



April 14, 2015

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 15-16A) to the California Department of Finance (Finance) on March 2, 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 determination:

- Item No. 13 – Housing Assistance Program for Seniors in the amount of \$100,000 is not allowed. During the Low and Moderate Income Housing Fund Due Diligence Review, Finance swept funding for this obligation in the amount of \$200,000 and advised the Agency it may request the \$200,000 back on a future ROPS. Finance approved funding totaling \$200,000 of Redevelopment Property Tax Trust Fund (RPTTF) funding during the July through December 31, 2014 (ROPS 14-15A) and January through June 30, 2015 (ROPS 14-15B) periods. The total outstanding obligation is fully satisfied. Therefore, Item No. 19 is not eligible for the RPTTF funding.

During our review Finance identified that for Item Nos. 1 and 3, 2005 Tax Allocation Bonds, the Agency requested and received a total of \$2,612,500 in RPTTF for debt service reserves during the January through June 30, 2015 period (ROPS 14-15B) to be used during the ROPS 15-16A period. The use of Reserve Balances were not identified on ROPS 15-16A. With Agency's concurrence, the use of Reserve Balances as a funding source in addition to already requested RPTTF was included for the following items in amounts specified below:

- Item No. 1 – 2005 Housing Tax Allocation Bonds, Series A&B in the amount of \$1,014,509. The Agency requested \$0 of Reserve Balances; however, Finance had authorized \$730,000 in RPTTF to be held as a Reserve Balance during the ROPS 14-15B period. Therefore, the requested Reserve was increased to \$730,000 bringing the total requested funding for Item No. 1 to \$1,744,509.

- Item No. 3 – 2005 Tax Allocation Bonds, Series A&B in the amount of \$2,539,330. The Agency requested \$0 of Reserve Balances; however, Finance had authorized \$1,882,500 in RPTTF to be held as a Reserve Balance during the ROPS 14-15B period. Therefore, the requested Reserve was increased to \$1,882,500 bringing the total requested funding for Item No. 3 to \$4,421,830.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF. Pursuant to HSC section 34177 (I) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. The Agency provided financial records that displayed available Other Funds totaling \$13,129.

Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified to Other Funds and in the amount specified below:

- Item No. 4 – Rebate Analysis, Trustee Services, Banking Service Fees and Disclosure Costs in the amount of \$15,000. The Agency requests \$15,000 of RPTTF; however, Finance is reclassifying \$13,129 to Other Funds. This item is an enforceable obligation for the ROPS 15-16A period. However, the obligation does not require payment from property tax revenues and the Agency has \$13,129 in available Other Funds. Therefore, Finance is approving RPTTF in the amount of \$1,871 and the use of Other Funds in the amount of \$13,129, totaling \$15,000.

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. 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 \$3,728,498 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	3,754,759
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations on ROPS	\$ 3,879,759
Total RPTTF requested for non-administrative obligations	3,754,759
<u>Denied Item</u>	
Item No. 13	(100,000)
	\$ 3,654,759
<u>Cash Balances - Item reclassified to Other Funds</u>	
Item No. 15	(13,129)
	(13,129)
Total RPTTF authorized for non-administrative obligations	\$ 3,641,630
Total RPTTF requested for administrative obligations	125,000
Total RPTTF authorized for administrative obligations	\$ 125,000
Total RPTTF authorized for obligations	\$ 3,766,630
ROPS 14-15A prior period adjustment	(38,132)
Total RPTTF approved for distribution	\$ 3,728,498

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),

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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: Mr. John F. Adams, Finance Director, City of Thousand Oaks
Ms. Rhoda Farrell, Property Tax Fiscal Manager, Ventura County
California State Controller's Office