



STAFF REPORT

DATE: 12/18/2024
TO: Honorable Mayor and City Council Members
FROM: Finance Department

2024-187

REQUEST FOR SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY ACTION

SUBJECT:

RESOLUTION APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND RESOLUTION APPROVING SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2025 THROUGH JUNE 30, 2026.

EXECUTIVE SUMMARY:

Pursuant to Health and Safety Code Section 34177(o)(1), the Successor Agency shall prepare an annual Recognized Obligation Payment Schedule (“ROPS”) listing the nature, amount, and source(s) of payment of all outstanding “enforceable obligations” of the dissolved Agency (as defined by law) to be paid or performed by the Successor Agency. Pursuant to Health and Safety Code section 34177 (j), the Successor Agency is also required to prepare a proposed Administrative Budget. The Successor Agency’s annual ROPS and Administrative Budget have been prepared for the period of July 1, 2025, through June 30, 2026. There are no new enforceable obligations included in the ROPS for Fiscal Year 2026 that were not included in the previously adopted ROPS.

RECOMMENDED ACTION:

- a. Adopt Resolution No. 2024-002, approving and adopting a Recognized Obligation Payment Schedule for the period of July 1, 2025 through June 30, 2026 pursuant to Health and Safety Code Section 34177(o)(1).

- b. Adopt Resolution No. 2024-003, approving and adopting a Successor Agency Administrative Budget for the period of July 1, 2025 through June 30, 2026 pursuant to Health and Safety Code Section 34177(j).

BACKGROUND & HISTORY:

Per Assembly Bill 1x 26, the Redevelopment Agency was dissolved effective February 1, 2012. Assembly Bill 1x 26 and subsequent legislation, Assembly Bill 1484, set forth procedures and requirements for the dissolution and wind down of redevelopment agencies within the State of California. The City of Corona elected to serve as the Successor Agency to the former Redevelopment Agency (“Successor Agency”). Health and Safety Code Section 34173 provides that successor agencies are designated as successor entities to wind down the operations of the redevelopment agencies, dispose of their assets, and pay their debts and obligations. The Successor Agency is vested with all authority, rights, powers, and duties of the former Redevelopment Agency, including the ongoing administration related to enforcing pre-existing enforceable obligations and managing the wind-down of the Redevelopment Agency’s affairs.

ANALYSIS:

Property tax revenues that would have been distributed to the Redevelopment Agency before dissolution are deposited by the County Auditor-Controller into a Redevelopment Property Tax Trust Fund (“RPTTF”) created in the County Treasury for each dissolved redevelopment agency. The County Auditor-Controller administers the RPTTF and disburses bi-annually from this fund an amount equal to the approved enforceable obligations and administrative cost allowance requested on the Successor Agency’s ROPS. The remaining property tax revenues are distributed back to the affected taxing entities by the County Auditor-Controller. Affected taxing entities include the City, County, special districts, school, and community college districts.

Pursuant to Section 34177 and 34180(g) of the Health and Safety Code, the Successor Agency will submit the ROPS and Administrative Budget to the Countywide Oversight Board for its approval. Upon approval by the Countywide Oversight Board, the Successor Agency is required to submit a copy of the approved ROPS (“Approved ROPS”) to the California State Controller and the State of California Department of Finance (“DOF”) by February 1, 2025, and post the Approved ROPS on the Successor Agency’s website.

In accordance with the law, staff recommends that the Successor Agency’s ROPS and Administrative Budget for Fiscal Year 2026 be approved and submitted.

FINANCIAL IMPACT:

The actions to adopt the Resolutions approving the Successor Agency’s ROPS and Administrative Budget for the period of July 1, 2025, through June 30, 2026, do not have a fiscal impact on the City of Corona. The ROPS lists outstanding obligations of the dissolved Agency that are to be paid by the Successor Agency with property tax increment revenues.

Upon approval by DOF, the County of Riverside will disperse funding from the Redevelopment Property Tax Trust Fund to the Successor Agency in Fiscal Year 2026. The appropriations for the Successor Agency's Fiscal Year 2026 budget will be approved during the City's annual budget process.

ENVIRONMENTAL ANALYSIS:

This action is categorically exempt from CEQA pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the adoption of the resolutions may have a significant effect on the environment, the action is not subject to CEQA. This action merely adopts the ROPS and Administrative Budget for Fiscal Year 2026, and there is no possibility that adopting the above resolutions will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: CHRISTINE THOMPSON, CPA, CGFM, CPFO, ACCOUNTING MANAGER

REVIEWED BY: KIM SITTON, FINANCE DIRECTOR

ATTACHMENTS:

1. Exhibit 1 – Resolution No. 2024-002
2. Exhibit 2 – Resolution No. 2024-003
3. Exhibit 3 - Resolution No. 2024-002 Exhibit A
4. Exhibit 4 - Resolution No. 2024-003 Exhibit A