



**REPORT TO SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE
CITY OF LAKE ELSINORE**

**TO: HONORABLE CHAIR
AND MEMBERS OF THE SUCCESSOR AGENCY**

FROM: GRANT YATES, EXECUTIVE DIRECTOR

DATE: January 14, 2020

**SUBJECT: Recognized Obligation Payment Schedule (ROPS 20-21) for July 1, 2020
through June 30, 2021**

Recommendation

Adopt A RESOLUTION OF THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 20-21) AND ADMINISTRATIVE BUDGET FOR JULY 1, 2020 THROUGH JUNE 30, 2021

Background

As part of the dissolution of the former Redevelopment Agency, Health and Safety Code Section 34177 (added by AB 1X 26, as amended to date) requires the Successor Agency to adopt a Recognized Obligation Payment Schedule (ROPS) that lists all obligations of the former redevelopment agency that are enforceable within the meaning of subdivision (d) of Section 34167 for each twelve month period of each fiscal year. The Successor Agency has previously adopted ROPS for prior twelve month periods. The previous ROPS have been approved by the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore and the State Department of Finance (DOF).

Discussion

Applicable law requires that the ROPS for July 2020 through June 2021 be submitted to DOF and the State Controller's office, after approval by the Riverside Countywide Oversight Board, no later than February 1, 2020. The DOF has five (5) days after submittal to request a review and forty-five (45) days to review the ROPS if it decides to do so. If the ROPS is not submitted by the deadline, the City is subject to a \$10,000 fine for every day the ROPS is late and the administrative cost allowance for the Successor Agency is reduced by 25% after 10 days.

As the Successor Agency winds down the former Redevelopment Agency, the primary remaining enforceable obligations are the outstanding bonds, Stadium operation and maintenance, Housing Fund Loan Repayment, and the Summerly Disposition and Development Agreement. New Line Items 52, 54 and 55 have been added to the ROPS 20-

21 in anticipation to the issuance later this year of Subordinated Tax Allocation Refunding Bonds, Series 2020A,B and C. In addition, Line Item 35 has been added to make up the shortfall in RPTTF allocation to the Successor Agency from ROPS 19-20B that reduced funding for Successor Agency Administrative Expenses. Finally, pursuant to Health & Safety Code Section 34171(d)(1)(F)(ii), a new Line Item 56 has been added for reimbursement of legal expenses incurred by the City's LMIHAF in connection with the litigation against DOF relating to the Housing Fund Loan (ROPS Item #20). The City and the Successor Agency obtained a Final Judgment determining that the Housing Fund Loan (ROPS Item #20) is an enforceable obligation payable from RPTTF. These items are presented on the ROPS in a manner consistent with previous ROPS.

In compliance with DOF guidance, all administrative costs, including city staff support costs, professional outside services, auditors and other administrative expenses have been combined into one line item. The annual administrative cost budget incorporated into the ROPS is \$ 381,730.

The attached ROPS 20-21 for the period July 1, 2020 – June 30, 2021 follows the form prescribed by the DOF and incorporates all of the remaining obligations identified in the previous ROPS. The attached ROPS 20-21 will be considered by the Riverside Countywide Oversight Board on January 30, 2020.

Prepared By: Barbara Leibold, Successor Agency Counsel

Approved By: Grant Yates, Executive Director

Exhibits

- A - Successor Agency Resolution
- B - Recognized Obligation Payment Schedule of the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21)
- C - Administrative Budget (ROPS 20-21)