



DATE: January 8, 2024

TO: Honorable Chair and Members of the Petaluma Community Development
Successor Agency Board through Executive Director

FROM: Jessie Gooch, Finance Director
Corey Garberolio, Assistant Director of Finance

SUBJECT: Resolution Adopting a July 1, 2024- June 30, 2025, Recognized Obligation
Payment Schedule and Administrative Budget Pursuant to Health and Safety
Code Section 43177(1)

RECOMMENDATION

It is recommended that the Petaluma Community Development Successor Agency approve the Resolution adopting a July 1, 2024 – June 30, 2025, Recognized Obligation Payment Schedule and Administrative Budget pursuant to Health and Safety Code Section 34177(1).

BACKGROUND

On December 29, 2011, the California Supreme Court upheld the constitutionality of Assembly Bill x1 26 dissolving redevelopment agencies statewide as of February 1, 2012. The Council established the Petaluma Community Development Successor Agency (PCDSA) as a separate legal body to oversee the dissolution of the former Petaluma Community Development Commission.

DISCUSSION

The Recognized Obligation Payment Schedule (ROPS) is the document that serves as the budgeting authority for the PCDSA. In the past it was updated and approved by the State of California every six months and now it is approved once a year. The ROPS lists all successor agency enforceable obligations that are due and payable during the upcoming 1-year period, as well as the source of funds for payment of each obligation. The upcoming ROPS period is July 1, 2024 – June 30, 2025 and is referred to as the ROPS 24-25 because it covers obligations for fiscal year 24-25. The attached ROPS requests funds to pay for ongoing debt service and administration.

In addition to the administrative budget, the remaining three debt service obligations on the ROPS are:

2015A and 2015B bonds - were used to re-finance the 2003 and 2005 bonds, which were themselves used to finance various redevelopment projects including public infrastructure in and around the Theater District redevelopment.

2017 bonds - were used to re-finance the 2007 and 2011 bonds, which were themselves used to finance various redevelopment activities, including the City's contribution to the Rainier Ave. Undercrossing project.

As of July 1, 2018, the Petaluma Oversight Board no longer approves the actions of the PCDSA. As outlined in State law, a new, county-wide oversight board was established to oversee all actions of all successor agencies in Sonoma County. The Sonoma County Consolidated Oversight Board is scheduled to meet in January 2024 to review the ROPS in time for the Department of Finance (DOF) deadline on February 1, 2024. The attached resolution includes the ROPS 24-25 and the administrative budget for review and consideration (Exhibit A & B of the Resolution).

PUBLIC OUTREACH

This agenda item was noticed in compliance with the California Brown act and appeared on the City's tentative agenda document on December 18, 2023, which was a publicly notice meeting.

ENVIRONMENTAL REVIEW

This action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378(b)(4)&(5), in that adopting a resolution for the ROPS 24-25 does not meet CEQA's definition of a "project," because the action is a fiscal activity which does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and because the action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

FINANCIAL IMPACTS

The ROPS 24-25, once approved by the Oversight Board and the DOF, will provide the needed funds to administer the PCDSA and pay for enforceable obligations of the PCDSA from July 1, 2024 – June 30, 2025.

ATTACHMENTS

1. Resolution
 - a. Exhibit A - Recognized Obligation Payment Schedule
 - b. Exhibit B - Administrative Budget