



March 23, 2015

Ms. Carolyn Galloway-Cooper, Finance Director
City of Buellton
107 West Hwy 246
P.O. Box 1819
Buellton, CA 93427

Dear Ms. Galloway-Cooper:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Buellton Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to the California Department of Finance (Finance) on February 6, 2015 for the period of July 1 through December 31, 2015. Finance has completed its review of your ROPS 15-16A, which may have included obtaining clarification for various items.

Based on our review, we are approving all of the items listed on your ROPS 15-16A at this time.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 15-16A form the estimated obligations and actual payments (prior period adjustment) associated with the July through December 2014 period (ROPS 14-15A). HSC section 34186 (a) also specifies prior period adjustments (PPA) self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of Redevelopment Property Tax Trust Fund (RPTTF) funding approved in the table below only reflects the PPA self-reported by the Agency and adjusted by Finance, as specified below.

Finance increased the Agency's self-reported ROPS 14-15A PPA by \$875, from \$48,288 to \$49,163. Per Finance's April 4, 2014 ROPS 14-15A determination letter, the Agency was authorized for RPTTF expenditures in the amount of \$75,000. Included in the authorized RPTTF funding was the ROPS 13-14A PPA of \$875. In the ROPS 14-15A PPA form submitted with ROPS 15-16A, the Agency reported "Available RPTTF" in the amount of their ROPS 14-15A distribution received from the CAC, \$74,125. However, the ROPS 13-14A PPA of \$875 should have been on hand to fund ROPS 14-15A obligations. As such, Finance increased the Agency's "Available RPTTF" by \$875, resulting in an increase to the Agency's ROPS 14-15A PPA in a like amount, from \$48,288 to \$49,163.

The amount of RPTTF approved (in the table on the next page) includes an excess PPA of \$22,712. The RPTTF approved for ROPS 15-16A obligations totaling \$26,451 is insufficient to allow for the ROPS 14-15A PPA of \$49,163. As such, the Agency should use the excess PPA

of \$22,712 (\$49,163 - \$26,451) as Reserve Balances on future ROPS, prior to requesting RPTTF.

Finance notes the excess PPA of \$22,712 is in addition to the excess PPA of \$21,783 addressed in Finance's November 7, 2014 ROPS 14-15B determination letter. Therefore, the Agency's excess PPA balances now total \$44,495 (\$22,712 + \$21,783).

Except for the adjustment to the Agency's self-reported ROPS 14-15A PPA, Finance is not objecting to the remaining items listed on your ROPS 15-16A. If you disagree with the determination with respect to any items on your ROPS 15-16A, 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/

The Agency's maximum approved RPTTF distribution for the reporting period is \$0 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution	
For the period of July through December 2015	
Total RPTTF requested for non-administrative obligations	0
Total RPTTF requested for administrative obligations	26,451
Total RPTTF requested for obligations on ROPS	\$ 26,451
Total RPTTF authorized for non-administrative obligations	0
Total RPTTF authorized for administrative obligations	26,451
Total RPTTF authorized for obligations	\$ 26,451
ROPS 14-15A PPA	(48,288)
Finance adjustment to ROPS 14-15A PPA	(875)
Total ROPS 14-15A PPA	(49,163)
Excess PPA	22,712
Total RPTTF approved for distribution	\$ 0

Please refer to the ROPS 15-16A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/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, 2015. 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 section 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 the 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 agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

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 Wendy Griffe, Supervisor or Erika Santiago, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Mr. Marc Bierdzinski, City Manager, City of Buellton
Mr. Ed Price, Division Chief Property Tax Division, Santa Barbara County
California State Controller's Office