

29) **Amended Recognized Obligation Payment Schedule (ROPS 23-24B) for the Period January 1, 2024 Through June 30, 2024**

Adopt A RESOLUTION OF THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 23-24B) FOR JANUARY 1, 2024 THROUGH JUNE 30, 2024.



REPORT TO SUCCESSOR AGENCY

To: Honorable Chair and Members of the Successor Agency

From: Jason Simpson, Executive Director

Prepared by: Barbara Leibold, Agency Counsel

Date: September 12, 2023

Subject: Amended Recognized Obligation Payment Schedule (ROPS 23-24B) for the Period January 1, 2024 Through June 30, 2024

Recommendation

Adopt A RESOLUTION OF THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 23-24B) FOR JANUARY 1, 2024 THROUGH JUNE 30, 2024.

Background

The former Redevelopment Agency for Lake Elsinore ("Former Agency") was formed, existed and exercised its powers pursuant to the Community Redevelopment law (California Health and Safety Code section 33000 et seq.).

Pursuant to Assembly Bill No. 1X 26, as modified by Assembly Bill No. 1484 enacted on June 27, 2012, and as further modified by Senate Bill No. 107 enacted September 22, 2015, which added or amended Parts 1.8 and 1.85 to Division 24 of the Health and Safety Code ("Dissolution Act"), the Former Agency was dissolved on February 1, 2012 and the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore ("Successor Agency") was vested with all authority, rights, powers, duties and obligations of the Former Agency.

Successor Agency staff has prepared the proposed Amended Recognized Obligation Payment Schedule (23-24B) for the period of January 1, 2024 through June 30, 2024 ("Amended ROPS FY 23-24B"), substantially in the form attached hereto and incorporated herein by this reference.

No new enforceable obligations are included in Amended ROPS FY 23-24B that were not included in the previously adopted ROPS.

Pursuant to Section 34177 and 34180(g) of the Health and Safety Code, the Amended ROPS FY 23-24B must be submitted to the Countywide Oversight Board for approval. The Amended ROPS FY 23-24B has been submitted to the Riverside Countywide Oversight Board ("RCOB") for consideration and approval at its September 21, 2023 meeting.

Discussion

The Amended ROPS FY 23-24B requests additional Redevelopment Property Tax Trust Fund ("RPTTF") monies for the following enforceable obligations:

A. ROPS ITEM 20 – HOUSING FUND LOAN

Pursuant to a Housing Fund Loan Agreement dated as of December 1, 1995, by and between the Former Agency and the Lake Elsinore Public Financing Authority, the Former Agency made a loan from the Housing Fund to the Project Areas to repay a portion of certain prior obligations and fund other redevelopment activities in the Project Areas (the "Interfund Loans"). The Interfund Loans remain outstanding and are reflected on the Agency's Recognized Obligation Payment Schedules on line 20 (referred to therein as the "Housing Fund Loan"). DOF approved allocations of RPTTF to pay down the Interfund Loans (aka "Housing Fund Loan") in the Agency's ROPS III, 13-14A, 13-14B and 14-15A. However, commencing with the Recognized Obligation Payments Schedule for the second half of Fiscal Year 2014-15 (ROPS 14-15B), DOF reversed its position and determined that the Interfund Loans (aka "Housing Fund Loan") were not enforceable obligations payable from RPTTF. Ultimately the dispute was litigated and the Successor Agency prevailed.

In the action entitled City of Lake Elsinore and Successor Agency of the Redevelopment Agency of the City of Lake Elsinore v. Michael J. Cohen, et al, Case Number 34-2017-80002762, the court upheld and confirmed the enforceability of the Interfund Loans (aka "Housing Fund Loan"). In accordance with the Judgment, the Oversight Board and DOF have again approved an allocation of RPTTF for Line Item 20 commencing ROPS 19-20B.

The Successor Agency is permitted to request RPTTF to make payments under the Interfund Loans (aka "Housing Fund Loan") to the City in its capacity as the successor to the Former Agency's housing functions and assets. Because payments on the Interfund Loans are expressly subordinate to all other enforceable obligations of the Successor Agency, the amount of the payment on the Interfund Loan requested in each ROPS period consists of the difference between the RPTTF expected to be available for payment of enforceable obligations for that period, and the amount of other enforceable obligations as listed on the ROPS. For the Amended ROPS FY 23-24B, an additional \$2,264,067 is requested for a total allocation of \$5,117,061 based on the RPTTF expected to be available after payment of all other enforceable obligations.

B. ROPS ITEM 45 – ARBITRAGE FEES

Pursuant to SEC requirements, the Successor Agency is required to perform arbitrage calculations on all tax-exempt bonds commencing on the fifth year after issuance and every five years thereafter.

