

**MARIN COUNTYWIDE SUCCESSOR AGENCY  
OVERSIGHT BOARD (MCSAOB)**

Marin County Civic Center Room 410B

**September 15, 2025**

1:00 p.m.

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. APPROVAL OF MINUTES ACTION ITEMS:**

- i. ACTION 1: Approve Minutes – Meeting of January 30, 2025

**4. PUBLIC COMMENT**

Members of the public may directly address the Oversight Board on any agenda item before or during the Board's consideration of the item. In addition, the Oversight Board provides the members of the public with a Public Comment Period, where the public may address the Board on any matter not listed on the agenda that is within the subject matter jurisdiction of the Oversight Board. Pursuant to the Brown Act (Govt. Code section 54950, et seq.), Board action or discussion cannot be taken on non-agenda matters, but the Board may briefly respond to statements or questions and, if deemed necessary, refer the subject matter to the appropriate agency for follow-up and/or schedule the matter on a subsequent Board Agenda.

**5. DISCUSSION: 5 minutes**

- a. **ROPS Amendments:** Pursuant to HSC section 34177.7 (o) (1) (E), once per Recognized Obligation Payment Schedule period, and no later than October 1, a successor agency may submit one amendment to the Recognized Obligation Payment Schedule previously approved by the state, if the oversight board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the Recognized Obligation Payment Schedule period, which shall be defined as January 1 to June 30, inclusive.

**6. AGENCY REPORTS & CORRESPONDING ACTION ITEMS: 10 minutes**

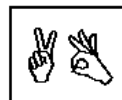
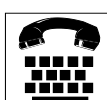
- a. Novato Successor Agency Report – ROPS 2025-26 Amendment
  - i. ACTION 2: Approve ROPS 2025-26 Amendment to Restore Debt Service Reserve Balance of \$1,949,283 (Item 8) during the second one-half of the Recognized Obligation Payment Schedule period (ROPS Period B)

**7. OTHER BUSINESS: 5 minutes**

- o Discuss moving annual meeting from 01/15/2026 to the following week to provide sufficient time for Successor Agencies to convene with their respective boards in advance of the OB.

**8. ADJOURN**

Late agenda material can be inspected in the Department of Finance between the hours of 8:00 a.m. and 4:30 p.m. The Department of Finance is located in Room 225 of the Marin County Civic Center, 3501 Civic Center Drive, San Rafael.





**MARIN COUNTYWIDE SUCCESSOR AGENCY  
OVERSIGHT BOARD (MCSAOB) MINUTES**  
Marin County Civic Center Room 324A  
**January 30, 2025**  
10:30 a.m.

**1. CALL TO ORDER**

The meeting was called to order at 10:33 a.m.

**2. ROLL CALL**

**Present:**

Derek Johnson, County Executive, County of Marin; Eresa Puch, Assistant VP of MCCD Administrative Services; Breean Brown, Interim Superintendent of Business Services; Carla Carvalho-DeGraff, Finance Director, City of Novato

**Absent:**

Elizabeth Rodriguez, MAPE Representative

**Vacant:**

Marin Citizen Representative; Independent Special Districts Representative

**Other Attendees:**

Renee Brewer, Deputy County Counsel, County of Marin; Mina Martinovich, Director of Finance, County of Marin; Sandra Kacharos, Assistant Director of Finance, County of Marin; Ashia Ismail, Finance Division Chief, County of Marin; Long Truong, Accounting Unit Manager, County of Marin; James Lei, Accountant II, County of Marin; Vanessa Riedel, Accounting Assistant, County of Marin; Jen Mendoza, Finance Administrative Staff, County of Marin; Christina Soares, City of Novato; Leelee Thomas, Deputy Director of Housing and Federal Grants, CDA, County of Marin; Genevieve Hahn Kerr, Department Analyst, CDA, County of Marin; Miguel Lien cres, Department Analyst II, CDA, County of Marin; Shawn Plate, City of San Rafael; Lauren Benjamin, Finance Administrative Staff, County of Marin; Stephanie Moulton – Peters, Marin County District 3 Supervisor

**3. APPROVAL OF MINUTES ACTION ITEMS:**

- i. ACTION 1: Approve Minutes – Meeting of January 18, 2024, Special Meeting of January 29, 2024, and Special Meeting of July 9, 2024

Motion by Breean Brown to approve the meeting minutes of January 18, 2024; Special Meeting of January 29, 2024; and Special Meeting of July 9, 2024 with corrections.

