DEPARTMENT OF FINANCE
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November 15, 2019

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

Dear Mr. Simpson:

Subject: 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, 2020 through June 30, 2020 (Amended ROPS 19-20B) to the California Department of Finance (Finance) on October 1, 2019. Finance has completed its review of the Amended ROPS 19-20B.

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

- Item No. 12 – Summerly Developer Disposition Agreement (DDA) with the requested increase of $348,937 in Redevelopment Property Tax Trust Fund (RPTTF) has been adjusted. Documentation provided by the Agency indicates an adjustment of $436,118 is needed for the payment of this item. Therefore, Finance is increasing the requested amount of $348,937 by $87,181, for a total of $436,118 in RPTTF funding.

- Item No. 13 – Summerly DDA Extraordinary Infrastructure Fund with the requested adjustment of $50,950 in RPTTF is not approved. To be eligible to request an amendment to the ROPS under HSC section 34177 (o) (1) (E), the request must be to make a necessary payment on an approved enforceable obligation in the second half of the ROPS period. Since this request is not necessary for the payment of this item, the requested amendment is not approved.

- Item No. 20 – Housing Fund Loan with the requested $5,125,206 in RPTTF is partially adjusted. In compliance with the June 30, 2019 Court decision (Sacramento County Case No. 34-2017-80002762), Finance no longer denies this item. However, the funding for this item is based on residual RPTTF. Per an estimate by the Agency, the estimated residual RPTTF on the ROPS 19-20B distribution is $2,003,570, including an Agency estimate of supplemental revenue of $271,000. After accounting for the additional RPTTF approved for Item No. 12, in the amount of $436,118, the expected RPTTF residual from the ROPS 19-20B distribution is $1,567,452. Therefore, Finance is adjusting the requested amount of $5,125,206 by $3,557,754 to $1,567,452 to reflect the residual available for the payment of this item.

Except for the adjustments denied in whole or in part, Finance is not objecting to the remaining adjustments listed on your Amended ROPS 19-20B.

The Agency's amended maximum approved RPTTF distribution for the ROPS 19-20B period is $8,813,557 as summarized in the Approved RPTTF Distribution table (See Attachment).

Please refer to the ROPS 19-20B 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 19-20B. Please note there is not a Meet and Confer option for the Amended ROPS process, so 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 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 Todd Vermillion, Supervisor, or Michael Painter, Lead Analyst, at (916) 322-2985.

Sincerely,

Cheryl L. McCormick

JENNIFER WHITAKER
Program Budget Manager

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

Attachment

Approved RPTTF Distribution January 2020 through June 2020	
Authorized RPTTF on ROPS 19-20B	$6,663,447
Authorized Administrative RPTTF on ROPS 19-20B	146,540
Total Authorized RPTTF on ROPS 19-20B	**6,809,987**
Total Requested 19-20B RPTTF Adjustments	**5,525,093**
Finance RPTTF Adjustments	
Item No. 12	87,181
Item No. 13	(50,950)
Item No. 20	(3,557,754)
Authorized 19-20B RPTTF Adjustments	**2,003,570**
Total Amended ROPS 19-20B RPTTF approved for distribution	**8,813,557**