



May 27, 2012

David C. Moe II, Redevelopment Manager
City of Moorpark
799 Moorpark Avenue
Moorpark, CA 93021

Dear Mr. Moe:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Moorpark (City) Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 15, 2012 for the periods January to June 2012 and July to December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

HSC section 34171 (d) lists enforceable obligation (EO) characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as EOs:

January through June 2012 ROPS:

- Page 1, item 8 totaling \$500,000 is a cost estimate for a project and no contract has been executed.
- Page 1, item 13 totaling \$1.4 million. The requirement to set aside 20 percent of Redevelopment Agency (RDA) tax increment for low and moderate income housing purposes ended with the passing of the redevelopment dissolution legislation. HSC section 34177 (d) requires that all unencumbered balances in the Low and Moderate Income Housing Fund be remitted to the county auditor controller for distribution to the taxing entities.
- Page 1, item 17 totaling \$5,000. HSC section 34163(b) prohibits an agency from entering into a contract with any entity after June 27, 2011. It is our understanding that the contract for the line item was executed after June 27, 2011.
- Page 2, items 1 through 25 totaling \$11 million are for contracts, permits and fees between the City and third parties. These items are obligations of the City and not the former RDA.
- Administrative cost claimed exceeds allowance by \$21,800. HSC section 34171 (b) limits fiscal year 2011-12 administrative expenses to five percent of property tax allocated to the successor agency or \$250,000, whichever is greater. Five percent of the property tax allocated is \$104,935; therefore, \$21,800 of the

claimed \$271,800 is being questioned. The following items are considered administrative costs:

Page	Item	Administrative Cost	Amount
1	7	Burke Williams Sorensen/legal counsel	\$15,000
1	14	Record Oversight Meetings	3,000
1	15	Printing Oversight Comm. Packets	1,800
1	16	High Street Art Center cleaning	2,000
4	1	Salary & Benefits	238,670
4	2	Office Supplies	630
4	3	Publications/subscriptions	40
4	4	Mileage Reimbursement	80
4	5	US Postal Service/FedEx	80
4	6	Printing	80
4	7	Advertising	130
4	8	Contractual services	10,000
4	9	Office Equipment Maintenance	290
Total			\$271,800

July through December 2012 ROPS:

- Page 1, item 8 totaling \$500,000 is a cost estimate for a project and no contract has been executed.
- Page 1, item 10 totaling \$10,000. HSC section 34163(b) prohibits an agency from entering into a contract with any entity after June 27, 2011. It is our understanding that the contract for this line item was executed after June 27, 2011.
- Page 2, item 1 through 14 totaling \$ 6.3 million are for contracts between the City and third parties. These items are obligations of the City and not the former RDA.

Except for the preceding items disallowed in whole or in part as enforceable obligations, Finance is approving the remaining items listed in your ROPS for both periods. This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of RPTTF that was approved by Finance based on the schedule submitted.

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As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. 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 in the RPTTF.

Please direct inquiries to Evelyn Suess, Supervisor or Michael Barr, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in cursive script that reads "Mark Hill".

MARK HILL
Program Budget Manager

cc: Mr. Ron Ahlers, Finance Director / City Treasurer, City of Moorpark
Ms. Sandra Bickford, Chief Deputy, Ventura County Auditor Controller's Office