



Transmitted via e-mail

April 8, 2022

Brent Slama, Interim City Manager
City of Soledad
248 Main Street
Soledad, CA 93960

Last and Final Recognized Obligation Payment Schedule Determination

Pursuant to Health and Safety Code (HSC) section 34191.6 (b), the City of Soledad Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on January 31, 2022. Finance has completed its review of the Agency's Last and Final ROPS.

HSC section 34191.6 (c) authorizes Finance to make amendments or changes to the Last and Final ROPS if the changes are agreed to in writing by the Agency. The Agency has agreed in writing to the following changes made by Finance to the Agency's Last and Final ROPS:

- Total claimed administrative costs in the amount of \$385,000 have been adjusted by \$191,522 to \$193,478. Based on our review, the Agency's Last and Final ROPS contains funding requests for administrative costs the Agency was unable to support. Specifically, the Agency requests an average of \$35,000 per fiscal year for the next eleven years for the administrative costs necessary to service the 2016 Bonds. While the total administrative costs claimed are within the fiscal year administrative cap, pursuant to HSC section 34171 (b) (2), the amount appears excessive given the number and nature of the obligations listed on the Last and Final ROPS.

Therefore, with the Agency's concurrence, Finance adjusted the Administrative Cost Allowance for the entire Last and Final ROPS to the amount of \$193,478. Adjustments specific to each ROPS period are reflected in the approved Last and Final ROPS.

- According to our review of cash balances and activity for the period July 1, 2019 through June 30, 2020, the Agency has approximately \$83,975 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 Redevelopment Property Tax Trust Fund (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. 20 – 2016A Refunding Bonds in the ROPS 22-23 requested amount of \$404,826 is partially reclassified. Finance is approving RPTTF in the amount of \$320,851 and the use of Other Funds in the amount of \$83,975, totaling \$404,826 for the ROPS 22-23 period.

Finance is approving the Agency's Last and Final ROPS with the above amendments and changes. These changes are reflected in the approved Last and Final ROPS.

The Agency's maximum approved RPTTF distribution for the Last and Final ROPS is \$12,712,317, as summarized in the Approved RPTTF Distribution table (see Attachment).

Please refer to the approved Last and Final ROPS schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/Programs/Redevelopment/ROPS/>

Any agreed-upon amendments or changes are reflected in the approved Last and Final ROPS posted on the above website.

This is Finance's determination related to the enforceable obligations reported on the Last and Final ROPS. HSC section 34191.6 (c) (2) allows agencies to submit no more than two requests to amend the approved Last and Final ROPS.

ROPS distributions will occur twice annually, one distribution for the July 1 through December 31 (ROPS A period), and one distribution for the January 1 through June 30 (ROPS B period). The Agency will receive RPTTF distributions up to the maximum approved amount on the Last and Final ROPS.

The Agency shall not expend more than the amount approved for each enforceable obligation listed and approved on the Last and Final ROPS. All unspent RPTTF received for enforceable obligations by the Agency should be retained for distribution to the affected taxing entities pursuant to HSC section 34191.6 (d) (2) (G). Further, any revenues, interest, and earnings of the Agency not authorized for use pursuant to the approved Last and Final ROPS shall be remitted to the County Auditor-Controller (CAC) pursuant to HSC section 34191.6 (c) (3). Pursuant to HSC section 34187 (e), once an agency has retired or paid off all enforceable obligations and all real property has been disposed, the Agency is required to dispose all remaining assets and remit any proceeds to the CAC for distribution to the affected taxing entities.

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 statutes. Therefore, as a practical matter, the ability to fund the items on the Last and Final ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF. However, HSC section 34191.6 (c) (5) provides mechanisms for the Agency to pay enforceable obligations if insufficient RPTTF is available on an approved Last and Final ROPS.

HSC section 34187 (b) defines the process of final dissolution of the Agency. When all enforceable obligations have been retired or paid off, all real property has been disposed, and all outstanding litigation has been resolved, the Agency shall, within 30 days of meeting these conditions, submit to the Oversight Board (OB) a request to formally dissolve. The OB shall approve the request within 30 days and submit the request for Finance's review.

Pursuant to HSC section 34191.6 (c), Last and Final ROPS approved less than 15 days before the date of the RPTTF distribution shall not be effective until the subsequent RPTTF distribution period; therefore, if an agency receives a Last and Final ROPS approval after this cutoff date, the most recent annual ROPS 21-22 approval would remain effective through June 30, 2022. The Agency's Last and Final ROPS will become effective beginning with the ROPS for the period July 1, 2022 through June 30, 2023 (ROPS 22-23).

Please direct inquiries to Zuber Tejani, Supervisor, or Veronica Zalvidea, 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 Soledad
Jennifer Forsyth, Auditor-Controller Analyst, Monterey County

Attachment

Approved Last and Final ROPS RPTTF Distributions							
	A Periods			B Periods			
ROPS Period	RPTTF	Admin RPTTF	A Period Total	RPTTF	Admin RPTTF	B Period Total	Annual Total
Total requested	11,711,737	195,000	11,906,737	891,077	190,000	1,081,077	\$ 12,987,814
Total adjustments	(83,975)	(1,522)	(85,497)	0	(190,000)	(190,000)	(275,497)
Totals	11,627,762	193,478	11,821,240	891,077	0	891,077	12,712,317
Total RPTTF approved for distribution							
ROPS 22-23	977,460	15,100	992,560	150,535	0	150,535	1,143,095
ROPS 23-24	1,071,835	15,553	1,087,388	136,857	0	136,857	1,224,245
ROPS 24-25	1,088,207	16,020	1,104,227	125,031	0	125,031	1,229,258
ROPS 25-26	1,106,431	16,500	1,122,931	112,069	0	112,069	1,235,000
ROPS 26-27	1,118,519	16,995	1,135,514	98,775	0	98,775	1,234,289
ROPS 27-28	1,130,275	17,510	1,147,785	83,150	0	83,150	1,230,935
ROPS 28-29	1,152,600	18,040	1,170,640	67,294	0	67,294	1,237,934
ROPS 29-30	971,394	18,585	989,979	52,097	0	52,097	1,042,076
ROPS 30-31	986,222	19,140	1,005,362	37,294	0	37,294	1,042,656
ROPS 31-32	1,005,544	19,720	1,025,264	21,925	0	21,925	1,047,189
ROPS 32-33	1,019,275	20,315	1,039,590	6,050	0	6,050	1,045,640
Total	11,627,762	193,478	11,821,240	891,077	0	891,077	\$ 12,712,317