



Transmitted via e-mail

April 12, 2021

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

2021-22 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Lake Elsinore Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2021 through June 30, 2022 (ROPS 21-22) to the California Department of Finance (Finance) on February 1, 2021. Finance has completed its review of the ROPS 21-22.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 12 – Summerly Disposition and Development Agreement. The Agency requested \$3,615,572 from Redevelopment Property Tax Trust Fund (RPTTF) funding in error. According to documentation provided by the Agency, the \$1,453,603 requested for the ROPS 21-22A period should be \$485,505. Therefore, with the Agency's concurrence, Finance made an adjustment in the amount of \$968,098 in RPTTF funding.
- Item No. 13 – Summerly DDA Extraordinary Infrastructure Fund. The Agency requested \$573,045 from RPTTF funding in error. According to documentation provided by the Agency, the \$414,830 requested for the ROPS 21-22A period should be \$0. Therefore, with the Agency's concurrence, Finance made an adjustment in the amount of \$414,830 in RPTTF funding.
- Item No. 33 – Interim Stadium Management Agreement. The Agency requested \$3,048,631 from RPTTF in error. According to documentation provided by the Agency, the \$1,999,577 requested for the ROPS 21-22A period should be \$1,909,858. Therefore, with the Agency's concurrence, Finance made an adjustment in the amount of \$89,719 in RPTTF funding.
- Item Nos. 41 and 50 – Subordinated Tax Allocation Refunding Bonds, Series 2015 and Tax Allocation Refunding Bonds, Series 2019B (Housing-Set-Aside) debt service reserves. The Agency mistakenly omitted the Reserve funding needed for the principal payments due on September 1, 2021. Therefore, Finance made an adjustment in the amount of \$402,500 and \$327,500, respectively, to increase the total amount of Reserve funds authorized.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2018 through June 30, 2019 (ROPS 18-19) period. The ROPS 18-19 prior period adjustment (PPA) will offset the ROPS 21-22 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency, as adjusted by Finance. Specifically, the Agency provided additional information regarding accruals that were not properly applied during the initial review. As a result, the expenditures reported through the revised PPA submitted by the Agency increased the PPA amount to \$1,556,619.

The Agency's maximum approved RPTTF distribution for the reporting period is \$12,810,779, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2021 through December 31, 2021 period (ROPS A period), and one distribution for the January 1, 2022 through June 30, 2022 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 21-22 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance does not object to the remaining items listed on the ROPS 21-22. If the Agency disagrees with our determination with respect to any items on the ROPS 21-22, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 21-22. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 21-22 form submitted by the Agency and this determination letter will be posted on our website:

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

This determination is effective for the ROPS 21-22 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 adjusted even if not adjusted on this 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.

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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 law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Todd Vermillion, Supervisor, or Jeremy Bunting, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Grant Yates, Executive Director, City of Lake Elsinore
Pam Elias, Chief Accountant, Property Tax Division, Riverside County

Approved RPTTF Distribution July 2021 through June 2022			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 10,997,795	\$ 4,427,033	\$ 15,424,828
Administrative RPTTF Requested	207,609	207,608	415,217
Total RPTTF Requested	11,205,404	4,634,641	15,840,045
RPTTF Requested	10,997,795	4,427,033	15,424,828
<u>Adjustment(s)</u>			
Item No. 12	(968,098)	0	(968,098)
Item No. 13	(414,830)	0	(414,830)
Item No. 33	(89,719)	0	(89,719)
	(1,472,647)	0	(1,472,647)
RPTTF Authorized	9,525,148	4,427,033	13,952,181
Administrative RPTTF Authorized	207,609	207,608	415,217
ROPS 18-19 prior period adjustment (PPA)	(1,556,619)	0	(1,556,619)
Total RPTTF Approved for Distribution	\$ 8,176,138	\$ 4,634,641	\$ 12,810,779