Second by Carla Carvalho - DeGraff

Ayes: Derek Johnson, Eresa Puch, Breean Brown, Carla Carvalho DeGraff

Absent: Elizabeth Rodriguez

#### 4. PUBLIC COMMENT

None

#### 5. DISCUSSION: 15 minutes

- a. Redevelopment Agency Dissolution Overview ([HSC 34170-34191.6](#)):

Overview presented by: Sandra Kacharos

The dissolution of Redevelopment Agencies (RDAs) took effect on February 1, 2012, under ABX1 26. Successor Agencies were created to replace RDAs, with responsibilities that include managing former redevelopment project areas, paying enforceable obligations such as bonds and agreements, and disposing of assets. Property taxes that once funded RDAs must now first be used to cover these obligations, with any remaining funds—known as residual property taxes—redistributed proportionally to cities, counties, schools, and special districts.

The Countywide Oversight Board plays a fiduciary role on behalf of bondholders and local agencies, reviewing and approving Recognized Obligation Payment Schedules (ROPS), administrative budgets, and other official actions. The Oversight Board typically meets each January to meet the February 1 submission deadline. The State Department of Finance (DOF) acts as the final authority on approving expenditures and issues binding determination letters each April, while the County Auditor-Controller manages property tax distributions through the Redevelopment Property Tax Trust Fund (RPTTF) and handles prior period adjustments.

In Marin County, there are three successor agencies: Marin County, Novato, and San Rafael, with San Rafael in the final stage of dissolution. The board is currently reviewing and approving the 2025–2026 ROPS and budgets for Marin and Novato, as well as receiving a dissolution update from San Rafael. Determination letters from the state provide the legal basis for allocations, and any changes from prior periods are reconciled through adjustment processes managed by the Auditor-Controller.

#### 6. AGENCY REPORTS & CORRESPONDING ACTION ITEMS:

- a. Marin Successor Agency

Presented by: Leelee Thomas and Genevieve Hahn Kerr

- i. County of Marin CDA Successor Agency Report

The Marin County Successor Agency staff presented their FY 2025–26 Recognized Obligation Payment Schedule (ROPS) and budget to the Oversight Board. The most significant update is that the agency's largest obligation—its bonds—will be fully repaid in September 2025. This payoff will substantially reduce future obligations, including related costs for audits, disclosures, fiscal agent fees, and contracts, and will lower the overall ROPS request by about 36% compared to the prior year. The administrative budget is also reduced, down about 38% due to declining needs.

Two long-term obligations will remain: ongoing housing assistance payments to the Marin City Community Land Corporation, which continue through 2041 and equal 20% of projected tax revenues, and an obligation of \$1.2 million for the Marin City Community Center, of which about \$716,000 remains unspent. Community Center

funds are capped at this amount and are disbursed based on invoices for eligible projects, though planning delays have slowed expenditures.

Board members asked about the timeframe for winding down the agency. Staff confirmed that while bonds will be retired this year, the housing pledge keeps the agency active until 2041. They noted, however, that after bond repayment, significant property tax revenues will flow back to taxing entities such as the county, schools, and special districts starting in FY 2026. Questions were also raised about administrative costs, which tend to be somewhat higher in Marin due to the complexity of housing and community obligations, but staff emphasized that all costs must be documented and reconciled through the redevelopment dissolution process. Public discussion focused on the connection between the Marin City Community Land Corporation, Ridgeway Apartments, and the Marin City Community Center. Staff clarified that Ridgeway was converted to 100% affordable housing in 2008, with housing set-aside funds supporting its ground lease, while the Community Center obligation is a separate fixed allocation established before dissolution.

