



December 18, 2012

Mr. John C. Prescott, Community Development Director  
City of Thousand Oaks  
2100 Thousand Oaks Boulevard  
Thousand Oaks, CA 91362

Dear Mr. Prescott:

Subject: Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated October 14, 2012. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Thousand Oaks 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 1 through June 30, 2013. Finance issued its determination related to those enforceable obligations on October 14, 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 November 20, 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 item being disputed.

- Item No. 17 – Thousand Oaks Auto Mall Street Parking Modification in the amount of \$7.7 million of reserve funds. Finance continues to deny the item. This item is for the construction of the Thousand Oaks Auto Mall Street Parking Modification. Finance denied the item as no contracts have been issued for the construction of public improvements and the contingencies under Section 4 of the Funding Agreement dated March 8, 2011 has not been fully satisfied. The Agency contends the item is an enforceable obligation because the Funding Agreement entered into March 8, 2011 obligated the former RDA to help fund certain public improvements that directly benefited the Auto Mall. However, Paragraph 7, "Expiration of Agreement," states the Agreement will automatically expire one year from the effective date of the Agreement, or on March 8, 2012, "if no portion of the Agency Contribution has been disbursed in accordance with Paragraph 5 within one year of the effective date of this Agreement." Paragraph 5 is for disbursement of progress payments to the general contractor constructing the public improvements. Based on the Agency's description of events, a general contractor has not yet been selected, and the Agency went out to re-bid as recently as November 13, 2012. Therefore, the Agreement would have expired by its own terms and is therefore not an enforceable obligation.

In addition, per Finance's ROPS letter dated October 14, 2012, the following items not disputed by the Agency continue to be denied:

- Item Nos. 6 and 8 – Monitoring Costs for Affordable Housing Projects and Los Feliz Affordable Housing Project in the amount of \$137,200. HSC section 34176 (a) (1) requires the housing entity to be responsible for the housing duties and obligations previously performed by the redevelopment agency. Therefore, these items are not enforceable obligations and not eligible for Redevelopment Property Tax Fund (RPTTF) funding.
- Item No. 23 – Discovery Center in the amount of \$5 million of reserve funds. This item is for the construction of a Discovery Center. No contracts exist for this line item. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011; therefore this is not an enforceable obligation.
- Item No. 10 totaling \$25,000 for Legal Counseling Fees was reclassified as an administrative cost. Although this reclassification increased administrative costs to \$275,000, the administrative cost allowance has not been exceeded.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$4,025,083 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	\$ 3,912,283
Less: Six-month total for item(s) denied or reclassified as administrative cost(*)	
Item No. 6	76,000
Item No. 8	61,200
Item No. 10*	25,000
Total approved RPTTF for enforceable obligations	<u>\$ 3,750,083</u>
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	<u>275,000</u>
<b>Total RPTTF approved:</b>	<b>\$ 4,025,083</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.

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

Mr. John Prescott  
Decemer 18, 2012  
Page 3

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 Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. John F. Adams, Finance Director, City of Thousand Oaks  
Ms. Sandra Bickford, Chief Deputy, Ventura County Auditor Conroller  
California State Controller's Office