

**LOAN AGREEMENT FOR ADMINISTRATIVE COSTS
(FOR THE PERIOD JANUARY 1, 2020 – JUNE 30, 2020, ROPS 19-20B)**

This **Loan Agreement for Administrative Costs** (for the Period January 1, 2020 – June 30, 2020, ROPS 20-21B) (“Agreement”) is dated for identification purposes as of January 14, 2020. This Agreement is entered into between the City of Lake Elsinore, a California general law city and municipal corporation (“City”) and the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore, formed and existing in accord with Section 34173 of the California Community Redevelopment Law (“CRL”) (Health & Safety Code Section 33000, et seq.) (“Successor Agency”).

RECITALS

Whereas, under the provisions of the CRL, the City Council of the City of Lake Elsinore previously established the Redevelopment Agency of the City of Lake Elsinore, a public body, corporate and politic (“Agency”), to carry out the purposes of and exercise the powers granted to community redevelopment agencies under the CRL;

Whereas, on February 1, 2012, the Agency was dissolved by operation of Assembly Bill 1X26 (Stats. 2011, 1st Ex. Sess., Ch. 5) (“AB 26”), and its rights, powers, duties and obligations were transferred to a “successor agency” (as defined in CRL Section 34171(j) and Section 34173);

Whereas, as provided by AB 26, the City Council took official action electing to become the Agency’s successor agency (“Successor Agency”) under CRL Section 34173;

Whereas, on or about June 27, 2012, the provisions of Assembly Bill 1484 (“AB 1484”) became law. AB 1484 modified the CRL and AB 26 in various ways. As used herein, the term “CRL” means Health & Safety Code Section 33000, et seq., as modified by AB 26 and AB 1484. Specific terms used and not otherwise defined in this Agreement will have the meanings given to those terms in the CRL;

Whereas CRL Section 34173(h) permits the City, as the former Agency’s creating authority, to loan or grant funds to the Successor Agency to pay for enforceable obligations, administrative costs, and project-related expenses;

Whereas, the Successor Agency received an insufficient distribution from the Redevelopment Property Tax Trust Fund (established pursuant to CRL Section 34170.5 and administered by the County Auditor-Controller in accord with CRL Sections 34182 and 34183) maintained by the Riverside County Auditor-Controller (“RPTTF”) to fully fund administrative costs identified on its Recognized Obligation Payment Schedule for the period of January 1, 2020 through June 30, 2020 as approved by the Riverside Countywide Oversight Board and DOF (“ROPS 19-20B”);

Whereas, the ROPS 19-20B approved by the Riverside Countywide Oversight Board and DOF included an allocation of RPTTF for repayment of the Housing Fund Loan (ROPS Item #20) with the notation that in the event RPTTF revenues are lower than anticipated, the payment to the Housing Fund would be adjusted accordingly in order to first satisfy all other obligations consistent with the terms of the Housing Fund Loan;

Whereas, Successor Agency has requested that the City loan it the principal sum of One Hundred Forty-Six Thousand Five Hundred Forty Dollars (\$146,540) ("Loan") in the event the reduction in the repayment of the Housing Fund Loan (ROPS Item #20) is insufficient to pay its administrative costs set forth in the ROPS 19-20B; and

Whereas, the City is willing to make the Loan under the authority of CRL Section 34173(h) on the terms set forth in this Agreement and to the extent such funds are necessary so that the Successor Agency may pay such administrative costs.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing Recitals and the terms contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Effective Date. This Agreement will not become effective until the date ("Effective Date") all of the following have occurred:

- (a) This Agreement has been approved by the City Council as the City's governing body and by the Successor Agency and has been executed by the City's and the Successor Agency's authorized officials.
- (b) This Agreement has been approved by the Oversight Board to the Successor Agency formed in accord with CRL Section 34179.

2. Loan Agreement. The City agrees to disburse the Loan to the Successor Agency upon the Successor Agency's request in the event the reduction in the repayment of the Housing Fund Loan (ROPS Item #20) is insufficient to pay its administrative costs set forth in the ROPS 19-20B. The Loan will be disbursed to the Successor Agency to be held in its accounts and may be used to pay any of the Successor Agency's administrative costs set forth in the ROPS 19-20B.