- ii. ACTION 2: Approve 2025-26 Successor Agency ROPS and Approve 2025-26 Successor Agency Budget – County of Marin

Motion by Eresa Puch to approve the 2025-26 County of Marin Successor Agency ROPS and Approve 2025-26 Successor Agency Budget – County of Marin  
Second by Breean Brown

Ayes: Derek Johnson, Eresa Puch, Breean Brown, Carla Carvalho DeGraff

Absent: Elizabeth Rodriguez

- b. Novato Successor Agency

Presented by: Christine Soares, City of Novato

- i. City of Novato Successor Agency Report

The City of Novato submitted its 2025–26 Recognized Obligation Payment Schedule (ROPS) with a request that was reduced by \$311,000 from the prior year. During the presentation, staff highlighted the status of the city's bonds, noting that the Series B bond will expire in September 2030, while the Series A bond will continue through 2040. After 2030, only the Series A bond will remain, simplifying future reporting cycles. In addition, the city explained its cash balance requirements, which include holding one advance debt service payment in reserve as part of its bond refinancing agreement. For example, the \$1,949,283 currently set aside represents a reserve amount equal to the the September 2027 debt service payment, and each year's ROPS submission includes this advance funding to ensure compliance with the bond indentures.

Discussion focused heavily on the administrative budget. While the detailed schedule submitted showed \$104,000 in administrative costs, the agency's official request was for \$120,000. This discrepancy was explained by staff, who noted that the worksheet did not account for the recently hired Deputy Finance Director, who is included as 0.2 FTE in the budget, nor did it reflect anticipated cost-of-living adjustments (COLA) or changes as contracts expire. Staff emphasized that with the department's reorganization and added internal capacity, general overhead costs are expected to decrease in the long term.

The board raised concerns about approving a higher figure without sufficient backup documentation. Two options were discussed: either approving the \$104,000 supported by the detailed schedule or conditionally approving the \$120,000 if additional justification could be provided quickly. Staff clarified that if actual expenses exceed \$104,000, the difference could be recovered later through the Prior Period Adjustment (PPA) process. Ultimately, the board approved the ROPS with an administrative budget of \$104,478, to be split evenly between A and B allocations at \$52,239 each. The board also directed staff to amend line item 7 of the ROPS schedule so that it aligns with the approved figure, ensuring consistency across the documentation. This resolution allows the city to proceed with timely submission to the state, while leaving the door open to seek recovery of higher costs in future reporting cycles if necessary.

- ii. ACTION 3: Approve 2025-26 Successor Agency ROPS – Novato  
Motion by Carla Carvalho DeGraff to approve the 2025-26 Novato Successor Agency ROPS as amended on line 7 to account for the approved administrative budget divided into A and B allocations at \$52,239 each.  
Second by Eresa Puch.  
Ayes: Derek Johnson, Eresa Puch, Breean Brown, Carla Carvalho DeGraff  
Absent: Elizabeth Rodriguez

- iii. ACTION 4: Approve 2025-26 Successor Agency budget – Novato  
Motion by Carla Carvalho DeGraff to approve the Novato successor agency administrative budget of \$104,478 to be split evenly between A and B allocations at \$52,239 each.  
Second by Eresa Puch.  
Ayes: Derek Johnson, Eresa Puch, Breean Brown, Carla Carvalho DeGraff  
Absent: Elizabeth Rodriguez

c. San Rafael Successor Agency

Presented by: Shawn Plate

- i. Report on status of successor agency dissolution.

The City of San Rafael's successor agency provided a status update on its dissolution process. At the prior meeting, the agency requested formal dissolution, but the state rejected the request because one remaining parcel of land had not yet been disposed of in accordance with the approved Long-Range Property Management Plan. While 23 other parcels were successfully transferred, this final parcel—a small remnant hillside lot—does not qualify for government use and must instead be sold. Progress on the matter had been delayed due to staffing changes, but the city has now hired legal support and initiated discussions with adjacent property owners regarding a potential sale. Once sold, the net proceeds (after selling costs) will be remitted back to the county, and the agency will resubmit its dissolution request.

