



October 14, 2012

Ms. Kymberly Horner, Interim Redevelopment Services Manager  
City of Oxnard  
214 South C Street  
Oxnard, CA 93030

Dear Ms. Horner:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Oxnard Community Development successor agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 30, 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.

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. 19 – HERO RiverPark Owner Participation Agreement in the amount of \$10 million; no funding source identified. This item is a duplicate of Item No. 40 HERO RiverPark MOU. Therefore, it is being denied as an enforceable obligation.
- Item Nos. 20, 45 through 47, and 54 – HERO Facade Program, HERO Wagon Wheel Affordable Housing Loan, and Laundromat Project totaling \$15.6 million. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. Since there were no contracts between the Agency and a third party prior to June 28, 2011, these items are not enforceable obligations and not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item Nos. 66 and 72 – Housing related items in the amount of \$293,480. HSC section 34176 (a) (1) requires the housing entity to be responsible for the housing duties and obligations previously performed by the redevelopment agency. The housing entity is responsible for its own operations and administrative costs; therefore, these items are not enforceable obligations and not eligible for RPTTF funding.
- Item Nos. 75 and 76 – HERO Street Reconstruction and Ormond Beach Street Reconstruction in the amount of \$4.5 million of bond proceeds. These items are based on city council resolutions and financial agreements between City of Oxnard and the Oxnard Community Development Commission. There are no contracts in place. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with

any entity after June 27, 2011. Since no contracts have been awarded for these potential services, these items are not enforceable obligations.

- Administrative costs claimed for RPTTF exceed the allowance by \$626,473. HSC section 34171 (b) limits the 2012-13 administrative expenses to three percent of property tax allocated to the Agency or \$250,000, whichever is greater. Additionally, Item Nos. 70 and 71 were reclassified as administrative expenses.

Amount administrative costs for fiscal year 2012-13	\$305,207
Administrative costs claimed for July through December 2012	250,000
Administrative costs claimed for January through June 2013	681,680
Overage	\$626,473

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/](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 \$6,147,297 as summarized below:

<b>Approved RPTTF Distribution Amount For the period of January through June 2013</b>	
Total RPTTF funding requested for obligations	\$ 20,889,352
Less: Six-month total for items denied or reclassified as administrative cost	
Item No. 20	14,267,022
Item No. 45	58,500
Item No. 46	60,000
Item No. 47	60,000
Item No. 54	150,000
Item No. 66	20,000
Item No. 70*	25,000
Item No. 71*	30,000
Item No. 72	126,740
Total approved RPTTF for enforceable obligations	<u>\$ 6,092,090</u>
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	55,207
<b>Total RPTTF approved:</b>	<b>\$ 6,147,297</b>

\* Reclassified as administrative cost

<b>Administrative Cost Calculation</b>	
Total RPTTF for the period July through December 2012	\$ 4,081,478
Total RPTTF for the period January through June 2013	6,092,090
<b>Total RPTTF for fiscal year 2012-13:</b>	<b>\$ 10,173,568</b>
Allowable administrative cost for fiscal year 2012-13 (Greater of 3% or \$250,000)	305,207
Administrative allowance for the period of July through December 2012	250,000
<b>Allowable RPTTF distribution for administrative cost for ROPS III:</b>	<b>\$ 55,207</b>

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.

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/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%20III%20Forms%20by%20Successor%20Agency/).

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 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,



STEVE SZALAY  
Local Government Consultant

cc: Ms. Sandra Bickford, Chief Deputy, Ventura County Auditor Controller