The original estimate for these services for the ROPS 23-24 period was \$4,500. Based on updated estimates provided by the Successor Agency's financial advisor, the cost for these professional services will be \$9,000. Therefore, the Successor Agency is requesting an additional \$4,500 for Line 45 on the Amended ROPS FY 23-24B.

CEQA Exemption

Pursuant to the California Environmental Quality Act (CEQA), based upon a review of the evidence and information presented on the matter as it relates to the adoption of the Amended ROPS FY 23-24B, the Successor Agency has determined that such approval 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

Attachment 2 - Amended ROPS FY 23-24B

RESOLUTION NO. SA-2023-___

**A RESOLUTION OF THE SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE,
CALIFORNIA APPROVING THE AMENDED RECOGNIZED
OBLIGATION PAYMENT SCHEDULE (ROPS 23-24B) FOR JANUARY 1,
2023 THROUGH JUNE 30, 2023**

WHEREAS, the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore ("Successor Agency") is charged with implementing enforceable obligations and winding down the affairs of the former Redevelopment Agency of the City of Lake Elsinore (the "Agency") in accordance with the California Health & Safety Code; and,

WHEREAS, Senate Bill (SB) 107, enacted in September 2016, added Health & Safety Code ("HSC") Section 34177(o) requiring the Successor Agency to prepare and adopt a "Recognized Obligation Payment Schedule" that lists all obligations of the former redevelopment agency that are enforceable within the meaning of subdivision (d) of Section 34171 for twelve month periods, including July 2022 through June 2023; and,

WHEREAS, SB 107 permits an amended ROPS 23-24B for the period January 1, 2023 through June 30, 2023 to be submitted to the Department of Finance and the State Controller's office, after approval by the Oversight Board, no later than October 1, 2022 or be subject to penalties; and,

WHEREAS, HSC Section 34177.7(o)(1)(E), permits an Amended ROPS 23-24B provided that the Oversight Board makes a finding that a revision to the ROPS is necessary for the payment of approved enforceable obligations during the ROPS 23-24B period, and,

WHEREAS, on September 21, 2023, the Countywide Oversight Board of the County of Riverside will consider making the finding that a revision to ROPS 23-24 is necessary for the payment of enforceable obligations during the second half of the ROPS period and consider the approval of the Amended Recognized Obligation Payment Schedule (ROPS 23-24B) for January 1, 2023 through June 30, 2023, in the form attached as Exhibit A; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. The Successor Agency hereby approves the Schedule attached hereto as Exhibit A as the Amended Recognized Obligation Payment Schedule 23-24B for the period January 1, 2023 through June 30, 2023. Pursuant to Health & Safety Code Section 34173, the Successor Agency's liability, including, but not limited to, its liability for the obligations on the attached schedule, is limited to the total sum of property tax revenues it receives pursuant to Part 1.85 of AB X1 26.

Section 3. Executive Director Simpson, or his designee, is hereby authorized to submit the ROPS to such parties as may be required in accordance with the Health & Safety Code, and to take such other actions on behalf of the Successor Agency with respect to the ROPS as may be necessary in accordance with applicable law.

Section 4. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

Section 5. This Resolution shall take effect from and after the date of its passage and adoption in accordance with, and subject to, all applicable requirements of the Health & Safety Code.

PASSED, APPROVED AND ADOPTED by the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore, California, this 12th day of September, 2023.

Timothy J. Sheridan, Chair

ATTEST:

Candice Alvarez, MMC
Secretary

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF LAKE ELSINORE)

I, Candice Alvarez, Secretary to the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore, California, hereby certify that Resolution No. SA-2023-____ was adopted by the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore at a Regular meeting held on the 12th day of September, 2023 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Candice Alvarez, MMC
Agency Secretary

EXHIBIT A

AMENDED ROPS 23-24B

[attached]

Amended Recognized Obligation Payment Schedule (ROPS 23-24B) - Summary
Filed for the January 1, 2024 through June 30, 2024 Period

Successor Agency: Lake Elsinore

County: Riverside

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	ROPS 23-24B Authorized Amounts	ROPS 23-24B Requested Adjustments	ROPS 23-24B Amended Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 4,169,386	\$ -	\$ 4,169,386
B Bond Proceeds	-	-	-
C Reserve Balance	3,874,176	-	3,874,176
D Other Funds	295,210	-	295,210
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 9,042,138	\$ 2,268,567	\$ 11,310,705
F RPTTF	8,834,981	2,268,567	11,103,548
G Administrative RPTTF	207,157	-	207,157
H Current Period Enforceable Obligations (A+E)	\$ 13,211,524	\$ 2,268,567	\$ 15,480,091

