



December 18, 2012

Ms. Christy Pinuelas, Director of Finance  
City of Agoura Hills  
30001 Ladyface Court  
Agoura Hills, CA 91301

Dear Ms. Pinuelas:

Subject: Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated September 27, 2012. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Agoura Hills Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 16, 2012 for the period of January 1 through June 30, 2013. Finance issued its determination related to those enforceable obligations on September 27, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on October 10, 2012.

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 items being disputed.

- Item No. 7 and 20 – City loans totaling \$31 million. Finance continues to deny the items at this time. Finance denied the items as HSC section 34171 (d) (2) provides that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable, unless issued within two years of the Agency's creation date or for issuance of indebtedness to third-party investors or bondholders. Insufficient documentation has been provided to demonstrate that these loans are to be repaid pursuant to a required repayment schedule or other mandatory loan terms, or were made within the first two years of the former RDA's creation. As such, these loans are not enforceable obligations at this time. However, HSC section 34191.4 (b) may cause these items to be enforceable in future ROPS periods upon receiving a Finding of Completion from Finance.

In addition, per Finance's determination letter dated September 27, 2012, the following items not being disputed by the Agency continue to be reclassified as an administrative cost:

- Item No. 4, 5, and 17 – Although enforceable, the types of services requested totaling \$23,000 are considered general administrative expenses and have been reclassified.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$710,696 as summarized below:

<b>Approved RPTTF Distribution Amount</b>	
<b>For the period of January through June 2013</b>	
Total RPTTF funding requested for obligations	\$ 585,696
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item 4	5,000
Item 5	3,000
Item 7	0 *
Item 17	15,000
Item 20	0 *
Total approved RPTTF for enforceable obligations	\$ 562,696
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	148,000
<b>Total RPTTF approved:</b>	<b>\$ 710,696</b>

\* No payments requested for the reporting period

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

The amount available from the RPTTF is the same as the property tax increment that was available prior to 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 successor agency in the RPTTF.

Except for items disallowed as noted above, Finance is not objecting to the remaining items listed in your ROPS III. Obligations deemed not to be enforceable shall be removed from your ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2013. 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 questioned on this ROPS or a preceding ROPS.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: On the following page

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cc: Mr. Nathan Hamburger, Assistant Executive Director, City of Agoura Hills  
Ms. Kristina Burns, Manager, Community Redevelopment Administration Section,  
Property Tax Division, Los Angeles County Department of Auditor-Controller  
California State Controller's Office