



March 27, 2015

Mr. Chris Jicha, Secretary & Staff to Designated Local Authority
City of Santa Paula Designated Local Authority
865 South Figueroa Street
35th Floor
Los Angeles, CA 90017

Dear Mr. Jicha:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Santa Paula Designated Local Authority Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to the California Department of Finance (Finance) on February 24, 2015 for the period of July 1 through December 31, 2015. Finance has completed its review of your ROPS 15-16A, which may have included obtaining clarification for various items.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 1 – Repairs and maintenance in the amount of \$110,000 is not allowed. The Agency was not able to provide documentation to support the amounts claimed. To the extent the Agency can provide suitable documentation, such as contracts and vendor invoices, to support the requested funding, the Agency may be able to obtain Redevelopment Property Tax Trust Funds (RPTTF) on future ROPS.

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.

Based on Finance's review of the Agency's prior period adjustment form, the Agency did not properly reflect the reporting of available RPTTF during the July 1 through December 31, 2014 ROPS period (ROPS 14-15A) on the prior period adjustments form. It is Finance's understanding the Agency received a full RPTTF distribution from the CAC in the total amount of \$164,425 and had available ROPS 13-14A prior period adjustment in the amount of \$96,210 totaling \$260,635. The Agency reflected that available RPTTF was in the total amount of \$260,340. Finance adjusted the available to the total amount of \$260,635; therefore, the

amount of RPTTF approved in the table below reflects the prior period adjustment self-reported by the Agency and subsequently adjusted by Finance.

Except for the item denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 15-16A. If you disagree with the determination with respect to any items on your ROPS 15-16A, 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/

The Agency's maximum approved RPTTF distribution for the reporting period is \$375,609 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	434,224
Total RPTTF requested for administrative obligations	65,000
Total RPTTF requested for obligations on ROPS	\$ 499,224
Total RPTTF requested for non-administrative obligations	434,224
<u>Denied Item</u>	
Item No. 1	(110,000)
	(110,000)
Total RPTTF authorized for non-administrative obligations	\$ 324,224
Total RPTTF requested for administrative obligations	65,000
Total RPTTF authorized for administrative obligations	\$ 65,000
Total RPTTF authorized for obligations	\$ 389,224
Self-reported ROPS 14-15A prior period adjustment (PPA)	(13,320)
Finance adjustment to ROPS 14-15A PPA	(295)
Total ROPS 14-15A PPA	(13,615)
Total RPTTF approved for distribution	\$ 375,609

Please refer to the ROPS 15-16A 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 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 Beliz Chappuie, Supervisor or Satveer Ark, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Sandy Easley, Treasurer, Designated Local Authority, City of Santa Paula
Designated Local Authority
Ms. Rhoda Farrell, Property Tax Fiscal Manager, Ventura County
California State Controller's Office