



November 2, 2012

Ms. Susie L. Mears, Finance Director
City of Ojai
P.O. Box 1570
Ojai, CA 93024

Dear Ms. Meyers:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Ojai Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 29, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

After further review, it has come to our attention that there was an error relating to the Redevelopment Property Tax Trust Fund (RPTTF) received for the July to December 2012 ROPS. Per the Ventura County auditor controller, the Agency received \$680,888 of RPTTF for that period. The correct amount of RPTTF funding is \$279,750.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

- Item No. 1 – Pass-through Payments carryover from fiscal year 2011-12 in the amount of \$71,812. Beginning July 1, 2012, the county auditor-controller is responsible for distributing property tax increment funds to the taxing entities. Furthermore, pursuant to HSC section 34183.5, the July true-up process was completed to determine the amount of residual property tax revenue, and this item should not be reported on the ROPS III. Therefore, this item is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item No. 3 – Note payable to Low and Moderate Income Housing in the amount of \$123,031. HSC section 34176 (e) (6) (B) states that repayments of loans or deferrals owed to the Low and Moderate Income Housing Fund shall not be made prior to the 2013-14 fiscal year. Therefore, this item is not an enforceable obligation and not eligible for RPTTF funding on this ROPS.
- Item No. 6 – Loan from City General Fund in the amount of \$5.2 million; no funding source specified. HSC section 34171(d)(2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the

former RDA are not enforceable unless the loan agreements were entered into within the first two years of the date of the creation of the RDA.

- Item Nos. 9 through 17 – Bryan St. Senior Housing Project and Workforce Housing Demonstration totaling \$1.5 million funded by Low and Moderate Income Housing Fund. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. Since no contracts were executed prior to June 28, 2011, these items are not enforceable obligations.

Except for items denied in whole or in part as enforceable obligations as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, 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 Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$279,750 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 224,593
Less: Six-month total for items denied or reclassified as administrative cost	
Item 1	71,812
Item 3	123,031
Total approved RPTTF for enforceable obligations	\$ 29,750
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	250,000
Total RPTTF approved:	\$ 279,750

Administrative Cost Calculation	
Total RPTTF for the period July through December 2012	\$ 680,888
Total RPTTF for the period January through June 2013	29,750
Total RPTTF for fiscal year 2012-13:	\$ 710,638
Allowable administrative cost for fiscal year 2012-13 (Greater of 3% or \$250,000)	250,000
Administrative allowance for the period of July through December 2012	-
Allowable RPTTF distribution for administrative cost for ROPS III:	\$ 250,000

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/>.

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

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

Ms. Susie Mears
November 2, 2012
Page 3

ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

Please direct inquiries to Beliz Chappuie, Supervisor or Mindy Patterson, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a stylized flourish extending to the left.

STEVE SZALAY
Local Government Consultant

cc: Ms. Donna Logan, Accountant, City of Ojai
Ms. Sandra Bickford, Chief Deputy, Ventura County Auditor Controller