



October 31, 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 13-14B) to the California Department of Finance (Finance) on September 25, 2013 for the period of January through June 2014. Finance has completed its review of your ROPS 13-14B, 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 for the reasons specified:

- Item No. 28 - Thousand Oaks Auto Mall Street Parking Modification Project in the amount of \$7,641,148 in Reserve Balances. Finance continues to deny this item. HSC 34178 (a) states that 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. This item was also denied during Finance Other Funds and Accounts (OFA) Due Diligence Review (OFA) Meet and Confer determination letter dated April 26, 2013.
- Item Nos. 29 and 30 – Projects funded with \$14,324,127 in unspent bond proceeds is not an enforceable obligation. HSC section 34177 (l) (3) states that ROPS should be forward looking to the next six months. It is our understanding that the Agency is requesting for the full amount in unspent bond proceeds to fund projects during the ROPS 13-14B period. In addition, the Expenditure of Excess Bond Proceeds Agreement and Staff Report provided do not indicate that expenditure for the projects will be incurred within the ROPS 13-14B period.
- Administrative costs claimed for Redevelopment Property Tax Trust Fund (RPTTF) exceed the allowance by \$37,507. HSC section 34171 (b) limits the 2013-14 administrative expenses to three percent of property tax allocated to the Agency or \$250,000, whichever is greater.

Allowable administrative cost amount for fiscal year 2013-14	\$258,638
Administrative costs distributed for July through December 2013	153,645
Administrative costs claimed for January through June 2014	142,500
Overage	\$37,507

Pursuant to HSC Section 34186 (a), successor agencies were required to report the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. The amount of RPTTF approved in the below 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 below table includes only the prior period adjustment that was self-reported by the Agency.

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 13-14B. If you disagree with the determination with respect to any items on your ROPS 13-14B, 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 RPTTF distribution for the reporting period is \$3,937,014 as summarized below:

<b>Approved RPTTF Distribution Amount For the period of January through June 2014</b>	
Total RPTTF requested for non-administrative obligations	3,868,793
Total RPTTF requested for administrative obligations	142,500
<b>Total RPTTF requested for obligations</b>	<b>\$ 4,011,293</b>
<b>Total RPTTF approved for non-administrative obligations</b>	<b>3,868,793</b>
Total RPTTF allowable for administrative obligations (see Admin Cost Cap table below)	104,993
<b>Total RPTTF approved for obligations</b>	<b>3,973,786</b>
ROPS III prior period adjustment	(36,772)
<b>Total RPTTF approved for distribution</b>	<b>\$ 3,937,014</b>
<b>Administrative Cost Cap Calculation</b>	
Total RPTTF for 13-14A (July through December 2013)	4,752,479
Total RPTTF for 13-14B (January through June 2014)	3,868,793
Less approved unfunded obligations from prior periods	-
<b>Total RPTTF for fiscal year 2013-14</b>	<b>8,621,272</b>
Allowable administrative cost for fiscal year 2013-14 (Greater of 3% or \$250,000)	258,638
Administrative allowance for 13-14A (July through December 2013)	153,645
<b>Allowable RPTTF distribution for administrative cost for ROPS 13-14B</b>	<b>104,993</b>

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

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14B Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS_13-14B_Forms_by_Successor_Agency/).

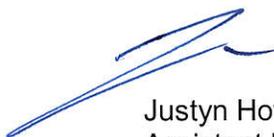
Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2014. This determination applies only to items where funding was requested for the six month period. Finance's determination is effective for this 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,



Justyn Howard  
Assistant Program Budget Manager

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