

**THE SUCCESSOR AGENCY  
TO THE TEMECULA REDEVELOPMENT AGENCY  
AGENDA REPORT**

**TO:** Executive Director/Board of Directors

**FROM:** Luke Watson, Deputy City Manager

**DATE:** December 12, 2023

**SUBJECT:** Approve Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2024 Through June 30, 2025 (ROPS 24-25)

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**PREPARED BY:** Haide Urias, Housing and Real Estate Analyst

**RECOMMENDATION:** That the Board of Directors adopt resolutions entitled:

RESOLUTION NO. SARDA

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE TEMECULA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2024 THROUGH JUNE 30, 2025 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

RESOLUTION NO. SARDA

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE TEMECULA REDEVELOPMENT AGENCY APPROVING THE PROPOSED ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

**BACKGROUND:** Pursuant to Health and Safety Code Section 34177 and Section 34177 (o), successor agencies are required to prepare, in advance, a Recognized Obligation Payment Schedule (ROPS) that is forward looking for twelve months. The ROPS lists all of the Successor Agency's anticipated payments for enforceable obligations during the covered period. The Successor Agency is required to submit this ROPS for the period of July 1, 2024, through June 30, 2025 to the Riverside County Oversight Board for approval by January 30, 2024, and the State Department of Finance, the State Controller's Office, and the County Auditor Controller no later than February 1, 2024.

Preparation of a Recognized Obligation Payment Schedule is in furtherance of allowing the Successor Agency to pay enforceable obligations of the former Redevelopment Agency.

### **Administrative Budget**

The proposed administrative budget must include all the following:

- Estimated amounts for Successor Agency administrative costs for the applicable six-month fiscal period
- Proposed sources of payment for the administrative costs; and
- Proposals for arrangements for administrative and operations services provided by the City or other entity.

ABX1 26 provides that the Successor Agency may include, among others, the value of City staff, including employee benefits, necessary for the administration and operations of the Successor Agency; and the cost of other resources of the City necessary for the administration and operations of the Successor Agency, such as office space, supplies, equipment, utilities, and insurance.

ABX1 26 provides for an administrative cost allowance to annually be paid to the Successor Agency of not less than \$250,000 a year. However, in the event there are insufficient funds to pay the former Redevelopment Agency's enforceable obligations, some or all the administrative cost allowance will be used to pay for the enforceable obligations, and these funds will not be available for administrative expenses of the Successor Agency.

The administrative cost allowance will exclude any administrative costs that can be paid from bond proceeds or from sources other than property tax. However, the use of bond proceeds to pay administrative expenses is subject to certain limitations.

The Successor Agency is now required to submit each proposed administrative budget to the County Oversight Board for its approval. The Successor Agency is also required to provide administrative cost estimates from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the County Auditor-Controller for each six-month fiscal period.

The attached Resolution approves the proposed administrative budget for FY 2024-25, which is attached as Exhibits A to the Resolution. Because of the County's early deadline for the approval of the proposed budget, the attached proposed budget is based upon the 2024-25 budget.

**FISCAL IMPACT:** Adoption of the proposed resolution will enable the Successor Agency to fulfill its enforceable obligations. In accordance with Health and Safety Code Section 34173(e), the liability of the Successor Agency, acting pursuant to the powers granted under Part 1.85, shall be limited to the extent of, and payable solely from, the total sum of property tax revenues it receives pursuant to Part 1.85 and the value of assets transferred to it as a successor agency for a dissolved redevelopment agency. The debts, assets, liabilities, and obligations of the Successor Agency shall be solely the debts, assets, liabilities, and obligations of the Successor Agency and not of the City.

ABX1 26 provides for an administrative cost allowance to annually be paid to the Successor Agency of not less than \$250,000 a year, as outlined in the proposed 2024-25 Administrative Budget.

**ATTACHMENTS:**

1. Resolution - ROPS
2. Exhibit A – Recognized Obligations Payment Schedule for the period of July 1, 2024 through June 30, 2025 (ROPS 24-25)
3. Resolution – Budget
4. Exhibit A – 2024-25 Successor Agency to the Redevelopment Administrative Budget