Because the agency is already in dissolution status and filed its "last and final ROPS," there are no new ROPS or administrative budget requests this year. The board discussed the mechanics of the state's rejection and clarified that, in practice, the dissolution will be delayed until the parcel is resolved. Should a sale occur in the

interim, the board would need to hold a special meeting to authorize it, as the agency cannot proceed without board approval. Staff further explained that San Rafael's successor agency is unique in that it no longer receives tax increment revenues, since its former tax increment was tied solely to debt service that has now ended. Currently, only supplemental property taxes flow through the Redevelopment Property Tax Trust Fund (RPTTF) and are distributed as residual, meaning there is no financial burden on taxing entities. The board accepted the report as informational, with no action required at this time, and acknowledged that dissolution will move forward once the final parcel is sold and the resubmission is cleared by the state.

## **7. OTHER BUSINESS:**

Presented by Sandra Kacharos

The board discussed two vacant seats, one for a special districts representative and one for citizen representation. Outreach efforts have been made, including engaging with the Marin City Community Services District and extending invitations at public meetings, but no volunteers have stepped forward yet. The clerk's office is involved in outreach and advertisement support. Members were reminded to complete and submit their Form 700 filings by April 1<sup>st</sup>.

Next Annual Meeting date January 15, 2026

## **8. ADJOURN**

The Meeting was adjourned at 11:22 p.m.



## Marin Countywide Oversight Board

Date: 9/15/2025

From: Successor Agency to the Dissolved Redevelopment Agency of the City of Novato

Subject: Resolution of the Countywide Oversight Board Approving an Amended ROPS Report for the Fiscal Period from July 1, 2025, through June 30, 2026, pursuant to Health and Safety Code Section 34177 and taking Related Actions

### **Recommended Action:**

**Adopt resolution to approve an amended Recognized Obligation Payment Schedule for the Fiscal Period from July 1, 2025, through June 30, 2026, of the Successor Agency and taking related actions.**

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Pursuant to Section 34177 of the Health and Safety Code (“HSC”), the Successor Agency must prepare a Recognized Obligation Payment Schedule (“ROPS”) annually, listing the anticipated payments for enforceable obligations to be made from July 1 through the following June 30. The Oversight Board reviewed and approved the Successor Agency’s ROPS Payment Schedule on January 30, 2025. Our total requested funds were \$4,428,607 which included a Debt Service Reserve Balance required by our Indenture of Trust agreement.

In early 2019, the Successor Agency refunded four existing bonds, two currently reported on our ROPS submission:

- \$17,500,000 2019 Series A Tax Allocation Refunding Bonds, and
- \$17,335,000 2019 Series B Taxable Tax Allocation Refunding Bonds

The Indenture of Trust agreement, Section 5.08 Compliance with the Law; Recognized Payment Schedules states, “Thereafter, not later than February 1, 2020 and each February 1 thereafter (or at such other time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the Marin County Auditor-Controller that shall at least include the following amounts:

- (i) 100% of the amount of principal and interest on the 2019 Bonds payable and any Parity Debt coming due within the Recognized Obligation Payment Schedule period and 100% of the principal and interest payment due on the succeeding September 1
- (ii) any amount required under this Indenture or any Parity Debt Instrument to replenish the Debt Service Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument, and
- (iii) amounts due to the 2019 Reserve Insurer or any other issuer of a Qualified Reserve Account Credit Instrument hereunder or under an insurance or surety bond agreement,

## Marin Countywide Oversight Board

in each annual Recognized Obligation Payment Schedule so as to enable the Marin County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective subsequent six-month period and to pay amounts owed to the 2019 Reserve Insurer or any other issuer of a Qualified Reserve Account Credit Instrument, as well as the other amounts set forth above.”

Because of significant staff turnover and reliance on consultants, the Successor Agency failed to request its required Debt Service Reserve in the 21-22 ROPS, leading to the appearance of excess cash in hand. The excess cash was depleted through the 19–20 Prior Period Adjustment report and subsequently allocated as residual property tax.

This amended 25-26 ROPS submission for your approval will replenish the required Debt Service Reserve of \$1,949,283 for September 2026, as required by our Indenture of Trust agreement.

