DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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December 18, 2012

Ms. Donna McKendry, Management Analyst
County of Ventura
800 S. Victoria Avenue, L#1940
Ventura, CA 93009

Dear Ms. McKendry:

Subject: Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated September 24, 2012. Pursuant to Health and Safety Code (HSC) section 34177 (m), the County of Ventura Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 10, 2012 for the period of January 1 through June 30, 2013. Finance issued its determination related to those enforceable obligations on September 24, 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 Monday, October 8, 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 those specific items being disputed.

- Item 11, Piru Area Plan Update in the amount of $6,228 – Finance denied the item as an enforceable obligation as the expenditure was incurred from June and July of 2006. The Agency contends the item is a legitimate expense for services performed by the County of Ventura (County) related to the former redevelopment agency's five-year plan. However, Finance continues to deny the item. Per HSC Section 34171 (d) (2), an enforceable obligation does not include any agreements, contracts, or arrangements between the county that created the redevelopment agency and the former redevelopment agency. Documents provided indicate the County is the payee for the claimed expenses. As such, this item is not an enforceable obligation. In addition, HSC Section 34177 (a) (3) states only those payments listed in the ROPS may be made by the successor agency from the funds specified in the ROPS.

- Items 2 to 5 for utilities totaling $6,180 – Finance reclassified these items as part of the administrative cost allowance as they appeared to be related to general administrative costs. However, after review of additional information provided by the Agency, these items are utility costs related to maintaining a park as allowed in HSC Section 34171 (d) (1). Therefore, these items are considered enforceable obligations.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: $249,747 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013		
Total RPTTF funding requested for obligations	$	149,475
Less: Six-month total for item(s) denied or reclassified as administrative cost Item No. 11		6,228
Total approved RPTTF for enforceable obligations	$	143,247
Plus: Requested RPTTF distribution for administrative cost for ROPS III		106,500
Total RPTTF approved:	$	249,747

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: Mr. Robert R. Orellana, Assistant County Counsel, County of Ventura
California State Controller's Office