



Agenda Report

Fullerton City Council

MEETING DATE: JANUARY 20, 2026

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: SUNAYANA THOMAS, DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT
STEVEN AVALOS, INTERIM DIRECTOR OF ADMINISTRATIVE SERVICES DEPARTMENT

PREPARED BY: TAYLOR SAMUELSON, SENIOR ADMINISTRATIVE ANALYST
CINNDY BARRIOS, SENIOR BUDGET ANALYST

SUBJECT: RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2026-27 AND ADMINISTRATIVE BUDGET ALLOWANCE PER ASSEMBLY BILL X1 26 AND 1484 SENATE BILL 107

SUMMARY

Staff requests the Fullerton Successor Agency approve the proposed Fiscal Year (FY) 2026-27 Recognized Obligation Payment Schedule (ROPS) and Administrative Budget Allowance for July 1, 2026 through June 30, 2027, pursuant to Assembly Bills X1 26 and 1484 and Senate Bill 107.

PROPOSED MOTION

Adopt Resolution No. SA-2026-XX.

RESOLUTION NO. SA-2026-XX – A RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF FULLERTON, CALIFORNIA, APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2026-27 AND ADMINISTRATIVE BUDGET ALLOWANCE (PERIOD COVERING JULY 1, 2026 THROUGH JUNE 30, 2027)

ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Other options brought by the City Council.

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

None.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability.

FISCAL IMPACT

The FY 2026-27 ROPS for July 1, 2026 through June 30, 2027 will total \$11,603,925 and primarily support the Successor Agency (SA) final debt service payments and minimal administrative allowance costs. The City will make approved payments from property tax increment revenue allocated by the Orange County Auditor-Controller to the Fullerton Successor Agency Redevelopment Property Tax Trust Fund and available cash balances in the Successor Agency Fund (Fund 89) per the State-mandated dissolution process.

In addition, the City requests \$2,039,825 of additional Redevelopment Property Tax Trust Fund (RPTTF) funds to make final debt service payments and close out the ROPS. The City's external auditors validated this amount to have sufficient RPTTF funds to make final debt payments.

BACKGROUND AND DISCUSSION

The ROPS identifies funds needed to dissolve the former Fullerton Redevelopment Agency and set payment amounts and due dates for existing financial obligations. Staff prepares the ROPS annually until the Successor Agency repays all debt. Staff attached the proposed ROPS for FY 2026-27 for July 1, 2026 through June 30, 2027. Staff must submit ROPS 2026-27 to the Orange County Oversight Board and then to the State Department of Finance (DOF) by February 1, 2026 for review and approval.

The FY 2026-27 ROPS includes all enforceable Successor Agency obligations requiring payment during the upcoming fiscal year. These obligations include bond debt service payments and an administrative cost allowance to cover staff costs associated with overseeing the Successor Agency. The FY 2026-27 ROPS contains three items: a small appropriation for finance administrative costs, bond debt service fee amounts and bond debt service payments. Staff will complete all currently approved Successor Agency enforceable obligations in this ROPS cycle.

Staff confirms this ROPS will be the last submittal to California DOF pursuant to dissolution laws of the former redevelopment agencies. The following provides an overview of the FY 2026-27 ROPS to submit to the State DOF.

ROPS FY 2026-27 LINE ITEMS			
Description	ROPS A	ROPS B	TOTAL

Item 64 – Adjusting RPTTF Cash Entry	\$2,039,825	\$0	\$2,039,825
Item 27 - Admin Costs	\$1,500	\$1,500	\$3,000
Item 49 – Bond Processing DS Fees	\$0	\$9,500	\$9,500
Item 63 2020A Bond Debt Service	\$3,509,200	\$6,042,400	\$9,551,600
TOTALS:	\$5,550,525	\$6,053,400	\$11,603,925

The City completed a reconciliation and cash balance projection for the Successor Agency Fund (Fund 89) in FY 2024-25 in response to concerns that the ending cash balance may be insufficient to meet future debt service obligations. The Administrative Services Department engaged the City external auditors, LSL, to review the staff reconciliation and obtain an independent opinion and perform an Agreed-Upon Procedures (AUP) to confirm the accuracy of work performed and recommend actions to be taken.

ROPS Item 64: staff requests a one-time \$2,039,825 RPTTF adjustment, based on the external auditor, LSL, AUP Successor Agency Final ROPS Reconciliation review findings (Attachment 2). ROPS Item 64 corrects this historical reporting error, aligns the final ROPS with auditor-verified cash balances and ensures sufficient resources are available to complete remaining enforceable debt service obligations.

ROPS Item 63: staff requests \$9,551,600 for remaining bond debt service payments for the 2020 Series A Tax Allocation Refunding Bonds. This will be the last enforceable obligation for the Successor Agency.

ROPS Item 27: A \$3,000 administrative cost allowance used to cover staff time associated with Successor Agency oversight, reporting and compliance.

ROPS Item 49: \$9,500 in bond processing fees related to the Successor Agency debt service.

Staff recommends City Council, acting as the Fullerton Successor Agency, adopt the resolution approving FY 2026-27 ROPS 2026-27. Staff would forward the approved ROPS to the County Oversight Board for consideration. The Successor Agency becomes subject to a \$10,000 per day civil penalty for every day the Agency does not submit the schedule to the DOF after the February 1, 2026 deadline. Additionally, the maximum administrative cost allowance for that period shall reduce by 25 percent if a Successor Agency does not submit their ROPS by the February 1, 2026 deadline.

Attachments:

- Attachment 1 – Draft Resolution No. SA 2026-XX
- Attachment 2 – LSL ROPS Agreed-Upon Procedures

cc: Interim City Manager Eddie Manfro