DEPARTMENT OF FINANCE

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May 15, 2015

Mr. Jeffrey Lambert, Community Development Director
City of San Buenaventura
501 Pol Street # 133
Ventura, CA 93001

Dear Mr. Lambert:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 14, 2015. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of San Buenaventura Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to Finance on March 2, 2015, for the period of July through December 2015. Finance issued a ROPS determination letter on April 14, 2015. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on April 24, 2015.

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 determinations being disputed.

- Item No. 25 – Asset Management Costs in the amount of $24,250 are not allowed. Finance continues to deny this item. Finance initially denied this item because Agency owned properties were approved for transfer to the City of San Buenaventura (City) during Finance's review of the Long-Range Property Management Plan (LRPMP) and are no longer Agency's obligations. Finance notes the Agency claims it is requesting these asset management costs while the City negotiates compensation agreements with the affected taxing entities.

  During the Meet and Confer process, the Agency contended that the properties at Sites #2, #3, #6, and #7 are not immediately transferable as they are being retained for future disposition and development through individual requests for proposal. However, pursuant to the Agency's LRPMP approval letter dated February 20, 2014, the City will reach compensation agreements with the taxing entities for properties retained for future development specifically including Sites #2, #3, #6, and #7. Dissolution Law does not require that a compensation agreement be reached prior to a property being transferred to the sponsoring entity or in this case, the City. Nevertheless, it is Finance's expectation that the required compensation agreements with the affected taxing entities be entered at some point in the future. The Agency should proceed with the transfer of the properties to the City as approved in the LRPMP. As a result, the request for asset

management costs on the ROPS is denied and is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

In addition, per Finance's letter dated April 14, 2015, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 15-16A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2014 period. 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.

Except for the item that has been reclassified, Finance is not objecting to the remaining items listed on your ROPS 15-16A. The Agency's maximum approved RPTTF distribution for the reporting period is $1,108,414 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution For the period of July through December 2015		
Total RPTTF requested for non-administrative obligations		1,017,283
Total RPTTF requested for administrative obligations		125,000
Total RPTTF requested for obligations on ROPS	**$**	**1,142,283**
Total RPTTF requested for non-administrative obligations		**1,017,283**
Denied Item		
Item No. 25		(24,250)
		(24,250)
Total RPTTF authorized for non-administrative obligations	**$**	**993,033**
Total RPTTF requested for administrative obligations		**125,000**
Total RPTTF authorized for administrative obligations	**$**	**125,000**
Total RPTTF authorized for obligations	**$**	**1,118,033**
ROPS 14-15A prior period adjustment		(9,619)
Total RPTTF approved for distribution	**$**	**1,108,414**

Please refer to the ROPS 15-16A schedule that was used to calculate the approved RPTTF amount:

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

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 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 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 Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-3274

Sincerely,

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Dori Boyer, Management Technician, City of San Buenaventura
Ms. Rhoda Farrell, Property Tax Fiscal Manager, Ventura County
California State Controller's Office