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/ _____
Signature Date

Lake Elsinore
Amended Recognized Obligation Payment Schedule (ROPS 23-24B) - ROPS Detail
January 1, 2024 through June 30, 2024

Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Total	Requested Adjustments					Total	Notes
				Fund Sources						Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
			\$194,514,239	\$-	\$3,874,176	\$295,210	\$8,834,981	\$207,157	\$13,211,524	\$-	\$-	\$-	\$2,268,567	\$-	\$2,268,567	
12	Summerly DDA	OPA/DDA/ Construction	\$56,374,979	-	3,281,134	-	1,522,410	-	\$4,803,544	-	-	-	-	-	\$-	
13	Summerly DDA Extraordinary Infrastructure Fund	OPA/DDA/ Construction	\$8,409,949	-	593,042	-	166,161	-	\$759,203	-	-	-	-	-	\$-	
18	City Reimbursement LERA	Bond Reimbursement Agreements	\$11,291,350	-	-	-	565,100	-	\$565,100	-	-	-	-	-	\$-	
20	Housing Fund Loan	Third-Party Loans	\$20,377,079	-	-	-	2,852,994	-	\$2,852,994	-	-	-	2,264,067	-	\$2,264,067	
22	Legal Services	Fees	\$40,000	-	-	-	20,000	-	\$20,000	-	-	-	-	-	\$-	
23	Consultant Fees	Fees	\$21,890	-	-	-	10,945	-	\$10,945	-	-	-	-	-	\$-	
28	Estimated Admin Cost	Admin Costs	\$414,315	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
29	Stadium License Agreement	Miscellaneous	\$2,718,875	-	-	295,210	-	-	\$295,210	-	-	-	-	-	\$-	
30	Stadium Maintenance Agreement	Property Maintenance	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
31	Stadium Concession Agreement	Miscellaneous	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
32	Stadium Operation and Maintenance	Property Maintenance	\$35,000,000	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
33	Interim Stadium Management Agmt.	Miscellaneous	\$2,295,870	-	-	-	1,110,706	-	\$1,110,706	-	-	-	-	-	\$-	
35	Administrative Reimbursement	RPTTF Shortfall	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
39	Bond Disclosure Services	Fees	\$196,300	-	-	-	18,050	-	\$18,050	-	-	-	-	-	\$-	
40	Property Maintenance	Property Maintenance	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
41	Subordinated Tax Allocation Refunding Bonds, Series 2015	Bonds Issued After 12/31/10	\$4,374,222	-	-	-	175,878	-	\$175,878	-	-	-	-	-	\$-	
42	Fiscal Agent Fees	Fees	\$136,100	-	-	-	7,400	-	\$7,400	-	-	-	-	-	\$-	
44	Reconveyance Cost	Property Dispositions	\$12,000	-	-	-	6,000	-	\$6,000	-	-	-	-	-	\$-	
45	Arbitrage Fees	Fees	\$54,500	-	-	-	4,500	-	\$4,500	-	-	-	4,500	-	\$4,500	
46	Third Lien Tax Allocation Bonds, Series 2018A	Bonds Issued After 12/31/10	\$2,527,113	-	-	-	80,013	-	\$80,013	-	-	-	-	-	\$-	
47	Third Lien Tax Allocation Bonds, Series 2018B (Federally Taxable)	Bonds Issued After 12/31/10	\$8,386,006	-	-	-	295,966	-	\$295,966	-	-	-	-	-	\$-	
48	Subordinated Tax Allocation Refunding Bonds, Series 2019A	Bonds Issued After 12/31/10	\$12,501,500	-	-	-	363,375	-	\$363,375	-	-	-	-	-	\$-	
49	Interim Stadium Management Agmt.	RPTTF Shortfall	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	

Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Total	Requested Adjustments					Total	Notes
				Fund Sources						Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
50	Tax Allocation Refunding Bonds, Series 2019B (Housing-Set-Aside)	Bonds Issued After 12/31/10	\$2,855,594	-	-	-	361,430	-	\$361,430	-	-	-	-	-	\$-	
52	Tax Allocation Refunding Bonds, Series 2020A	Bonds Issued After 12/31/10	\$15,840,100	-	-	-	892,500	-	\$892,500	-	-	-	-	-	\$-	
54	Third Lien Tax Allocation Bonds, Series 2020B	Bonds Issued After 12/31/10	\$6,701,250	-	-	-	152,400	-	\$152,400	-	-	-	-	-	\$-	
55	Third Lien Tax Allocation Bonds, Series 2020C (Federally Taxable)	Bonds Issued After 12/31/10	\$3,985,247	-	-	-	229,153	-	\$229,153	-	-	-	-	-	\$-	
57	City Reimbursement LERA	Bonds Issued After 12/31/10	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	