



April 13, 2013

Mr. John Prescott, Community Development Director  
City of Thousand Oaks  
2100 Thousand Oaks Blvd  
Thousand Oaks, CA 91362

Dear Mr. Prescott:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Thousand Oaks Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14A) to the California Department of Finance (Finance) on February 27, 2013 for the period of July through December 2013. Finance has completed its review of your ROPS 13-14A, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

- Item Nos. 19 and 20 – TO Business Improvement District and Thousand Oaks Blvd Phase II totaling \$45,594, payable from reserves. The Agency was not able to provide documentation to support the amounts claimed. Therefore, these items are not enforceable obligations at this time and not eligible for funding on the ROPS.
- Item No. 28 – Thousand Oaks Auto Mall Street Parking Modification Project in the amount of \$7.7 million, payable from reserve. This item was denied on prior ROPS and with Meet and Confer determination included in Finance's letter dated December 18, 2012. HSC section 34178 (a) states a successor agency or an oversight board shall not exercise the powers granted by this subdivision to restore funding for an enforceable obligation that was deleted or reduced by the Department of Finance pursuant to subdivision (h) of Section 34179 unless it reflects the decisions made during the meet and confer process with the Department of Finance or pursuant to a court order. Therefore, item is not eligible for funding and it is not an enforceable obligation.

Furthermore, the following funding source changes have been made:

- Pursuant to HSC section 34179.6 (f), the unencumbered Other Funds and Account balances, as determined in the Due Diligence Review by Finance, were required to be remitted to the affecting taxing entities. Therefore, the funding source for Items 13, 14, 21 and 22 have been changed from Reserve Balance to Redevelopment PTF funding.

- Item Nos. 14 and 21—Consulting and Audit Services Costs of \$16,145. These items are considered general administrative costs and have been reclassified. Although this reclassification increased administrative costs to \$153,645, the administrative cost allowance for the fiscal year has not been exceeded.

Except for the items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 13-14A. This determination applies only to items where funding was requested for the six month period. If you disagree with the determination with respect to any items on your ROPS 13-14A, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance’s website below:

[http://www.dof.ca.gov/redevelopment/meet\\_and\\_confer/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

The Agency’s maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$3,957,281 as summarized below:

<b>Approved RPTTF Distribution Amount</b>	
<b>For the period of July through December 2013</b>	
Total RPTTF funding requested for obligations	\$ 3,702,123
Plus: Funding Source changed to RPTTF	
Item 13	100,000
Item 14	11,145
Item 21	5,000
Item 22	1,513
Minus: Six-month total for items denied or reclassified as administrative cost	
Item 14*	(11,145)
Item 21*	(5,000)
Total approved RPTTF for enforceable obligations	<u>\$ 3,803,636</u>
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	153,645
Minus: ROPS II prior period adjustment	-
<b>Total RPTTF approved for distribution:</b>	<b>\$ 3,957,281</b>

\*Reclassified as administrative cost

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. The amount of RPTTF approved in the above table includes the prior period adjustment that was self-reported by the Agency. 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. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the above table includes only the prior period adjustment that was self-reported by the Agency.

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_13-14A_Forms_by_Successor_Agency/).

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.

Please direct inquiries to Beliz Chappuie, Supervisor or Anna Kyumba, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. John F. Adams, Finance Director, City of Thousand Oaks  
Ms. Sandra Bickford, Chief Deputy, County of Ventura Auditor-Controller  
California State Controller's Office