



Transmitted via e-mail

November 12, 2024

Jason Simpson, Executive Director
City of Lake Elsinore
130 South Main Street
Lake Elsinore, CA 92530

Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Lake Elsinore Successor Agency (Agency) submitted an Amended Recognized Obligation Payment Schedule for the period January 1, 2025 through June 30, 2025 (Amended ROPS 24-25B) to the California Department of Finance (Finance) on October 1, 2024. Finance has completed its review of the Amended ROPS 24-25B.

Based on our review and application of the law, Finance makes the following determinations:

- Item No. 20 – Housing Fund Loan in the amount of (\$4,590,982) in Redevelopment Property Tax Trust Fund (RPTTF) funding is partially allowed. According to the Agency, the loan was paid off during ROPS 24-25A and \$4,590,982 in excess funds remain. Therefore, the Agency requested a (\$4,590,982) adjustment so the excess funds can flow to the affected taxing entities. However, the amended ROPS process is limited to funding adjustments needed for the ROPS 24-25B period. Since the Agency was previously authorized \$3,423,460 for this obligation in the ROPS 24-25B period, Finance approves (\$3,423,460) to bring the ROPS 24-25B authorized amount to \$0, resulting in an adjustment of \$1,167,522 (\$4,590,982 - \$3,423,460).

Since the ROPS 24-25A distribution has already occurred, the excess \$1,167,522 will need to be accounted for during the prior period adjustment process.

- Item No. 33 – Interim Stadium Management Agreement in the amount of \$607,824 in RPTTF funding is partially allowed. It is our understanding the Agency is requesting \$307,824 from the ROPS 20-21 period without supporting documentation for a shortage of funds from that period. Therefore, of the requested \$607,824, \$307,824 is not eligible for RPTTF funding.

Except for the adjustments denied in whole or in part, Finance does not object to the remaining adjustments listed on your Amended ROPS 24-25B.

The Agency's amended maximum approved RPTTF distribution for the Amended ROPS 24-25B period is \$7,487,176, as summarized in the Approved RPTTF Distribution table (See Attachment).

Please refer to the Amended ROPS 24-25B schedule used to calculate the total RPTTF approved for distribution:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 24-25B. Please note there is not a Meet and Confer option for the Amended ROPS process; therefore, Finance's determination is final. This determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be denied, even if it was not denied on this Amended ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to RedevelopmentAdministration@dof.ca.gov.

Sincerely,

Original signed by:

Cheryl L. McCormick, CPA
Chief, Office of State Audits and Evaluations

cc: Barbara Leibold, Principal, Liebold McClendon & Mann, P.C., City of Lake
Elsinore
Jennifer Baechel, Deputy Auditor-Controller, Riverside County
Imelda Delos Santos, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution January 2025 through June 2025	
Authorized RPTTF on ROPS 24-25B	\$ 10,349,317
Authorized Administrative RPTTF on ROPS 24-25B	222,819
Total Authorized RPTTF on ROPS 24-25B	10,572,136
Total Requested 24-25B RPTTF Adjustments	(3,944,658)
RPTTF Adjustments	
Item No. 20	1,167,522
Item No. 33	(307,824)
	859,698
Total Authorized 24-25B RPTTF Adjustments	(3,084,960)
Total Amended ROPS 24-25B RPTTF approved for distribution	\$ 7,487,176