



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

To: Honorable Chair and Members of the Successor Agency

From: Jason Simpson, Executive Director

Prepared by: Barbara Leibold, Agency Attorney

Date: January 14, 2025

Subject: Recognized Obligation Payment Schedule (ROPS 25-26) for July 1, 2025 through June 30, 2026

Recommendation

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the State CEQA Guidelines; and
2. Adopt a RESOLUTION OF THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 25-26) AND ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2025, THROUGH JUNE 30, 2026

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 2025 through June 2026 be submitted to DOF and the State Controller's office, after approval by the Riverside Countywide Oversight Board, no later than February 1, 2025. 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.

The attached ROPS 25-26 for the period July 1, 2025 – June 30, 2026 follows the form prescribed by the DOF and incorporates all of the remaining obligations identified in the previous ROPS. Notably, the Housing Fund Loan (Line 20) has been retired along with other less significant obligations. As a result, the RPTTF required to fund the Successor Agency's enforceable obligations in the 25-26 ROPS is reduced by more than \$8.2 million compared to the 24-25 ROPS period. As the Successor Agency winds down the former Redevelopment Agency, the primary remaining enforceable obligations are the outstanding bonds, Stadium operation and maintenance, and the Summerly Disposition and Development Agreement. No new line items have been added.

In compliance with DOF guidance, all administrative costs have been combined into one line item and Successor Agency staff has prepared the attached administrative budget for the fiscal period commencing on July 1, 2025 and continuing through June 30, 2026 ("FY 2025 - 2026 Administrative Budget"). The Successor Agency is entitled to an administrative cost allowance (the "Administrative Cost Allowance") pursuant to Health and Safety Code Sections 34171(b) and 34183(a)(3) in the approximate amount of \$549,329 for the 2025-25 fiscal year of which approximately \$274,665 will be disbursed July 1, 2025 and approximately \$274,665 will be disbursed January 2, 2026.

The attached ROPS 25-26 and FY 2025-2026 Administrative Budget will be considered by the Riverside Countywide Oversight Board on January 16, 2025 and subsequently submitted to the State Department of Finance.

CEQA Exemption

Pursuant to the California Environmental Quality Act (CEQA), based upon a review of the evidence and information presented on the matter, adoption of the ROPS FY 2025-26 and the Administrative Budget FY 2025-26 is categorically exempt from CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines because there is no possibility that the activities in question will have a significant impact on the environment and the amendment is merely the adoption of annual budget; it will not require any construction activities and will not lead to any direct or reasonably foreseeable indirect physical environmental impacts.

Attachments

Attachment 1 – Resolution
Exhibit A – ROPS 25-26
Exhibit B – Administrative Budget FY 25-26

City Attorney