



October 27, 2014

Ms. Susie L. Mears, Finance Director
City of Ojai
P.O. Box 1570
Ojai, CA 93024

Dear Ms. Mears:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Ojai Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15B) to the California Department of Finance (Finance) on September 12, 2014 for the period of January 1 through June 30, 2015. Finance has completed its review of your ROPS 14-15B, which may have included obtaining clarification for various items.

Based on our review, we are approving all of the items listed on your ROPS 14-15B at this time.

The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b). However, Finance notes the oversight board has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the oversight board to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the oversight board to apply adequate oversight when evaluating the administrative resources required to successfully wind-down the Agency.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2014 period. The amount of RPTTF approved in the table below reflects the prior period adjustment self-reported by the Agency. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of RPTTF approved in the table below only reflects the prior period adjustment self-reported by the Agency and the following adjustment made by Finance.

Based on our review of the Agency's prior period adjustment (PPA) reporting, we noted that the Agency reported Actual Admin RPTTF balances as \$125,000. However, the actual administrative expenditures paid with RPTTF per the Agency financial records totaled \$111,045. Additionally, the Agency reported Available Non-Admin RPTTF balances as \$26,000 and Actual Non-Admin balances as \$24,901 for Item No. 5. However, the Agency did not request or spend any funding for this item. As a result of our review, Finance is hereby adjusting the PPA reported on the ROPS14-15B form by \$12,856 to accurately reflect actual funding available and

actual amounts spent as reported by the Agency. The total PPA, as calculated by Finance is \$13,955.

The Agency's maximum approved RPTTF distribution for the reporting period is \$111,045 as summarized in the Approved RPTTF Distribution Table below:

Approved RPTTF Distribution	
For the period of January through June 2015	
Total RPTTF requested for non-administrative obligations	0
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations on ROPS	\$ 125,000
RPTTF adjustment to non-administrative obligations	0
RPTTF adjustment to administrative obligations	0
Total RPTTF adjustments	\$0
Total RPTTF authorized for non-administrative obligations	0
Total RPTTF authorized for administrative obligations	125,000
Total RPTTF authorized for obligations	\$ 125,000
Self-reported ROPS 13-14B prior period adjustment (PPA)	(1,099)
Finance adjustment to ROPS 13-14B PPA	(12,856)
Total ROPS 13-14B PPA	(13,955)
Total RPTTF approved for distribution	\$ 111,045

Please refer to the ROPS 14-15B schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

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, 2015. This determination only applies 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 section 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 the 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 agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if for whatever reason the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 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 Chikako Takagi-Galamba, Manager at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Acting Program Budget Manager

cc: Mr. Robert Clark, City Manager, Ojai
Ms. Sandra Bickford, Chief Deputy, Ventura County
California State Controller's Office