



April 1, 2014

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 14-15A) to the California Department of Finance (Finance) on February 19, 2014 for the period of July through December 2014. Finance has completed its review of your ROPS 14-15A, 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. 17 – 2003 Tax Allocation Bond in the amount of \$564,191. The Agency requested reserves for payment due March 1, 2015. HSC section 34171 (d) (1) (A) allows successor agencies to hold a reserve for debt service payments when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the calendar year. Therefore, the request to fund payments due for the first half of the calendar year is not allowed.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting Redevelopment Property Tax Trust Fund (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 provided financial records that displayed available interest payments and excess RPTTF totaling \$16,199.

Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified to Other Funds and in the amount specified below:

Item No. 28 – Façade Renovation Grant in the amount of \$17,500. The Agency requested \$17,500 of RPTTF; however, Finance is reclassifying \$15,618 to Other Funds. This item is an enforceable obligation for the ROPS 14-15A period. However, the obligation does not require payment from property tax revenues and the Agency has \$15,618 in available Other Funds.

Therefore, Finance is approving RPTTF in the amount of \$1,882 and the use of Other Funds in the amount of \$15,618 totaling \$17,500.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2013 period. The amount of RPTTF approved in the table below includes the prior period adjustment self-reported by the Agency. HSC section 34186 (a) also specifies 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 only includes the prior period adjustment self-reported by the Agency.

Except for the item denied in whole or in part as an enforceable obligation or for the item that have been reclassified, Finance is not objecting to the remaining items listed on your ROPS 14-15A. If you disagree with the determination with respect to any items on your ROPS 14-15A, 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/

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,395,136 as summarized below:

Approved RPTTF Distribution	
For the period of July through December 2014	
Total RPTTF requested for non-administrative obligations	1,849,945
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations	\$ 1,974,945
Total RPTTF requested for non-administrative obligations	1,849,945
<u>Denied Item</u>	
Item No. 17	(564,191)
Total RPTTF for non-administrative obligations	1,285,754
<u>Cash Balances - Item reclassified to other funding sources</u>	
Item No. 28	(15,618)
Total RPTTF authorized for non-administrative obligations	\$ 1,270,136
Total RPTTF requested for administrative obligations	125,000
Total RPTTF authorized for administrative obligations	\$ 125,000
Total RPTTF authorized for obligations	\$ 1,395,136
ROPS 13-14A prior period adjustment (PPA)	0
Total RPTTF approved for distribution	\$ 1,395,136

Please refer to the ROPS 14-15A 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 July 1 through December 31, 2014. This determination only applies 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 Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

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

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

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

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A Sources (B+C+D):		\$ -
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		-
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 1,395,136
F Non-Administrative Costs (ROPS Detail)		1,270,136
G Administrative Costs (ROPS Detail)		125,000
H Current Period Enforceable Obligations (A+E):		\$ 1,395,136
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I Enforceable Obligations funded with RPTTF (E):		1,395,136
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)		-
K Adjusted Current Period RPTTF Requested Funding (I-J)		\$ 1,395,136
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L Enforceable Obligations funded with RPTTF (E):		1,395,136
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)		-
N Adjusted Current Period RPTTF Requested Funding (L-M)		1,395,136

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.

<u>Paul Derse</u>	Chair
Name	Title
/s/ _____	
Signature	Date

Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail
July 1, 2014 through December 31, 2014
 (Report Amounts in Whole Dollars)

A Item #	B Project Name / Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K, L, M, N, O Funding Source					P Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										K Bond Proceeds	L Reserve Balance	M Other Funds	N Non-Admin	O Admin	
1	PD-S-984; Mehdi Humkar	Miscellaneous	12/10/2007	1/1/2072	Eligible moderate-income	Three condominium units affordable to	Merged WE/TC	\$ 59,362,037	N	\$ -	\$ -	\$ -	\$ 1,270,136	\$ 125,000	\$ 1,395,136
2	PD-S-942; Palmdale 47th LLC	Miscellaneous	4/4/2005	1/1/2072	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	1/1/2062	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	1/1/2072	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. 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	Y						\$ -

Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail
July 1, 2014 through December 31, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										L					
										M			N		
Funding Source										O					
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	1/1/2068	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	Y						\$
7	Peppertree Apartments; Many Mansions	Miscellaneous	6/20/2011	1/1/2068	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	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. Through litigation, \$60,000 settlement check for legal costs was paid to Successor Agency.	Merged WE/TC	95,000	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						\$
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	34,243,506	N						\$
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						\$
19	2003 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	2/20/2003	9/1/2030	HdL	Continuing Disclosure document preparation	Merged WE/TC	40,500	N						\$
20	2003 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	2/20/2003	9/1/2030	US Bank	Trustee Services Fee	Merged WE/TC	61,200	N						\$
21	Administrative Costs	Admin Costs	2/1/2012	12/31/2031	Successor Agency and Employees of Successor Agency	Employment Costs and Administrative Costs and Associated Costs of the Successor Agency	Merged WE/TC	250,000	N					125,000	\$ 125,000
24	Unpaid Pass Through Funds	Miscellaneous	2/11/1985	6/30/2014	Ventura County Community College District	Prior Pass Through funds unpaid to the Ventura County Community College District by former SVCDA	Merged WE/TC	144,555	N						\$

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash 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	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments	
ROPS 13-14A Actuals (07/01/13 - 12/31/13)									
1	Beginning Available Cash Balance (Actual 07/01/13) Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)	-	-	3,019,817	1,500,891	-	5,531	E1 is \$70,000 less than reported in 13-14B; previous amount of \$3,089,817 was overstated by \$70,000 due to how the Grant Repayment was classified.	
2	Revenue/Income (Actual 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013	-	-	-	-	15,618	858,836	G2 is interest earnings on the Non-RPTTF Reserve Balance (\$11,550) and interest earnings on 13-14A funds (\$4,068).	
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs	-	-	2,819,013	1,500,891	-	863,786		
4	Retention of Available Cash Balance (Actual 12/31/13) Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A	-	-	-	-	-	-		
5	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs.	No entry required						-	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ 200,804	\$ -	\$ 15,618	\$ 581		
ROPS 13-14B Estimate (01/01/14 - 06/30/14)									
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ 200,804	\$ -	\$ 15,618	\$ 581		
8	Revenue/Income (Estimate 06/30/14) Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014	-	-	-	1,447,891	60,000	276,755	G8 - Funds received as a result of legal settlement of \$60,000 for legal expenses in Item #13 (de Leon Litigation; now closed)	
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)	-	-	26,672	-	-	276,755		
10	Retention of Available Cash Balance (Estimate 06/30/14) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B	-	-	-	-	-	-		
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ 174,132	\$ 1,447,891	\$ 75,618	\$ 581		

