



October 29, 2013

Mr. James Purtee, Interim Assistant City Manager  
City of Simi Valley  
2929 Tapo Canyon Road  
Simi Valley, CA 93063

Dear Mr. Purtee:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Simi Valley Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to the California Department of Finance (Finance) on September 26, 2013 for the period of January through June 2014. Finance has completed its review of your ROPS 13-14B, 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 does not qualify as an enforceable obligation for the reasons specified:

- Item No. 25 – City loan repayment in the amount of \$192,745. The Agency received a Finding of Completion on April 26, 2013 and will be permitted to request funds for the repayment of loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). However, repayment of the loan is subject to the formula outlined in HSC section 34191.4 (b) (2) (A). Specifically, HSC section 34191.4 (b) (2) (A) states the maximum repayment amount in each fiscal year shall be equal to one-half of the increase between the ROPS residual amounts distributed to the taxing entities in that fiscal year and the ROPS residual amounts distributed to the taxing entities in the 2012-13 base year. Since the formula does not allow for estimates, the Agency is required to wait until the ROPS residual pass-through distributions are known for fiscal year 2013-14 before requesting funding for this obligation. Therefore, this item is not eligible for funding at this time.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that are required to be used prior to requesting RPTTF. Pursuant to HSC section 34177 (l) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. The Agency received a refund of \$70,000 that was paid to K & J Auto Exchange for the Façade Renovation Grant.

Therefore, the funding source for the following item is being partially reclassified to the other funding source as specified below:

- Item No. 23 – Façade Renovation Grant in the amount of (\$70,000). Finance is reclassifying the total refund to reserve funding in order to apply it towards the payment of Item No. 17, 2003 Tax Allocation Bonds. Therefore, Finance is approving \$1,447,891 of RPTTF and \$70,000 of reserve funding totaling \$1,517,891 for Item No. 17.

Pursuant to HSC Section 34186 (a), successor agencies were required to report the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. The amount of RPTTF approved in the table below includes the prior period adjustment that was self-reported by the Agency. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the table below includes only the prior period adjustment that was self-reported by the Agency.

Except for the item denied in whole as an enforceable obligation or for the item that has been reclassified, Finance is not objecting to the remaining items listed on your ROPS 13-14B. If you disagree with the determination with respect to any items on your ROPS 13-14B, 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/Programs/Redevelopment/Meet And Confer/documents/MeetandConferGuidelines12.02.16.pdf#search=%22meet%20and%20confer%22](http://www.dof.ca.gov/Programs/Redevelopment/Meet%20And%20Confer/documents/MeetandConferGuidelines12.02.16.pdf#search=%22meet%20and%20confer%22)

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,724,065 as summarized below:

<b>Approved RPTTF Distribution Amount For the period of January through June 2014</b>	
Total RPTTF requested for non-administrative obligations	1,792,391
Total RPTTF requested for administrative obligations	125,000
<b>Total RPTTF requested for obligations</b>	<b>\$ 1,917,391</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>1,792,391</b>
<u>Denied Items</u>	
Item No. 25	(192,745)
<u>Reclassified items</u>	
Item No.17	(7,000)
Item No.23	7,000
<b>Total RPTTF approved for non-administrative obligations</b>	<b>1,599,646</b>
<b>Total RPTTF approved for administrative obligations</b>	<b>125,000</b>
<b>Total RPTTF approved for obligations</b>	<b>1,724,646</b>
ROPS III prior period adjustment	(581)
<b>Total RPTTF approved for distribution</b>	<b>\$ 1,724,065</b>

Please refer to the ROPS 13-14B schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/Programs/Redevelopment/ROPS/>

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2014. This determination applies only to items where funding was requested for the six month period. 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 denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of 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.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

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

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Mr. Brian P. Gabler, Assistant City Manager, City of Simi Valley  
Ms. Sandra Bickford, Chief Deputy, Ventura County Auditor-Controller  
California State Controller's Office

**Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary**

Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: Simi Valley  
 Name of County: Ventura

<u>Current Period Requested Funding for Outstanding Debt or Obligation</u>		<u>Six-Month Total</u>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>		
<b>A Sources (B+C+D):</b>		<b>\$ 26,672</b>
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		26,672
D Other Funding (ROPS Detail)		-
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>		<b>\$ 1,724,646</b>
F Non-Administrative Costs (ROPS Detail)		1,599,646
G Administrative Costs (ROPS Detail)		125,000
<b>H Current Period Enforceable Obligations (A+E):</b>		<b>\$ 1,751,318</b>

<u>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</u>		
I Enforceable Obligations funded with RPTTF (E):		1,724,646
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)		(581)
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>		<b>\$ 1,724,065</b>

<u>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</u>		
L Enforceable Obligations funded with RPTTF (E):		1,724,646
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)		-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>		<b>1,724,646</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177(m) of the Health and Safety code, I hereby  
 certify that the above is a true and accurate Recognized Obligation  
 Payment Schedule for the above named agency.

