



Recognized Obligation Payment Schedule (ROPS) FY 2025-26

City Council / Successor Agency Meeting
January 21, 2025

Recognized Obligation Payment Schedule (ROPS)

- The California Supreme Court ruled on the Dissolution Act (AB 1484) to dissolve all Redevelopment Agencies (RDAs) in California effective February 1, 2012.
- AB 1484 established procedures for payment of legally enforceable obligation of the former RDAs by establishing Successor Agencies (SAs) through the annual submission of the ROPS to the State Department of Finance (DOF).
- The ROPS lists all expenditures required to be paid by the Successor Agency in the upcoming fiscal year. For Fiscal Year 2025-26, this amount is \$10,768,498.
- The Fiscal Year ROPS also includes a request for \$8,438,398 repayment of a loan from the City to the former RDA related to the Waterfront. The payment is required through a judgment issued by the California Supreme Court on February 17, 2023. The DOF concurred with the Court's ruling in a letter dated May 19, 2023.

**Recognized Obligation Payment Schedule (ROPS)
Waterfront / Emerald Cove**

Summary of ROPS	Waterfront	Emerald Cove	TOTAL
Principal	\$22,400,000	\$6,837,845	
Interest	\$8,736,000	\$0	
Total to be repaid from ROPS	\$31,136,000	\$6,837,845	
TOTAL			\$37,973,845

Recognized Obligation Payment Schedule (ROPS) Waterfront

Summary of ROPS- Waterfront	
Principal	\$22,400,000
Interest	\$8,736,000
TOTAL	\$31,136,000
20% Set-aside requirement	\$6,227,200
General Fund 80% Allocation	\$24,908,800

Recognized Obligation Payment Schedule (ROPS) – Emerald Cove

Allocation of Emerald Cove ROPS		FY2023-24
Principal Amount		\$6,837,845
	General Fund	(\$2,276,594)
	Housing Residual Fund	(\$760,201)
	LMIHAF	(\$3,801,050)
General Fund Allocation		
	50% GF Budget Balancing for 23-24*	\$1,138,297
	50% General Liability Fund for 23-24	\$1,138,297

*Original Plan was 50% to 115 Trust but used to balance the budget

Recognized Obligation Payment Schedule (ROPS) – Waterfront

Waterfront ROPS Payment Requests	FY2023-24	FY 2024-25	FY 2025-26
Requested of DOF	\$10,000,000	\$9,828,541	\$8,428,398
DOF Approved / Denied	\$0	\$8,595,708	Pending
Allocation of Full Payment Request			
20% Set-Aside		\$1,719,142	\$1,672,718
GF Allocation		\$6,876,566	\$6,742,718

Recognized Obligation Payment Schedule (ROPS) – Waterfront

Allocation of GF Portion of Waterfront ROPS Payment	FY 2024-25 Funds Received	FY 2025-26 Funds Requested
GF Payment Amount / Request	\$6,876,566	\$6,742,718
Section 115 Trust Transfer	-\$1,719,142	Allocation to be determined
Equipment Fund Transfer	-\$1,605,358	
Workers' Compensation Transfer	-\$1,000,000	
General Liability Transfer	-\$2,552,066	

Recognized Obligation Payment Schedule (ROPS) – Waterfront

Total Draw-down	Draw-down Amount	Balance
Beginning Balance	\$31,136,000	
Drawdown 24-25 - DOF Approved	\$8,595,708	\$22,540,292
Drawdown 25-26 - DOF Requested	\$8,428,398	\$14,111,894
Projected 26-27	\$3,000,000	\$11,111,894
Projected 27-28	\$3,000,000	\$8,111,894
Projected 28-29	\$3,000,000	\$5,111,894
Projected 29-30	\$3,000,000	\$2,111,894
Projected 30-31	\$2,111,894	\$0

Recognized Obligation Payment Schedule (ROPS) – Waterfront

General Fund Draw-down Portion	Draw-down Amount	Balance
Beginning Balance	\$24,908,800	
Drawdown 24-25 - DOF Approved	\$6,876,566	\$18,032,234
Drawdown 25-26 - DOF Requested	\$6,742,718	\$11,289,515
Projected 26-27	\$2,400,000	\$8,889,515
Projected 27-28	\$2,400,000	\$6,489,515
Projected 28-29	\$2,400,000	\$4,089,515
Projected 29-30	\$2,400,000	\$1,689,515
Projected 30-31	\$1,689,515	\$0

Recognized Obligation Payment Schedule (ROPS)

- Health and Safety Code Section 34179(j) requires the ROPS to be approved by both the Huntington Beach Successor Agency and the Countywide Oversight Board and submitted to the Department of Finance no later than February 1, 2025 in order to receive funding for the Fiscal Year 2025-26.
- The ROPS expenditures required to be paid by the Successor Agency in the upcoming fiscal year will be presented to the Orange Countywide Oversight Board for their consideration and approval on January 28, 2025.
- The approved ROPS are required to be submitted to the California Department of Finance (DOF) by February 1, 2025. The ROPS are then subject to review and approval by the DOF.
- It is recommended that the Successor Agency Adopt Resolution Nos. 2025-01 and 2025-02 approving the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for the Huntington Beach Successor Agency for the period of July 1, 2025, through June 30, 2026, in accordance with Health and Safety Code Section 34177 and related actions

Questions?

