

City of Hesperia

STAFF REPORT



DATE: December 2, 2025

TO: City Council, as Successor Agency to the Hesperia Community Redevelopment Agency

FROM: Rachel Molina, City Manager

BY: Casey Brooksher, Assistant City Manager

SUBJECT: Annual 2026-27 Recognized Obligation Payment Schedule

RECOMMENDED ACTION

It is recommended that the Successor Agency adopt Resolution No. SA 2025-01, approving the Annual 2026-27 Recognized Obligation Payment Schedule (ROPS), including the Successor Agency's FY 2026-27 Administrative Budget, and authorizing staff to present the ROPS to the Oversight Board for its consideration and approval.

BACKGROUND

Pursuant to Section 34177(l) of the Health and Safety Code (HSC), the Successor Agency to the former Hesperia Community Redevelopment Agency (SA) is required to prepare a Recognized Obligation Payment Schedule (ROPS) for each fiscal year period (commencing each July 1). The ROPS must list the estimated payment amounts for enforceable obligations, as well as sources of funds for each such payment during the fiscal period. Each ROPS must be submitted to the Countywide Oversight Board (the Oversight Board) and the State Department of Finance (the DOF) for approval.

Upon notification of the approval by the DOF, the County Auditor-Controller will prepare the redevelopment property tax trust fund (RPTTF) distribution to the SA. The RPTTF is the funding amount identified on the ROPS to pay enforceable obligations.

ISSUES/ANALYSIS

As mentioned, the ROPS lists the outstanding enforceable obligations to the SA. The SA requires and requests \$8,561,183 in enforceable obligations. The following listing discusses the changes to the 2026-27 ROPS:

- 2018 Bonds (Items 76 and 77) – The ROPS 26-27 requests \$8.5 million to make debt service payments on the 2018 Tax Allocation Refunding Bonds, Series A and B ("2018 Bonds"), of which \$7.5 million is from RPTTF and \$1 million is from reserves collected in the prior round. Due to the last payment for the 2018B TARBS occurring in FY 26-27A, there will be no further need for use of reserves after this final payment (previously referenced as item 78).

- 2018 Bond Trustee Fees (Items 79 to 80) – \$8,000 in RPTTF is requested to pay for bond trustee administration fees on the 2018 Bonds.
- 2018 Bond Arbitrage (Item 82) - \$2,500 in RPTTF is requested to pay for bond arbitrage on the 2018 Bonds.
- Administrative Cost Allowance (Item 74) – The SA is requesting a \$91,777 administrative cost allowance to pay for staffing and professional services necessary to administer ROPS obligations and prepare the ROPS. This is below the \$290,273 maximum permitted by law and consistent with the budget for FY 2026-27.

The ROPS 26-27 includes a Report of Cash Balances for Fiscal Year 2023-24. As of June 30, 2024, the SA had a \$1.0 million remaining balance, which is committed to ROPS 24-25 and 25-26 obligations.

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health – Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

The adoption of Resolution No. SA 2025-01 (Attachment 1) and ROPS 26-27 (Attachment 2) is the first step in the process to ensure that the Enforceable Obligations of the Successor Agency are paid in full for FY 2026-27.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Resolution No. SA 2025-01
2. Exhibit A Annual ROPS Schedule 26-27 (July 1, 2026 – June 30, 2027)
3. Exhibit B FY 2026-27 Administrative Budget (July 1, 2026 – June 30, 2027)