

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: January 8, 2026

PREPARED BY: Tristan Morales, Accounting Supervisor
Veronica Chavez, Director of Finance

SUBJECT: RESOLUTION FOR RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGETS FOR THE FISCAL PERIOD FROM JULY 1, 2026, THROUGH JUNE 30, 2027, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN RELATED ACTIONS

RECOMMENDATION:

Adopt a Resolution entitled, "A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE PALM DESERT REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE FISCAL PERIOD FROM JULY 1, 2026 THROUGH JUNE 30, 2027, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN RELATED ACTIONS.

BACKGROUND/ANALYSIS:

Approval of these items is required pursuant to dissolution law in order to fund the approved enforceable obligations of the Successor Agency to the Palm Desert Redevelopment Agency in the 2026-27 Fiscal Year.

Health and Safety Code ("HSC") Section 34177 requires that the Successor Agency prepare a Recognized Obligation Payment Schedule ("ROPS") annually, listing the anticipated payments for enforceable obligations to be made from July 1 through the following June 30. The Successor Agency must also prepare a proposed administrative budget for each six-month period, that includes: (1) estimated amounts for Successor Agency administrative costs for the applicable six-month fiscal period; (2) proposed sources of payment for the administrative costs; and (3) proposals for arrangements for administrative and operations services provided by the City of Palm Desert (the "City") or another entity.

All ROPS and Administrative Budgets must be approved by the Riverside County Countywide Oversight Board and submitted to the DOF for review. During their review, the DOF may eliminate or modify any item on the ROPS before approving the ROPS. The process timeline, pursuant to HSC Section 34177, is as follows:

- January 8, 2026 ROPS/Admin Submitted to SARDA for approval
- January 15, 2026 ROPS/Admin Submitted to County OSB for approval
- February 1, 2026 ROPS/Admin due to DOF and CAC for approval
- April 15, 2026 Deadline for DOF to provide approval to SARDA

The County Auditor-Controller is required to make Redevelopment Property Tax Trust Fund (RPTTF) disbursements to the Successor Agency pursuant to the DOF-approved ROPS for Fiscal Year 2026-27 on June 1, 2026 and January 2, 2027.

Staff recommends that the Board of Directors of the Successor Agency adopt the resolution approving the ROPS and Administrative Budgets for Fiscal Year 2026-27 and taking certain related actions.

Legal Review:

This report has been reviewed by the City Attorney's Office.

FINANCIAL IMPACT:

The preparation and submittal of ROPS and Administrative Budgets for Fiscal Year 2026-27 are necessary to allow the Successor Agency to pay its enforceable obligations for the period from July 1, 2026, to June 30, 2027.

The "administrative cost allowance" refers to the amount of administrative costs that the Successor Agency may pay from monies received from the RPTTF. Subject to the Dissolution Act, the permitted administrative cost allowance is the greater of: (i) \$250,000 per fiscal year, or (ii) up to 3 percent of the prior year RPTTF distribution less administrative cost allowance and repayments of city loans; provided it does not exceed 50% of the prior year RPTTF distribution.

ATTACHMENTS:

1. Resolution
2. ROPS FY 2026-27 Submission
3. ROPS FY 2026-27 Administrative Budget

CONFLICT OF INTEREST AWARENESS CHECKLIST:

- Site-Specific Property Interest** – Councilmembers should check if they own or lease real property within 1,000 feet of the project site (Gov. Code § 87103(b); FPPC Reg. 18702.2).

- SB 1439 Applicability (Campaign Contributions)** – Applies to licenses, permits, or other entitlements for use, and to contracts or franchise agreements other than competitively bid, labor, or personal employment contracts.

Applicant(s)/Appellant(s): _____

Councilmembers should review any campaign contributions received within the last 12 months from parties or participants to the proceeding and must not accept contributions over \$500 from those parties for 12 months following the final decision (Gov. Code § 84308).

Note: These indicators are informational and do not constitute a legal determination. Each Councilmember is responsible for identifying and disclosing any disqualifying interests in accordance with the Political Reform Act and FPPC regulations.