



## Town Council Agenda Report

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Date: April 14, 2026

To: Honorable Mayor and Town Council

Subject: ADOPT RESOLUTION SA NO. 2026-01 APPROVING AND AUTHORIZING TRANSMITTAL OF A RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR FY 2026-27

From: Guy Eisenbrey, Town Manager

Submitted by: Suresh Malkani, Director of Finance  
Finance Department

Budgeted Item:  Yes  No  N/A

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### RECOMMENDED ACTION

Adopt Resolution No. SA 2026-01 approving and authorizing transmittal of a Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2026-27.

### BACKGROUND

In 2011, Assembly Bill (“AB”) X1 26 effectively dissolved all redevelopment agencies in the State of California. AB 1484 was signed by the Governor on June 27, 2012, and Senate Bill (“SB”) 107 was chaptered into law on September 22, 2015, both changing and clarifying certain provisions of AB X1 26 (collectively, the “Dissolution Law”). The Town of Apple Valley (“Town”) elected to serve as the Successor Agency to the Redevelopment Agency of the Town of Apple Valley (“Successor Agency”) under Dissolution Law, taking on the responsibility to wind down the affairs of the former Redevelopment Agency of the Town of Apple Valley. The Dissolution Law requires the Successor Agency to prepare an annual Recognized Obligation Payment Schedule (“ROPS”) that identifies financial obligations and funding sources to pay them. The ROPS must be approved by the San Bernardino County Oversight Board to the Successor Agency (“Oversight Board”) and submitted to the State Department of Finance (“DOF”). Pursuant to Health and Safety Code (“HSC”) Section 34177(l), DOF provides the ROPS form for successor agencies to use to report enforceable obligations. The completed ROPS for the July 1, 2026 through June 30, 2027 period (“ROPS 26-27”) is due to DOF by February 1, 2026 by electronic submission. Pursuant to HSC Section 34177(l)(2)(C), a copy of the ROPS must also be submitted to the San Bernardino County Auditor-Controller (“Auditor-Controller”) and State Controller’s Office. The Successor Agency requires and requests \$2,535,004 in

Redevelopment Property Tax Trust Fund (“RPTTF”) revenues (columns O,P, U, and V on ROPS Detail) along with authority to spend \$704,335 in “Other Funds” (columns N and T on ROPS Detail) to pay its obligations. Note that RPTTF revenues are generated by the Successor Agency’s property tax increment. The Other Funds will be received from the Town’s portion of the former Victor Valley Economic Development Authority (“VVEDA”) Redevelopment Project Area to pay for obligations associated with the Town’s portion of the VVEDA Project Area. The approval of the Successor Agency’s ROPS 26-27, attached as Attachment “B”, is critical to ensure the continued flow of property taxes to the Successor Agency, thereby enabling the payments of scheduled debt service on bonded indebtedness and other obligations. Should a successor agency not submit a ROPS to the DOF by February 1, the sponsoring entity could be subject to a \$10,000 civil penalty for each day the ROPS is delinquent. HSC Section 34177(j) requires successor agencies to prepare an annual proposed administrative budget and submit it to the oversight board for its approval. The Successor Agency has prepared an Administrative Budget for Fiscal Year (“FY”) 2026-27, attached as Attachment “C” analysis Some reports do not need analysis, if that sounds like yours please delete this heading.

## **ANALYSIS**

In addition to a list of enforceable obligations for the upcoming fiscal year, the ROPS form includes a Report of Cash Balances where successor agencies identify any available funds on hand that can be used to pay enforceable obligations. After all available funds on hand are allocated, the Successor Agency can request funding for enforceable obligations from property tax increment revenue deposited by the Auditor-Controller in the RPTTF. Allocations of RPTTF require approval by the Oversight Board and DOF. The following sections elaborate on the enforceable obligations listed on the ROPS and significant aspects of the Cash Balances.

## **TAX ALLOCATION BONDS DEBT SERVICE**

The Successor Agency refunded the 2005 VVEDA Tax Allocation Bonds, 2007 VVEDA Tax Allocation Bonds, and the 2007 Apple Valley Project Area 2 Bonds with an issue of 2020 VVEDA Tax Allocation Refunding Bonds (“2020 VVEDA Bonds”) and 2020 Apple Valley Project Area 2 Bonds (“2020 Project Area 2 Bonds”), in order to take advantage of lower interest rates and reduce the sum of total future debt service payments. The refunding enabled the Successor Agency to retire the 2005 and 2007 VVEDA Bonds and the 2007 Project Area 2 Bonds (ROPS Items 1, 2, and 8), which were replaced with items 45 and 46 on the ROPS. The 2020 VVEDA Bonds were issued by VVEDA and are secured by property tax increment from the Town’s portion of the VVEDA Project Area. The 2020 Project Area 2 Bonds were issued by the Successor Agency and are secured by property tax increment revenues from its own former Redevelopment Project Area 2. These Bonds were issued for the acquisition and construction of two sites, as well as the financing of certain public capital improvements.

