

Agenda Report



MEETING DATE: Tuesday, January 14, 2025

TO: City Council

FROM: ADMINISTRATIVE SERVICES DIRECTOR DURAN
ASSISTANT FINANCE MANAGER RODRIGUEZ

SUBJECT: RESOLUTION APPROVING CITY OF WATSONVILLE
REDEVELOPMENT SUCCESSOR AGENCY RECOGNIZED
OBLIGATION PAYMENT SCHEDULE (ROPS 25-26)

RECOMMENDED ACTION:

Adopt a resolution approving the City of Watsonville Redevelopment Successor Agency Recognized Obligation Payment Schedule for July 1, 2025, through June 30, 2026 (ROPS 25-26).

BACKGROUND:

Approval of the ROPS 25-26 is necessary in order to continue to pay the obligations of the City of Watsonville Redevelopment Successor Agency through fiscal year 2025-26.

DISCUSSION:

As of February 1, 2012, all redevelopment agencies throughout the State were required to dissolve as a result of the passage of ABX1-26 and the subsequent ruling in the Matosantos Case by the California Superior Court.

As part of legislation, Recognized Obligation Payment Schedules (ROPS) must be prepared by successor agencies and approved by oversight boards for prospective periods and become the budgetary documents upon which auditor-controllers distribute what was formally called tax increment to successor agencies in order to allow the successor agencies to pay approved enforceable obligations and administrative costs during the following period. In short, auditor-controllers deposit what was formally tax increment attributable to redevelopment agencies into a new account, the Redevelopment Property Tax Trust Fund ("RPTTF"). Any RPTTF dollars not required to pay enforceable obligations and approved administrative costs during the period are retained by and distributed by auditor-controllers to the affected taxing entities, such as schools and special districts.

AB 1484 adopted in June 2012 as clean-up legislation to ABX1-26, requires that a 12-month prospective ROPS for the period of July 1, 2025 through June 30, 2026 must be

adopted by the Oversight Board and transmitted to the State Department of Finance (DOF) prior to February 1, 2025, attachment 1. The law provides that DOF will make its determination by April 15, 2025.

STRATEGIC PLAN:

04-Fiscal Health

FINANCIAL IMPACT:

If adopted, ROPS 25-26 will authorize payment from the RPTTF of \$409,145 for enforceable obligations during this period and \$10,000 for the administrative allowance, for the total budgetary authorization requested from RPTTF equaling \$419,145.

ALTERNATIVE ACTION:

No reasonable alternatives are known at this time.

ATTACHMENTS AND/OR REFERENCES (If any):

None.