_____	
Name	Title
/s/ _____	
Signature	Date

**Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund Balances**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I	J	K	
Fund Balance Information by ROPS Period		Fund Sources							Total	Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF				
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin			
<b>ROPS III Actuals (01/01/13 - 6/30/13)</b>											
1	<b>Beginning Available Fund Balance (Actual 01/01/13)</b> Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)	-	-	3,244,181	2,103,175	-	-	-	\$ 5,347,356		
2	<b>Revenue/Income (Actual 06/30/13)</b> Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller	-	-	82,718	-	-	1,378,113	125,000	\$ 1,585,831		
3	<b>Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13)</b> Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs	-	-	237,082			1,508,096	125,000	\$ 1,870,178		
4	<b>Retention of Available Fund Balance (Actual 06/30/13)</b> Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III	-	-						\$ -		
5	<b>ROPS III RPTTF Prior Period Adjustment</b> Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.	No entry required						581	-	\$ 581	
6	<b>Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)</b>	\$ -	\$ -	\$ 3,089,817	\$ 2,103,175	\$ -	\$ (129,983)	\$ -	\$ 5,062,428		
<b>ROPS 13-14A Estimate (07/01/13 - 12/31/13)</b>											
7	<b>Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)</b>	\$ -	\$ -	\$ 3,089,817	\$ 2,103,175	\$ -	\$ (129,402)	\$ -	\$ 5,063,009		
8	<b>Revenue/Income (Estimate 12/31/13)</b> Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller			13,000			733,736	125,000	\$ 871,736		
9	<b>Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)</b>			2,852,180			738,786	125,000	\$ 3,715,966		
10	<b>Retention of Available Fund Balance (Estimate 12/31/13)</b> Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A								\$ -		
11	<b>Ending Estimated Available Fund Balance (7 + 8 - 9 - 10)</b>	\$ -	\$ -	\$ 250,637	\$ 2,103,175	\$ -	\$ (134,452)	\$ -	\$ 2,218,779		

**Recognized Obligation Payment Schedule (ROPS ) 13-14B - ROPS Detail**  
**January 1, 2014 through June 30, 2014**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					O	P
										Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total	
								\$ 49,640,922		\$ -	\$ 26,672	\$ -	\$ 1,599,646	\$ 125,000	\$ 1,751,318	
1	PD-S-964; Mehdi Humkar	Miscellaneous	12/10/2007	01/01/2072	Eligible moderate-income households	Three condominium units affordable to Moderate-income first time homebuyer households. Downpayment assistance of \$75,000 for each 3-bedroom unit due upon first sale of each affordable unit. Additional \$9,000 initial administrative cost to oversee marketing, sale, and loan processing of units.	Merged WE/TC	234,000	N						\$ -	
2	PD-S-942; Palmdale 47th LLC	Miscellaneous	4/4/2005	01/01/2072	Eligible moderate-income households	Seven condominium units affordable to low-income first time home buyer households. Downpayment Assistance of \$50,000 for four 2-bedroom units and \$75,000 for three 3-bedroom units due upon the first sale of each affordable unit. Additional \$21,000 initial administrative cost to oversee marketing, sale, and loan processing of units.	Merged WE/TC	446,000	N						\$ -	
3	PD-S-983; Casden Simi Valley LLC	Miscellaneous	1/28/2008	01/01/2062	Eligible low-income households	Sixty-seven condominium units affordable to low-income first time home buyer households. Downpayment Assistance of \$49,412 for eight 1-bedroom units, \$98,824 for thirty 2-bedroom units, \$148,236 for fourteen 3-bedroom units, and \$197,648 for fifteen 4-bedroom units due upon the first sale of each affordable unit. Additional \$201,000 initial administrative cost to oversee marketing, sale, and loan processing of units.	Merged WE/TC	8,601,000	N						\$ -	
4	PD-S-1001; SMV Patricia LLC	Miscellaneous	3/22/2010	01/01/2072	Eligible low-income households	Four condominium units affordable to low-income first time home buyer households. Downpayment assistance of \$100,000 for two 2-bedroom unit and \$150,000 for two 3-bedroom units due upon the first sale of each affordable unit due upon the first sale of each affordable unit. Additional \$12,000 initial administrative cost to oversee marketing, sale, and loan processing of units.	Merged WE/TC	512,000	N						\$ -	
5	CD-S-1012; Los Arboles/Royal & Corto LLC	Miscellaneous	10/7/2010	10/7/2065	Eligible low-income households	Five condominium units affordable to low-income first time home buyer households. Downpayment assistance of \$150,000 for four 3-bedroom units and \$200,000 for one 4-bedroom unit due upon the first sale of each affordable unit. Additionally \$15,000 initial administrative cost to oversee marketing, sale, and loan processing of units.	Merged WE/TC	815,000	N						\$ -	

