



Transmitted via e-mail

April 15, 2022

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

2022-23 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, 2022 through June 30, 2023 (ROPS 22-23) to the California Department of Finance (Finance) on February 1, 2022. Finance has completed its review of the ROPS 22-23.

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 \$2,497,345 from Redevelopment Property Tax Trust Fund (RPTTF) funding in error. According to documentation provided by the Agency, the \$1,258,532 requested for the ROPS 22-23A period should be \$987,419 (a decrease in funding by \$271,113), and the \$1,238,813 requested for the ROPS 22-23B period should be \$954,770 (a decrease in funding by \$284,043). Therefore, with the Agency's concurrence, Finance made an adjustment to decrease the requested amount of \$2,497,345 in RPTTF funding by \$555,156 ($\$271,113 + \$284,043$) to \$1,942,189.
- Item No. 13 – Summerly DDA Extraordinary Infrastructure Fund. The Agency requested \$105,073 from RPTTF funding in error. According to documentation provided by the Agency, the \$60,506 requested for the ROPS 22-23A period should be \$0 (a decrease in funding by \$60,506), and the \$44,567 requested for the ROPS 22-23B period should be \$37,921 (a decrease in funding by \$6,646). Therefore, with the Agency's concurrence, Finance made an adjustment to decrease the requested \$105,073 in RPTTF funding by \$67,152 ($\$60,506 + \$6,646$) to \$37,921.
- Item No. 20 – Housing Fund Loan. The Agency requested \$5,451,174 from RPTTF funding in error. According to documentation provided by the Agency, the \$5,451,174 requested for the ROPS 22-23A period should be \$4,543,360. Therefore, with the Agency's concurrence, Finance made an adjustment to decrease the requested amount of \$5,451,174 in RPTTF funding by \$907,814 to \$4,543,360.

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, 2019 through June 30, 2020 (ROPS 19-20) period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 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.

The Agency's maximum approved RPTTF distribution for the reporting period is \$13,528,191, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2022 through December 31, 2022 period (ROPS A period), and one distribution for the January 1, 2023 through June 30, 2023 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 22-23 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 approves the remaining items listed on the ROPS 22-23 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 22-23, 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 22-23. 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 22-23 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 22-23 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 Lynel Ford, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program, Budget Manager

cc: Cheryl Murase, Principal, City of Lake Elsinore
Jennifer Baechel, Property Tax Chief, Riverside County

Approved RPTTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 10,712,510	\$ 5,141,768	\$ 15,854,278
Administrative RPTTF Requested	256,829	256,828	513,657
Total RPTTF Requested	10,969,339	5,398,596	16,367,935
RPTTF Requested	10,712,510	5,141,768	15,854,278
<u>Adjustment(s)</u>			
Item No. 12	(271,113)	(284,043)	(555,156)
Item No. 13	(60,506)	(6,646)	(67,152)
Item No. 20	(907,814)	0	(907,814)
	(1,239,433)	(290,689)	(1,530,122)
RPTTF Authorized	9,473,077	4,851,079	14,324,156
Administrative RPTTF Authorized	256,829	256,828	513,657
ROPS 19-20 prior period adjustment (PPA)	(1,309,622)	0	(1,309,622)
Total RPTTF Approved for Distribution	\$ 8,420,284	\$ 5,107,907	\$ 13,528,191