



May 26, 2012

Nathan Hamburger, Assistant City Manager  
City of Agoura Hills  
30001 Lady Face Ct.  
Agoura Hills, Ca 91301

Dear Mr. Hamburger:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Agoura Hills (City) Successor Agency (Agency) submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 15, 2012 for the periods January to June 2012 and July to December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

January through June 2012 ROPS

Except for items disallowed in whole or in part as enforceable obligations (EO) noted below, Finance is approving the remaining items listed in your ROPS. HSC section 34171 (d) lists EO characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as EOs:

- Item 15, pg 1 – Kanan and CanWood Engineering in the amount of \$65,000. The documents provided show contracts or agreements between the City of Agoura Hills and a third party. This item is the City's contract and therefore, not an EO of the Agency.
- Administrative expenses exceed allowance by \$159,550. HSC section 34171 (b) limits fiscal year 2011-12 administrative expenses to five percent of property tax allocated to the successor agency or \$250,000, whichever is greater. Therefore, \$159,550 of the claimed \$409,550 in administrative costs is not an EO. The following line items are considered administrative expenses.

Line Item	Page	Description	Amount
3	1	Auditing services	\$20,000
4	1	General Legal Services	30,000
5	1	Payroll - Project	130,000
6	1	Payroll - Housing	221,000
9	1	Continuing Disclosure/Pass Thru Calc	6,000
14	1	Investment Services	2,550
		Total	\$409,550

July through December 2012 ROPS

Based on our review, we are approving all of the items listed on your ROPS at this time.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at [http://www.dof.ca.gov/assembly\\_bills\\_26-27/view.php](http://www.dof.ca.gov/assembly_bills_26-27/view.php) for the amount of RPTTF that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. 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 in the RPTTF.

Please direct inquiries to Evelyn Suess, Supervisor or Brian Dunham, Lead Analyst at (916) 322-2985.

Sincerely,



MARK HILL  
Program Budget Manager

cc: Ms. Kristina Burns, Program Specialist III, County of Los Angeles Auditor Controller