### **Impact on Taxing Entities:**

ROPS 25-26 allows the Successor Agency to pay its enforceable obligations for the period from July 1, 2025, to June 30, 2026. The Marin County Department of Finance will distribute any residual property tax remaining in the Redevelopment Property Tax Trust Fund (RPTTF) to the other affected taxing entities after: (i) deduction for County administrative expenses, (ii) pass-through payments, and (iii) enforceable obligations and administrative cost allowance of the Successor Agency, as approved on the ROPS. The impact of this ROPS 25-26 amendment on the other affected taxing entities within the redevelopment project area will be a reduction of \$1,949,283 in residual property tax that would otherwise be allocated to each of those entities based on their respective tax increment factors.

### **Attachment**

Indenture of Trust Agreement

**RESOLUTION NO. 2025-\_\_**

**RESOLUTION OF THE MARIN COUNTYWIDE SUCCESSOR AGENCY OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF NOVATO APPROVING AN AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR FISCAL YEAR 2025-26**

**WHEREAS**, the California state legislature enacted Assembly Bill x1 26 (the “Dissolution Act”) to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

**WHEREAS**, pursuant to Health and Safety Code section 34173(d), the Novato Successor Agency (“Successor Agency”) is the successor agency to the dissolved Redevelopment Agency of the City of Novato; and

**WHEREAS**, the Marin Countywide Successor Agency Oversight Board (“Oversight Board”) has been appointed pursuant to Health and Safety Code section 34179(j)-(m) to oversee the dissolution activities of the Novato Successor Agency; and

**WHEREAS**, Health and Safety Code section 34180(g) requires the Oversight Board to approve the Successor Agency’s Recognized Payment Obligation Schedules (ROPS) prior to the Successor Agency acting upon the ROPS; and

**WHEREAS**, the Successor Agency staff presented their original annual ROPS for fiscal year 2025-26 (ROPS 2025-26) which was approved by the Oversight Board at its annual meeting on January 30, 2025.

**WHEREAS**, the Successor Agency’s original approved ROPS 2025-26 did not include a funding request for a Debt Service Reserve as required by the bond indentures in an amount equal to the Successor Agency’s subsequent years debt service payment of \$1,949,283.

**WHEREAS**, Pursuant to Health and Safety Code section 34177 (o) (1) (E), the successor agency may submit one amendment to their annual ROPS once per ROPS period, subject to the following:

- The amendment is only for the B Period of the Annual ROPS (allocation December 31, 2025).
- The amended ROPS must be approved by the OB and must be submitted to the California Department of Finance for approval no later than October 1, 2025.
- The OB must find that the revision is necessary for payment of approved enforceable obligations during the second half of the ROPS period (January 1, 2026 to June 30, 2026).
- The agency may only amend the amounts requested for payment of approved enforceable obligations.

**WHEREAS**, the Successor Agency seeks approval from the Oversight Board to amend its ROPS 2025-26B to include the requisite Debt Service Reserve Balance of \$1,949,283 (ROPS Item 8).

**NOW, THEREFORE, THE OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. Recitals. Oversight Board hereby finds, resolves, and determines that the foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. Approval of the Amended ROPS. The Oversight Board hereby approves the amended ROPS 2025-26 and attached hereto as Exhibit A (“Amended ROPS 2025-26”), and hereby determines that the obligations as presented constitute “enforceable obligations” and “recognized obligations” for all purposes of the Redevelopment Dissolution Act.

SECTION 3. Implementation. The Oversight Board hereby directs the Successor Agency staff to take all actions necessary under the Dissolution Act to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the Amended ROPS 2025-26, and to take any other administrative actions necessary to ensure the validity of the Amended ROPS 2025-26 and the validity of any enforceable obligation approved by the Oversight Board in this Resolution. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make such non-substantive revisions to the Amended ROPS 2025-26 as may be necessary to submit the Amended ROPS 2025-26 in any modified form required by the Department of Finance, and the Amended ROPS 2025-26 as modified shall thereupon constitute the Approved Amended ROPS 2025-26 as authorized by the Oversight Board pursuant to this Resolution.

SECTION 4. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 5. Certification. The Secretary on behalf of the Oversight Board shall certify to the adoption of this Resolution.

Effective Date. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34177 (o) (1) (E).

