



May 25, 2012

John C. Prescott, Community Development Director
City of Thousand Oaks Successor Agency
2100 Thousand Oaks Blvd
Thousand Oaks, CA 91362

Dear Mr. Prescott:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Thousand Oaks Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 15, 2012 for 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.

HSC section 34171 (d) lists enforceable obligation (EO) characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as EOs:

January through June 2012 ROPS

- Newbury Road Project Area 5: Form B, line 3(a) and 3(b), Kelley Road Improvements for a total of \$12.8 million
- Thousand Oaks Project Area 2: Form B, line 3, Local Housing Trust Fund for \$600,000
- Thousand Oaks Project Area 2: Form B, line 12(a) and 12(b), Thousand Oaks Blvd Improvements for \$13,940,000
- Thousand Oaks Project Area 2: Form B, line 13, Discovery Center for \$5 million

July through December 2012 ROPS

- Newbury Road Project Area 5: Form B, line 3 and 4, Kelley Road Improvements
- Thousand Oaks Project Area 2: Form B, line 3, Local Housing Trust Fund for \$600,000
- Thousand Oaks Project Area 2: Form B, line 9 and 10, Thousand Oaks Blvd Improvements
- Thousand Oaks Project Area 2: Form B, line 11, Discovery Center

No contracts exist for the project line items stated above. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011, including contracts using funding from tax increment and reserve balance. Additionally, HSC section 34177 (i) states that bonds shall be used for the purpose for which the bonds were sold unless the purposes can no longer be achieved, in which case, the proceeds may be used to defease the bonds. Therefore, the unexpended funds may not be used to enter into new obligations and do not qualify as EOs.

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Except for items disallowed in whole or in part as enforceable obligations noted above, Finance is approving the remaining items listed in your ROPS for both periods. 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 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 Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,



MARK HILL
Program Budget Manager

cc: Mr. Scott Mitnick, City Manager, City of Thousand Oaks
Mr. John Adams, Finance Director, City of Thousand Oaks
Ms. Sandra Bickford, Auditor-Controller, County of Ventura