



Agenda Report

MEETING DATE: Tuesday, January 11, 2022

TO: City Council

FROM: ADMINISTRATIVE SERVICES DIRECTOR CZERWIN
PATRICIA RODRIGUEZ, ASSISTANT FINANCE MANAGER

SUBJECT: RESOLUTION APPROVING CITY OF WATSONVILLE
REDEVELOPMENT SUCCESSOR AGENCY RECOGNIZED
OBLIGATION PAYMENT SCHEDULE (ROPS 22-23)

STATEMENT OF ISSUES:

Approval of the Recognized Obligation Payment Schedule (ROPS 22-23) is necessary in order to pay the obligations of the City of Watsonville Redevelopment Agency through fiscal year 2022-23.

RECOMMENDED ACTION:

It is recommended that the City Council adopt a resolution approving the City of Watsonville Redevelopment Successor Agency Recognized Obligation Payment Schedule for July 1, 2022 through June 30, 2023 (ROPS 22-23).

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 the legislation, Recognized Obligation Payment Schedules (ROPS) must be prepared by successor agencies and approved by oversight boards for prospective periods. The ROPS become the budgetary documents specifying how auditor-controllers distribute what was formally called tax increment to successor agencies allowing for the payment of approved enforceable obligations and administrative costs during the specified time frame. These funds are deposited 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, 2022 through June 30, 2023 must be adopted by the Oversight Board and transmitted to the State Department of Finance (DOF) prior to February 1, 2022, [Exhibit "A" to resolution] for its approval. The law provides that DOF will make its determination by April 15, 2022.

The ROPS 22-23 is the same as the prior year with the exception of one new item. On November 9, 2021, the City Council adopted a joint resolution [Resolution No. 3-21(SA) and Resolution No. 307-21 (CM)] confirming a loan from the General Fund issued to the Successor Agency to ensure all enforceable obligation payments for ROPS 19-20 were paid. (Attachment 1)

STRATEGIC PLAN:

This action supports the Strategic Plan goal of Fiscal Health.

FINANCIAL IMPACT:

If adopted, ROPS 22-23 will authorize payment from the RPTTF of \$5,031,723 for enforceable obligations during this period.

ALTERNATIVE ACTION:

No reasonable alternatives are known at this time.

ATTACHMENTS AND/OR REFERENCES (If any):

1. Resolution 3-21 (SA) 307-21(CM), City of Watsonville General Fund Loan to the Successor Agency \$599,518