**PASSED, APPROVED AND ADOPTED** this 15<sup>th</sup> day of September, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Chair, Oversight Board

ATTEST:

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Oversight Board Secretary



**EXHIBIT A**

**AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

**NOVATO SUCCESSOR AGENCY  
AMENDED ROPS 2025-26 B**

**[Attached behind this page]**



**Amended Recognized Obligation Payment Schedule (ROPS 25-26B) - Summary  
Filed for the January 1, 2026 through June 30, 2026 Period**

**Successor Agency:** Novato

**County:** Marin

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>ROPS 25-26B Authorized Amounts</b>	<b>ROPS 25-26B Requested Adjustments</b>	<b>ROPS 25-26B Amended Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ -</b>	<b>\$ 1,949,283</b>	<b>\$ 1,949,283</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	1,949,283	1,949,283
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 491,522</b>	<b>\$ -</b>	<b>\$ 491,522</b>
F RPTTF	439,283	-	439,283
G Administrative RPTTF	52,239	-	52,239
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 491,522</b>	<b>\$ 1,949,283</b>	<b>\$ 2,440,805</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







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# INDENTURE OF TRUST

Dated as of October 1, 2019

by and between the

**SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY  
OF THE CITY OF NOVATO**

and

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

Relating to

**\$17,500,000**

**Successor Agency to the dissolved Redevelopment Agency of the City of Novato  
2019 Series A Tax Allocation Refunding Bonds**

and

**\$17,335,000**

**Successor Agency to the dissolved Redevelopment Agency of the City of Novato  
2019 Series B Taxable Tax Allocation Refunding Bonds**

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Section 5.05. Books and Accounts; Financial Statements. The Successor Agency shall at all times keep, or cause to be kept, proper and current books and accounts in which accurate entries are made of the financial transactions and records of the Successor Agency. Within 270 days after the close of each Fiscal Year an Independent Certified Public Accountant shall prepare an audit of the financial transactions and records of the Successor Agency for such Fiscal Year. To the extent permitted by law, such audit may be included within the annual audited financial statements of the City. The Successor Agency shall furnish a copy of such financial statements to any Owner upon reasonable request of such Owner and at the expense of such Owner. The Trustee shall have no duty to review such audits.

Section 5.06. Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to any series of Bonds, such series of Bonds shall be incontestable by the Successor Agency.

Section 5.07. Payments of Taxes and Other Charges. Except as otherwise provided herein, the Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, or upon the revenues therefrom when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Project Area or any part thereof.

Section 5.08. Compliance with the Law; Recognized Obligation Payment Schedules.

(a) The Successor Agency shall comply with all of the requirements of the Law.

(b) Pursuant to Section 34177 of the Law, not later than each date a Recognized Obligation Payment Schedule is due, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period (i) debt service on the Bonds so as to enable the Marin County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as such amounts of debt service are set forth in the Debt Service Payment Schedule attached hereto as Exhibit B and hereby made a part hereof, or as such Schedule may be hereafter amended.

(c) In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due hereunder on a timely basis, the Successor Agency acknowledges that, based on available funds and moneys to be received from the February 1, 2019 Recognized Obligation Payment Schedule distribution dates, the Successor Agency will have sufficient funds to pay debt service on the 2019 Bonds on March 1, 2020.

Thereafter, not later than February 1, 2020 and each February 1 thereafter (or at such other time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation

Payment Schedule to the State Department of Finance and to the Marin County Auditor-Controller that shall at least include the following amounts:

(i) 100% of the amount of principal and interest on the 2019 Bonds payable and any Parity Debt coming due within the Recognized Obligation Payment Schedule period and 100% of the principal and interest payment due on the next succeeding September 1 (as illustrated below);

(ii) any amount required under this Indenture or any Parity Debt Instrument to replenish the Debt Service Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument, and

(iii) amounts due to the 2019 Reserve Insurer or any other issuer of a Qualified Reserve Account Credit Instrument hereunder or under an insurance or surety bond agreement,

in each annual Recognized Obligation Payment Schedule so as to enable the Marin County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective subsequent six-month period and to pay amounts owed to the 2019 Reserve Insurer or any other issuer of a Qualified Reserve Account Credit Instrument, as well as the other amounts set forth above.

