



## **CITY OF GLENDALE, CALIFORNIA REPORT TO THE SUCCESSOR AGENCY**

### **AGENDA ITEM**

---

Report: FY 24-25 Recognized Obligation Payment Schedule (ROPS)

1. Successor Agency Resolution to Adopt Recognized Obligation Payment Schedule for July 2024 through June 2025 (ROPS 24-25) including Administrative Budget for same period

### **COUNCIL ACTION**

---

**Item Type:** Action Item

**Approved for** December 12, 2023 **calendar**

### **EXECUTIVE SUMMARY**

---

Each year, the Successor Agency must approve its Recognized Obligation Payment Schedule (ROPS), serving as its next year operating budget. Once approved by the Agency, it is reviewed and considered for approval by the Los Angeles County Consolidated Oversight Board and State Department of Finance (DOF).

## **RECOMMENDATION**

---

Adopt a resolution approving the Recognized Obligation Payment Schedule for July 2024 through June 2025 (ROPS 24-25).

## **BACKGROUND**

---

The Dissolution Act requires a Successor Agency to prepare annual payment schedules known as Recognized Obligation Payment Schedules (ROPS) to receive tax increment funding (referred to as Redevelopment Property Tax Trust Fund or “RPTTF”). The ROPS documents the financial obligations of the Successor Agency and is used as the Agency’s spending plan for the fiscal year (July 1 through June 30).

In addition to RPTTF, the Agency has the following funding sources available to pay for ROPS obligations: Bond proceeds, unused RPTTF from prior periods, and “other funds” consisting of property sale proceeds, loan payments, and interest revenue. The Agency is required to use all unrestricted funding sources to fund its financial obligations before requesting RPTTF.

The ROPS consists of the following 4 sections:

- Summary – Summarizes the proposed ROPS funding including funding sources, total RPTTF requested, and administrative costs;
- ROPS Detail – Details all of the funding items and funding sources for the proposed ROPS;
- Report of Cash Balances – Estimates the cash resources available to fund the proposed ROPS. This spreadsheet complies with a template provided by Department of Finance (DOF) and only reports the fiscal year 20-21 period; and
- Notes - Provides clarifying information about ROPS Detail line items.

## **ANALYSIS**

---

Staff has prepared ROPS 24-25 covering enforceable obligation payments due during July 1, 2024, through June 30, 2025 (Exhibit 1).

Assuming Successor Agency approval, the ROPS is scheduled to be presented to the Consolidated Oversight Board on January 11, 2024. If approved, it will be submitted to the State and County agencies and posted on the Successor Agency's website by February 1, 2024, the statutory deadline. A late ROPS submittal can expose the City to \$10,000 per day in penalties, and if the ROPS is more than 10 days late, the Successor Agency’s administrative cost allowance will be reduced by 25%. Staff has prepared the ROPS and has readied it for timely submission pending approvals by the Successor Agency and Consolidated Oversight Board. To date, the Successor Agency has always timely submitted the ROPS to avoid the penalties.

## **ROPS FUNDING REQUESTS**

The majority of ROPS funding requests represent payments for debt service on the bonds. Of the total ROPS funding request of approximately \$7.6M, bond debt service

payments represent approximately \$7.3M. The remaining items on the ROPS reflect contractual services and administrative costs associated with operating and completing the wind-down activities of the Agency. The ROPS payments noted are best estimates at the time of preparation. Any unspent money is calculated at the end of the ROPS period and reported back to the State. This money is then placed into reserves and spent on obligations on the following year's ROPS.

## **STAKEHOLDERS/OUTREACH**

---

Not applicable.

## **FISCAL IMPACT**

---

As noted on the "Summary" page of ROPS 24-25, the total spending authority requested is \$7,659,362 with \$3,784,049 coming from RPTTF, \$250,000 from Admin RPTTF, \$3,605,000 from Reserves (consisting of RPTTF requested in the prior ROPS period and held as reserves to be expensed in the following ROPS period for bond debt service payments), and \$20,313 from other funds (GUSD loan repayment).

## **ENVIRONMENTAL REVIEW**

---

This item is considered a ministerial activity and therefore, not subject to CEQA review.

## **CAMPAIGN DISCLOSURE**

---

This item is exempt from campaign disclosure requirements.

## **ALTERNATIVES**

---

Do not approve the ROPS. This alternative is not recommended because if the ROPS is not submitted to the DOF by February 1, 2024, the penalties to the City are \$10,000 per day.

## **ADMINISTRATIVE ACTION**

---

### **Submitted by:**

Tamar Sadd, Deputy Director of Community Development

### **Approved by:**

Roubik R. Golanian, P.E., City Manager

## **EXHIBITS / ATTACHMENTS**

---

**Exhibit 1:** Recognized Obligation Payment Schedule for July 2024 through June 2025 (ROPS 24-25)

**Exhibit 2:** ROPS 24-25 Administrative Budget