



October 16, 2015

Ms. Genie Wilson, City Finance Director
City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

Dear Ms. Wilson:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m) (1) (A), the City of Goleta Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period January 1 through June 30, 2016 (ROPS 15-16B) to the California Department of Finance (Finance) on September 9, 2015. Finance has completed its review of the ROPS 15-16B.

Based on a sample of line items reviewed and application of the law, Finance made the following determination:

Item No. 22 – Post Dissolution Legislation in the amount of \$30,000 is reclassified from Redevelopment Property Tax Trust Fund (RPTTF) funding to Administrative Cost Allowance (ACA) funding.

Pursuant to HSC 34171 (b) (5) and HSC 34171 (d) (1) (F) (i), the ACA shall be the sole funding source for legal costs associated with litigation challenging redevelopment dissolution statutes. Therefore, Item No. 22 is reclassified from RPTTF funding to ACA funding in the amount of \$30,000.

Pursuant to HSC section 34186 (a) (1), the Agency was required to report on the ROPS 15-16B form the estimated obligations versus actual payments (prior period adjustment) associated with the January through June 2015 period (ROPS 14-15B). HSC section 34186 (a) (1) also specifies the prior period adjustment self-reported by the Agency is subject to review by the county auditor-controller (CAC). Proposed CAC adjustments were not received in time for inclusion in this letter. The amount of RPTTF approved in the table below reflects Finance's adjustment to the Agency's self-reported prior period adjustment. Finance made the following adjustment:

Finance increased the Agency's self-reported Available Administrative RPTTF by \$335, resulting in an adjusted ROPS 14-15B prior period adjustment of \$80. On the ROPS 14-15B prior period adjustment worksheet, the Agency reported Available Administrative RPTTF of \$74,742. However, our records indicate the Agency received the full authorized ROPS 14-15B RPTTF distribution from the CAC. Therefore, the Available

Administrative RPTTF should equal \$75,077, the total Administrative RPTTF authorized for ROPS 14-15B obligations per Finance's November 7, 2014 ROPS 14-15B determination letter. Finance's adjustment results in a \$10 increase to the Agency's ROPS 14-15B self-reported prior period adjustment, from \$70 to \$80.

Except for the adjustment to the ROPS 14-15B prior period adjustment or the item reclassified, Finance is not objecting to the remaining items listed on your ROPS 15-16B. If you disagree with Finance's determination with respect to any items on your ROPS 15-16B, except for those items which are the subject of litigation disputing Finance's previous or related determinations, 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 \$1,005,992 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution For the period of January through June 2016	
Total RPTTF requested for non-administrative obligations	922,272
Total RPTTF requested for administrative obligations	83,800
Total RPTTF requested for obligations on ROPS 15-16B	\$ 1,006,072
Total RPTTF requested for non-administrative obligations	922,272
<u>Reclassified Item</u>	
Item No. 22	(30,000)
Total RPTTF authorized for non-administrative obligations	\$ 892,272
Total RPTTF requested for administrative obligations	83,800
<u>Reclassified Item</u>	
Item No. 22	30,000
Total RPTTF authorized for administrative obligations	\$ 113,800
Total RPTTF authorized for obligations	\$ 1,006,072
Self-reported ROPS 14-15B prior period adjustment	(70)
Finance adjustment to ROPS 14-15B prior period adjustment	(10)
Total ROPS 14-15B prior period adjustment	(80)
Total RPTTF approved for distribution	\$ 1,005,992

On the ROPS 15-16B form, the Agency reported cash balances and activity for the period January 1 through December 31, 2015. Finance will perform a review of the Agency's self-reported cash balances on an ongoing basis. Please be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved obligations, HSC section 34177 (l) (1) (E) requires these balances be used prior to requesting RPTTF.

Please refer to the ROPS 15-16B schedule used to calculate the total RPTTF approved for distribution:

<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 January 1 through June 30, 2016. This determination only applies to items when 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 ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution statutes. 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.

Please direct inquiries to Wendy Griffe, Supervisor, or Jonathan Cox, Lead Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Mr. Jaime Valdez, Economic Development Coordinator, City of Goleta
Mr. Ed Price, Division Chief Property Tax Division, Santa Barbara County