By way of illustration, the amount requested under the foregoing clause (c)(i) on the Recognized Obligation Payment Schedule that is filed by February 1, 2020 shall include 100% of the amount of principal of and interest on the 2019 Bonds and any Parity Debt coming due and payable on September 1, 2020 and March 1, 2021.

The foregoing actions will also include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture.

(d) In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2019 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one of half of debt service due during each Bond Year on all Outstanding Bonds prior to September 1 of such Bond Year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding March 1.

(e) If any amounts then due and payable to the 2019 Reserve Insurer under this Indenture are not included on any current Recognized Obligation Payment Schedule and the Successor Agency is then legally permitted to amend such Recognized Obligation Payment Schedule, the Successor Agency will submit to the Oversight Board and the State Department of

Finance a request to amend such Recognized Obligation Payment Schedule to include such amounts then due and payable to the 2019 Reserve Insurer.

(f) The Successor Agency will not submit to the Oversight Board and the State Department of Finance a request for the final amendment permitted for its Last and Final Recognized Obligation Payment Schedule pursuant to Section 34191.6 without the prior written consent of the 2019 Reserve Insurer, unless all amounts that could become due and payable to the 2019 Reserve Insurer under this Indenture would be included as a line item on the Last and Final Recognized Obligation Payment Schedule following approval of the requested amendment.

Section 5.09. Dissolution Act Invalid; Maintenance of Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Law or the equivalent to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State, appropriate officials of the State.

Section 5.10. No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2019 Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2019 Series A Bonds would have caused the 2019 Series A Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

Section 5.11. Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the 2019 Series A Bonds are not so used as to cause the 2019 Series A Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.12. Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2019 Series A Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

Section 5.13. Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2019 Series A Bonds.

Section 5.14. Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2019 Series A Bonds from the gross income of the Owners of the 2019 Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2019 Series A Bonds.

Section 5.15. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder.

However, any Participating Underwriter or any holder or beneficial owner of the 2019 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 5.15.

Section 5.16. Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.



Transmitted via e-mail

February 28, 2025

Carla Carvalho-DeGraff, Finance Director  
City of Novato  
922 Machin Ave  
Novato, CA 94945

### **2025-26 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Novato Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2025 through June 30, 2026 (ROPS 25-26) to the California Department of Finance (Finance) on January 31, 2025. Finance has completed its review of the ROPS 25-26.

Based on a sample of line items reviewed and application of the law, Finance approves all the items listed on the ROPS 25-26 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) 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, 2022 through June 30, 2023 (ROPS 22-23) period. The ROPS 22-23 prior period adjustment (PPA) will offset the ROPS 25-26 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 \$2,440,101, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2025 through December 31, 2025 period (ROPS A period), and one distribution for the January 1, 2026 through June 30, 2026 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 25-26 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 25-26. 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 25-26 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 25-26 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 [RedevelopmentAdministration@dof.ca.gov](mailto:RedevelopmentAdministration@dof.ca.gov).

Sincerely,



Cheryl L. McCormick, CPA  
Chief, Office of State Audits and Evaluations

cc: Amy Cunningham, City Manager, City of Novato  
Mina Martinovich, Interim Director of Finance, Marin County  
Sandra Kacharos, Countywide Oversight Board Representative

**Attachment**

<b>Approved RPTF Distribution July 2025 through June 2026</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTF Requested	\$ 1,935,563	\$ 439,283	\$ 2,374,846
Administrative RPTF Requested	52,239	52,239	104,478
<b>Total RPTF Requested</b>	<b>1,987,802</b>	<b>491,522</b>	<b>2,479,324</b>
<b>RPTF Authorized</b>	<b>1,935,563</b>	<b>439,283</b>	<b>2,374,846</b>
<b>Administrative RPTF Authorized</b>	<b>52,239</b>	<b>52,239</b>	<b>104,478</b>
ROPS 22-23 Prior Period Adjustment (PPA)	(39,223)	0	(39,223)
<b>Total RPTF Approved for Distribution</b>	<b>\$ 1,948,579</b>	<b>\$ 491,522</b>	<b>\$ 2,440,101</b>