2044	US Bank	Continuing Disclosure for TABs	Gonzales	90,000	N	\$2,000	-	-	-	-	-	\$-	-	-	-	2,000	-	\$2,000	
6	Securities Servicing	Fees	10/21/2003	12/01/2044	US Bank NA	Security Servicing for all bonds	Gonzales	125,000	N	\$5,400	-	-	-	5,400	-	\$5,400	-	-	-	-	-	-	\$-
14	Successor Agency Administration	Admin Costs	02/01/2012	12/01/2044	City of Gonzales	Successor Agency Administration	Gonzales	2,000,000	N	\$120,000	-	-	-	-	60,000	\$60,000	-	-	-	-	60,000	\$60,000	
23	2015 Tax Allocation Bonds	Refunding Bonds Issued After 6/27/12	10/05/2015	09/01/2031	US Bank NA	Refunding for Prior Year Tax Allocation Notes	Gonzales	4,426,942	N	\$702,501	-	-	-	348,606	-	\$348,606	-	-	-	353,895	-	\$353,895	
24	2016 Tax Allocation Bonds	Refunding Bonds Issued After 6/27/12	03/01/2017	09/01/2035	US Bank NA	Refunding for Prior Year Tax Allocation Notes		3,434,000	N	\$354,457	-	-	-	177,167	-	\$177,167	-	-	-	177,290	-	\$177,290	

**Gonzales**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances**  
**July 1, 2021 through June 30, 2022**  
(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
		<b>Fund Sources</b>					
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>	
	<b>ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)</b>	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	<b>Comments</b>
1	<b>Beginning Available Cash Balance (Actual 07/01/21)</b> RPTTF amount should exclude "A" period distribution amount.		1,597,668			(160,290)	
2	<b>Revenue/Income (Actual 06/30/22)</b> RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller		1,589,920			1,273,916	
3	<b>Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)</b>		2,655,977			1,717,840	
4	<b>Retention of Available Cash Balance (Actual 06/30/22)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						
5	<b>ROPS 21-22 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC		No entry required			4,691	
6	<b>Ending Actual Available Cash Balance (06/30/22)</b> C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$531,611	\$-	\$-	\$(608,905)	



**Gonzales**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Notes**  
**July 1, 2024 through June 30, 2025**

Item #	Notes/Comments
5	
6	These represent Administration fees paid to US Bank for the administration of the bond payments and reserves.
14	
23	2015 TARB Bond payment per the payment schedule
24	2016 TARB Bond payment per the payment schedule



Transmitted via e-mail

March 24, 2023

Trevin Barber, City Manager  
City of Gonzales  
P. O. Box 647  
Gonzales, CA 93926

### **2023-24 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, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on February 1, 2023. Finance has completed its review of the ROPS 23-24.

Based on a sample of line items reviewed and application of the law, Finance approves all of the items listed on the ROPS 23-24 at this time.

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, 2020 through June 30, 2021 (ROPS 20-21) period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 Redevelopment Property Tax Trust Fund (RPTTF) distribution. The County Auditor-Controller's review of the PPA form submitted by the Agency resulted in no PPA.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,188,129, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

This is our final determination regarding the obligations listed on the ROPS 23-24. 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 23-24 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 23-24 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,



 JENNIFER WHITAKER  
Program Budget Manager

cc: Mike Howard, Finance Director, City of Gonzales  
Patty Ruiz, Auditor-Controller Analyst I, Monterey County  
Jennifer Forsyth, Countywide Oversight Board Representative

**Attachment**

<b>Approved RPTTF Distribution July 2023 through June 2024</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 529,542	\$ 533,587	\$ 1,063,129
Administrative RPTTF Requested	62,500	62,500	125,000
<b>Total RPTTF Requested</b>	<b>592,042</b>	<b>596,087</b>	<b>1,188,129</b>
<b>RPTTF Authorized</b>	<b>529,542</b>	<b>533,587</b>	<b>1,063,129</b>
<b>Administrative RPTTF Authorized</b>	<b>62,500</b>	<b>62,500</b>	<b>125,000</b>
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 592,042</b>	<b>\$ 596,087</b>	<b>\$ 1,188,129</b>

