



CITY OF CLEARLAKE

City Council

STAFF REPORT

SUBJECT: Review and Approve the Submittal of the FY 22-23 ROPS for the period of July 1, 2022, through June 30, 2023

MEETING DATE: January 20, 2022

SUBMITTED BY: Director of Finance, Kelcey Young

PURPOSE OF REPORT: ☐ Information only ☐ Discussion ☒ Action Item

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

Approve ROPS 22-23 for the period of July 1, 2022, through June 30, 2023 and authorize the Chair to sign the attached Resolution stating the same.

BACKGROUND/DISCUSSION:

Submission of six-month Recognized Obligation Payment Schedules (ROPS) for approval to the State Department of Finance (DOF) is required under AB 1484 as part of the dissolution of redevelopment agencies and State control over the release of former property tax increment funds by the County to the Successor Agency. These schedules require projections of approved enforceable obligations funded by the County Redevelopment Property Tax Trust Fund (RPTTF) and other funding sources. The ROPS also provide authorization for the Successor Agency to spend available bond proceeds for redevelopment purposes, dispose of property and repayment of loans made by the City to the former redevelopment agency.

A single annual ROPS for both the A and B periods in FY 22-23 is due to be submitted by February 1, 2022 for the July to December 2022 and January to June 30, 2023 periods. The ROPS are used to authorize expenditures and allocate Redevelopment Property Tax Trust Fund (RPTTF) payments to the Successor Agencies in each six-month period of the fiscal year

Redevelopment Property Tax Trust Fund

The Lake County Auditor-Controller is responsible for the administration of the RPTTF pursuant to State law.

The RPTTF revenues are generated from former Redevelopment Agency tax increment allocation formula and based on changes in the annual assessed valuations. With the current revenue the Agency has some flexibility in meeting its obligations, but any decline in revenue of the City's property tax allocation will reduce the funds available for allocation to the Successor Agency. This would create challenges for the Successor Agency in meeting the financial obligations of debt service, disposal of properties and increase the administrative burden

to the City for the dissolution process. Preliminary projections for the fiscal year 2022-23 tax roll are for a small increase in revenue.

Attached are the ROPS 22-23 schedules. The County Board will meet on January 26th to approve and sign the resolution.

OPTIONS:

1. Approve and Authorize Review with the County Board and for the Chair to sign the resolution
2. Other direction

FISCAL IMPACT:

☒ None ☐ \$ Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☒ Other: Fund 599

Comments: The approved numbers will be included in the FY 2022-23 budget.

STRATEGIC PLAN IMPACT:

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☒ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☒ Goal #4: Improve the Image of Clearlake
- ☒ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☐ Goal #7: Support Economic Development

SUGGESTED MOTIONS:

Move to approve ROPS 22-23 for the period of July 1, 2022, through June 30, 2023 and authorize the Chair to sign the attached Resolution stating the same.

- ☒ **Attachments:**
- 1) Successor Agency Resolution SA-2022-01
 - 2) Exhibit A - ROPS 22-23 Schedules