3. Interest and Repayment Terms. All disbursed and outstanding Loan amounts will accrue interest at the rate earned by funds deposited by the City into the Local Agency Investment Fund, as it may be adjusted from time-to-time ("LAIF Rate"), from the date of disbursement until fully repaid.

4. Use of the Loan. The Successor Agency shall utilize the proceeds of the Loan to pay for the administrative expenses of the Successor Agency in light of the fact that the monies received by the Successor Agency as of January 1, 2020 as the remittance from the Redevelopment Property Tax Trust Fund are not estimated to be sufficient when added to other available funds of the Successor Agency, to fully pay for administrative costs of the Successor Agency for the period January 1, 2020 through June 30, 2020.

5. Source of Repayment of the Loan. The Loan shall be repaid by the Successor Agency from revenues available to the Successor Agency.

6. Inclusion on Recognized Obligation Payment Schedule.

(a) The Successor Agency will identify this Agreement as an enforceable obligation under CRL 34173(h) on the Recognized Obligation Payment Schedule to be submitted by the Successor Agency to the Department of Finance for the period covering July 1, 2020 through June 30, 2021 ("ROPS 20-21"). The Successor Agency will request an allocation of property taxes from the "RPTTF on the ROPS 20-21 and each subsequent Recognized Obligation Payment Schedule ("ROPS") covering any fiscal period in which the Successor Agency has a Loan repayment obligation under this Agreement. If, for any reason whatsoever, the Successor Agency does not receive sufficient allocations of property taxes from the RPTTF so as to fully repay the Loan and accrued interest, the Successor Agency will continue to make allocation requests on all subsequent ROPS until the Loan and all accrued interest has been fully repaid. The amount of each allocation request will be equal to the sum of the Successor Agency's repayment obligation arising during the period covered by the ROPS plus the remaining balance (if any) of any repayment due during a prior ROPS period which was not fully paid.

(b) The Successor Agency will prepare each ROPS as required by the CRL and submit it to the Oversight Board and such other governmental agencies as the CRL may require from time-to-time. The Successor Agency will take all other actions as required by the CRL or other applicable authority to ensure that the Successor Agency receives an allocation of taxes from RPTTF in the amounts necessary to satisfy the Successor Agency's payment obligations under this Agreement.

7. Amendment or Modification. This Agreement and the Successor Agency's obligations under it may be amended or modified only in the following ways:

(a) By the mutual written agreement of the City and the Successor Agency, following all notices, hearings and approvals required by then-applicable provisions of the CRL and other legal authority.

(b) As required to conform to future changes in the CRL, other applicable legal authority, or pursuant to an order or judgment of a court of competent jurisdiction.

8. No Other Successor Agency Income or Assets Subject to Repayment Obligation. No funds or other assets of the Successor Agency other than property tax allocations from the RPTTF may be used for the repayment of the Successor Agency's obligations under this Agreement.

9. Remedies for Breach. If the Successor Agency fails for any reason whatsoever to fulfill its obligations under this Agreement, the City may, without notice or demand, accelerate all payments to become due under this Agreement and declare the entirety of the unpaid Loan principal and accrued interest immediately due and payable.

**SIGNATURE PAGE TO
LOAN AGREEMENT FOR ADMINISTRATIVE COSTS
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CITY

City of Lake Elsinore, a California municipal corporation

By: _____
Name: Brian Tisdale
Title: Mayor

ATTEST:

By: _____
Candice Alvarez, MMC City Clerk

SUCCESSOR AGENCY

**The Successor Agency to the
Redevelopment Agency of the City of Lake
Elsinore**, a public entity created and existing
under the authority of CRL Section 34173

By: _____
Name: Brian Tisdale
Title: Chair

ATTEST:

SUCCESSOR AGENCY SECRETARY

By: _____
Candice Alvarez, MMC, Agency
Secretary

APPROVED AS TO FORM:

By: _____
Barbara Leibold, City Attorney/
Successor Agency Counsel