DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
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May 11, 2012

Jeffrey Lambert, Community Development Director
City of Ventura
P.O. Box 99
Ventura, CA 93002-0099

Dear Mr. Lambert:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the San Buenaventura Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 27, 2012 for the period January through June 2012 and July through December 2012. Finance staff contacted you for clarification of items listed in the ROPS.

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 – June 2012 ROPS:

- Form A, item 5 – Advances/Cooperation Agreement in the amount of $5.4 million. HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are only enforceable if made within the first two years of the RDA's existence.

- Form A, item 18- Professional Services Agreement in the amount of $40,000. HSC section 34163 (c) states the agency shall not have the authority to amend or modify existing agreements after June 27, 2011.

- Form A, item 19 – Professional Services Agreement in the amount of $60,000. This agreement is between the City of Ventura and the Housing Authority – not the RDA.

- Administrative cost claimed exceeds allowance by $14,270. HSC section 34171 (b) limits administrative expenses to five percent of property tax allocated to the successor agency or $250,000, whichever is greater. The administrative cost calculation is shown in Attachment A.

July – December 2012 ROPS:

- Form A, item 5 – Advances/Cooperation Agreement in the amount of $4.9 million. HSC section 34171 (d) (2) states that loans between the entity that created the RDA and the

former RDA are only enforceable if made within the first two years of the RDA's existence.

- Form A, item 18- Professional Services Agreement in the amount of $38,000. HSC section 34163 (c) states the agency shall not have the authority to amend or modify existing agreements after June 27, 2011.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO and send to the following email address:

Redevelopment_Administration@dof.ca.gov

Finance may continue to review items on the ROPS in addition to those mentioned above and identify additional issues. We will provide separate notice if we are requesting further modifications to the ROPS. It is our intent to provide an approval notice with regard to each ROPS prior to the June 1 property tax distribution date.

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

Sincerely,

Mark Hill

MARK HILL
Program Budget Manager

Attachment

cc: Ms. Dori Boyer, Management Technician, City of Ventura
Ms. Sandra Bickford, Chief Deputy, County of Ventura

Attachment A

Administrative Cost Calculation
For the Period January – June 2012

Line item	Page	Project Name/Debt Obligation	Payment Source	Amount
1	Form A	Tax Allocation Bonds 2003	RPPTF	$ 117,166
2	Form A	Tax Allocation Bonds 2008	RPPTF	307,534
3	Form A	Arbitrage Calculations	RPPTF	4,500
4	Form A	Debt Administrative Fees	RPPTF	1,750
5	Form A	City Line of Credit / Cooperation Agreement*	RPPTF	562,364
7	Form A	Property Based Improvement District	RPPTF	3,651
11	Form A	Professional Services Agreement	RPPTF	234
12	Form A	Professional Services Agreement	RPPTF	4,500
13	Form A	Professional Services Agreement	RPPTF	3,079
15	Form A	Loan Servicing Fees	RPPTF	130
18	Form A	Professional Services Agreement*	RPPTF	1,500
19	Form A	Professional Services Agreement*	RPPTF	60,000
20	Form A	Affordable Housing Monitoring	RPTTF	3,374
21	Form A	Affordable Housing Monitoring	RPTTF	3,374
22	Form A	Affordable Housing Monitoring	RPTTF	3,388
23	Form A	Affordable Housing Monitoring	RPTTF	3,377
			Subtotal:	1,079,921
			Less Disallowed RPTTF Amounts (see line items with asterisk above):	623,864
			Total RPTTF Claimed:	456,057
			Admin Allowance (Greater of 5% or $250,000) :	$ 250,000

Line Items Considered Administrative Costs				
Line item	**Page**	**Project Name/Debt Obligation**	**Payment Source**	**Amount**
9	Form A	Legal Services	RPTTF	$ 5,310
10	Form A	Professional Services Agreement	RPPTF	3,000
16	Form A	Legal Services	RPTTF	4,560
17	Form A	Legal Services	RPTTF	1,400
1	Form C	City Employees	RPTTF	84,075
2	Form C	Legal Counsel	RPTTF	8,400
3	Form C	City of Ventura support staff	RPTTF	130,370
4	Form C	Internal Services	RPTTF	15,155
5	Form C	Services & Supplies	RPTTF	12,000
			Total:	264,270
			Less Admin Allowance:	250,000
			Total Disallowed Administrative Cost:	$ 14,270