**Recognized Obligation Payment Schedule (ROPS ) 13-14B - ROPS Detail**  
**January 1, 2014 through June 30, 2014**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K				P	
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)		RPTTF			
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
6	Peppertree Apartments; Many Mansions	Miscellaneous	6/20/2011	01/01/2068	Many Mansions	Twelve apartment units affordable to extremely low-income and low-income households. Two 1-bedroom units, seven 2-bedroom units and two 3-bedroom units will have rents restricted to the extremely low-income rent level, and one 1-bedroom unit will have rents restricted to the low-income rent level if Many Mansions is successful in obtaining a MHP-SH Loan. Additional \$35,600 in initial administrative costs related to overseeing construction, marketing plan, and income certification of prospective tenants.	Merged WE/TC	2,245,030	N						\$ -
7	Peppertree Apartments; Many Mansions	Miscellaneous	6/20/2011	01/01/2068	Many Mansions	Twelve apartment units affordable to extremely low-income and low-income households. Two 1-bedroom units and one 2-bedroom unit will have rents restricted to the extremely low-income rent level, six 2-bedroom units and two 3-bedroom units will have rents restricted to the very low-income rent level, and one 1-bedroom unit will have rents restricted to the low-income rent level if Many Mansions is successful in obtaining a HOME loan. Additional \$35,600 in initial administrative costs related to overseeing construction, marketing plan, and income certification of prospective tenants	Merged WE/TC	484,137	N						\$ -
8	Parkview Units Cost of Ownership	Property Maintenance	4/28/2011	4/13/2013	Parkview HOA	Homeowners Association dues for owned units	Merged WE/TC	-	Y						\$ -
9	Simi Village Units Cost of Ownership	Property Maintenance	12/5/2008	4/13/2013	Simi Village HOA	Homeowners Association dues for owned units	Merged WE/TC	-	Y						\$ -
10	Le Parc Units Cost of Ownership	Property Maintenance	8/11/2010	4/13/2013	Le Parc HOA	Homeowners Association dues for owned units	Merged WE/TC	-	Y						\$ -
11	Housing Units Cost of ownership	Property Maintenance	12/5/2008	4/13/2013	Southern California Edison	Electrical cost for owned units	Merged WE/TC	-	Y						\$ -
12	Housing Units Cost of ownership	Property Maintenance	12/5/2008	4/13/2013	Southern California Gas	Natural gas cost for owned units	Merged WE/TC	-	Y						\$ -
13	de Leon Housing Unit Litigation	Legal	1/1/1985	6/30/2014	Stradling Yocca Carlson & Rauth	Legal costs involving disposition of restricted housing unit	Merged WE/TC	95,000	N		26,672				\$ 26,672
14	de Leon Housing Unit Litigation	Litigation	1/3/2011	12/31/2013	Unit Purchaser	Legal costs involving disposition of restricted housing unit	Merged WE/TC	-	Y						\$ -
15	Housing Unit Monitoring	Miscellaneous	1/1/1990	4/13/2013	City of Simi Valley	Monitoring of rental and owner-occupied units to insure continued eligibility by tenants and occupants. Ensuring conformance with covenants of Affordable Housing Agreements already in place.	Merged WE/TC	-	Y						\$ -
16	Union Pacific Lease	Property Maintenance	1/1/2002	1/1/2063	Union Pacific Railroad	Annual lease for land located at the northeast corner of Tapo Canyon Road and Los Angeles Avenue	Merged WE/TC	400	N				400		\$ 400
17	2003 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	2/20/2003	9/1/2030	US Bank	Bond Issue to fund non-housing projects	Merged WE/TC	35,691,400	N				1,447,891		\$ 1,447,891
18	2003 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	2/20/2003	9/1/2030	Willdan	Arbitrage Rebate calculation services	Merged WE/TC	20,700	N				1,150		\$ 1,150







**Recognized Obligation Payment Schedule 13-14B - Notes**

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
8	Parkview Units Cost of Ownership - Disallowed by Dept. of Finance per April 13, 2013 letter approving 13-14A ROPS document
9	Simi Village Units Cost of Ownership - Disallowed by Dept. of Finance per April 13, 2013 letter approving 13-14A ROPS document
10	Le Parc Units Cost of Ownership - Disallowed by Dept. of Finance per April 13, 2013 letter approving 13-14A ROPS document
11	Housing Units Cost of ownership - Disallowed by Dept. of Finance per April 13, 2013 letter approving 13-14A ROPS document
12	Housing Units Cost of ownership - Disallowed by Dept. of Finance per April 13, 2013 letter approving 13-14A ROPS document
14	de Leon Housing Unit Litigation - Replacement unit acquired as reported in 13-14A ROPS; item can be closed.
15	Housing Unit Monitoring - Disallowed by Dept. of Finance per April 13, 2013 letter approving 13-14A ROPS document
22	County of Ventura Property Tax Collection Fee - Payment made via 13-14A ROPS; item can be closed