



May 17, 2013

Mr. Nathan Hamburger, Assistant Executive Director
City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301

Dear Mr. Hamburger:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 10, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Agoura Hills Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14A) to Finance on February 26, 2013, for the period of July through December 2013. Finance issued a ROPS determination letter on April 10, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific items being disputed.

Based on our review, Finance approved all items listed on the Agency's ROPS 13-14A. However, the Agency requested \$533,305 from Reserve funding for Items 1, 2, 23, and 24, which are approved enforceable obligations. During the initial review, the funding source for these items was changed to the Redevelopment Property Tax Trust Fund (RPTTF). However, the Agency requested to keep some of the items as "Reserve" funded. Our review indicates that the Agency was permitted to retain \$407,704 through the Other Funds and Accounts (OFA) Due Diligence Review (DDR) process to pay for some of these costs. Therefore, the Agency will use Reserve funds in the amounts of \$32,500 for Item 1, \$80,000 for Item 2, and \$295,204 for Item 23. The remaining \$125,601 (\$87,539 for Item 23 and \$38,062 for Item 24) will remain classified under RPTTF.

Except for items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 13-14A. Obligations deemed not to be enforceable shall be removed from your ROPS.

The Agency's maximum approved RPTTF distribution for the reporting period is \$832,575 as summarized on the following page:

Approved RPTTF Distribution Amount	
For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 567,969
Plus: Six-month total for items reclassified as RPTTF:	125,601
Total approved RPTTF for enforceable obligations	<u>\$ 693,570</u>
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	<u>140,175</u>
Minus: ROPS II prior period adjustment	<u>(1,170)</u>
Total RPTTF approved for distribution:	\$ 832,575

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the County Auditor Controller (CAC) and the State Controller. The amount of RPTTF approved in the above table includes the prior period adjustment that was self-reported by the Agency and the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment. Please refer to the worksheet used by the CAC to determine the audited prior period adjustment for the Agency:

<http://www.dof.ca.gov/redevelopment/ROPS/view.php>

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14A Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14A%20Forms%20by%20Successor%20Agency/)

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination 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 that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. 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 successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010, exist and are not encumbered by an enforceable obligation pursuant to 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

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Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Christy Pinuelas, Director of Finance, City of Agoura Hills
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office