



May 17, 2013

Ms. Kymberly Horner, Interim Redevelopment Services Manager
Oxnard Community Development Commission Successor Agency
214 South C Street
Oxnard, CA 93030

Dear Ms. Horner:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS 13-14A) letter dated April 14, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Oxnard Community Development Commission Successor Agency (Agency) submitted a ROPS 13-14A to Finance on February 28, 2013 for the period of July through December 2013. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on April 30, 2013.

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.

- Item Nos. 25 through 36 – Affordable Housing Reimbursement Agreements totaling \$14,400. Finance no longer denies these items. These were originally denied due to lack of documentation. During the Meet and Confer process, the Agency provided the contracts for these items to support the amounts claimed. Therefore, these items are eligible for Redevelopment Property Tax Trust Fund (RPPTF) funding on this ROPS.
- Item No. 55 – Legal Services Contract totaling \$75,000. Finance no longer reclassifies this item as an administrative expense. Therefore, this item is eligible for RPTTF funding on this ROPS.
- Item No. 70 – Audit Fees totaling \$30,000. Finance continues to reclassify this item as an administrative expense. The Agency contends that this item is for legislatively mandated audits and is an enforceable obligation. However, the Agency did not provide adequate documentation to support its position. Therefore, Finance continues to consider this item as an administrative expense and be included within the administrative cost allowance.

Administrative costs claimed for RPTTF exceed the allowance by \$100,698. HSC section 34171 (b) limits the fiscal year 2013-14 administrative expenses to three percent of property tax allocated to the successor agency or \$250,000, whichever is greater. As

a result, the Agency is eligible for \$250,000 in administrative expenses. Therefore, \$100,698 of excess administrative cost is not allowed as summarized in the table below:

Eligible administrative costs for fiscal year 2013-14	\$250,000
Administrative costs claimed for July through December 2013	\$350,698
Overage	\$100,698

In addition, per Finance's ROPS letter dated April 14, 2013, the following items continue to be denied and were not contested by the Agency:

- Item No. 14 – Theater Analysis in the amount of \$10,000. Agency was not able to provide documentation to support amounts claimed. Therefore, this item is not eligible for RPTTF funding.
- Item No. 22 – HERO EDKOH Affordable Housing in the amount of \$3 million. The loan agreement is between the City of Oxnard and Sonata at RiverPark Partners. The former RDA is neither a party to the contract nor responsible for payment of the contract. Therefore, this item is not an enforceable obligation and not eligible for RPTTF funding.
- Item No. 69 – Oversight Board Legal Counsel in the amount of \$25,000. This item is considered general administrative expense and had been reclassified.

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. This is Finance's final determination related to the enforceable obligations reported on your ROPS for July through December 2013. Finance's determination is effective for this time period only and should not be conclusively relied on 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 Agency's maximum approved RPTTF distribution for the reporting period is: \$7,184,855 as summarized below:

Approved RPTTF Distribution Amount	
For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 9,856,632
Minus: Six-month total for items denied or reclassified as administrative cost	
Item 14	10,000
Item 22	1,650,000
Item 69*	25,000
Item 70*	30,000
Total approved RPTTF for enforceable obligations	\$ 8,141,632
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	250,000
Minus: ROPS II prior period adjustment	(1,206,777)
Total RPTTF approved for distribution:	\$ 7,184,855

*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%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.

Please direct inquiries to Wendy Griffe, Supervisor or Medy Lamorena, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Curtis P. Cannon, Community Development Director, City of Oxnard
Ms. Sandra Bickford, Chief Deputy, County of Ventura Auditor-Controller
California State Controller's Office