The Successor Agency receives funding from VVEDA’s RPTTF for the 2020 VVEDA Bonds. Therefore, for the Successor Agency, these funds are considered Other Funds. Per the debt service schedule, the Successor Agency requests the following on the current ROPS:

- 2020 VVEDA Bonds (ROPS item 45): \$701,000

The Successor Agency must also request to spend its own RPTTF funding for the 2020 Project Area 2 Bonds. Per the debt service schedule, the Successor Agency requests the following on the current ROPS:

- 2020 Project Area 2 Bonds (ROPS item 46): \$2,379,800

### **TAX ALLOCATION BONDS FEES AND COSTS**

The Successor Agency requests funding for trustee fees and continuing disclosure services associated with the Bonds. The Successor Agency requests the following for the VVEDA Bonds obligations from Other Funds:

- 2020 Tax Allocation Refunding Bonds Trustee Fees (ROPS item 47): \$725
- 2020 Tax Allocation Refunding Bonds Continuing Disclosure Services (ROPS item 48): \$2,610

The Successor Agency requests the following for the Project Area 2 Bonds obligations from RPTTF:

- 2020 Tax Allocation Refunding Bonds Trustee Fees (ROPS item 49): \$2,300
- 2020 Tax Allocation Refunding Bonds Continuing Disclosure Services (ROPS item 50): \$7,904

### **SUCCESSOR AGENCY ADMINISTRATIVE COSTS**

HSC Section 34177(j) requires the Successor Agency to prepare an Administrative Budget and submit it to the Oversight Board for approval. Per HSC Section 34177, each successor agency is limited to an administrative cost allowance of the greater of \$250,000 or 3% of its approved non-administrative obligations in the previous ROPS year. However, the administrative allowance cannot exceed 50 percent of RPTTF distributed in the prior fiscal year, excluding the administrative allowance and any City/former redevelopment agency loan repayments. The Successor Agency is expected to receive \$1,593,047 in non-administrative RPTTF distributed in the ROPS 25-26 period, allowing the Successor Agency to request the greater of \$250,000 or \$47,791. The Successor Agency does not anticipate needing the entire \$250,000 minimum annual administrative allocation described in HSC Section 34171(b) and is requesting \$145,000 (ROPS item 17), with the full amount requested in 26-27A period.

This is the same amount as the previous year. An Administrative Budget for FY 2026-27 is attached as Attachment "C."

### **CASH BALANCES**

The Cash Balances page shows the inflow and outflow of funds held by the Successor Agency. Funds are being spent in a timely manner and consistent with the approvals of

the Oversight Board and DOF. The Cash Balances page helps the Successor Agency to identify other funds available to spend on enforceable obligations, detailed as follows:

- \$(19,811) of Other Funds remains after the ROPS 23-24 period and available for re-allocation to ROPS 26-27 obligations.
- \$21,099 of RPTTF is remaining after the ROPS 23-24 period and available for reallocation to ROPS 26-27 obligations.

### **LAST AND FINAL ROPS**

Pursuant to HSC section 34191.6(a), beginning January 1, 2016, agencies that have received a Finding of Completion may submit a Last and Final ROPS if all the following conditions are met:

- 1) The remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and contracts.
- 2) All remaining obligations have been previously listed on the ROPS and approved for payment by Finance pursuant to HSC section 34177(m) or (o).
- 3) The agency is not a party to outstanding/unresolved litigation, except as specified in HSC section 34191.6(a)(3). A Last and Final ROPS would reduce the administrative burden on the Successor Agency and eliminate the need for Oversight Board meetings to approve the ROPS. However, the Successor Agency could amend the Last and Final ROPS only twice. The Successor Agency has not yet determined whether it is in a position to submit a Last and Final ROPS.

### **OVERSIGHT BOARD CONSOLIDATION**

As of July 1, 2018, the San Bernardino Countywide Oversight Board was established pursuant to HSC Section 34179(j). Accordingly, rather than all successor agencies in San Bernardino County each having their own oversight board, one Consolidated Oversight Board reviews actions taken by all of the successor agencies within the County and can direct all of the same successor agencies to perform certain actions. The Oversight Board has scheduled its general meetings to occur approximately once per month. The Oversight Board will consider approval of the Successor Agency's ROPS 26-27 on January 12, 2026. The Successor Agency already submitted its ROPS and related documents to Oversight Board staff for review at this meeting.

### **FISCAL IMPACT**

There is no fiscal impact on Town's General Fund or any other Fund as a result of filing ROPS 26-27. Admin costs of \$145,000 for staff time will be credited in the respective allocated Funds. The ROPS 26-27 was submitted on February 1, 2026, and approved by the DOF on March 20, 2026. The Successor Agency to received RPTTF, administered by the Auditor-Controller, to pay enforceable obligations during the ROPS 26-27 period.

**ATTACHMENTS**

- A. Resolution No. SA 2026-01 approving and authorizing transmittal of a Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2026-27.
- B. Town of Apple Valley Successor Agency ROPS 26-27.
- C. Town of Apple Valley Successor Agency Fiscal Year 2026-27 Administrative Budget.