DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

October 28, 2016

Mr. Brian J. Bosse, Waterfront Business Manager
City of Santa Barbara
132-A Harbor Way
Santa Barbara, CA 93109

Dear Mr. Bosse:

Subject: Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Santa Barbara Successor Agency (Agency) submitted an amended Recognized Obligation Payment Schedule for the period January 1, 2017 through June 30, 2017 (ROPS 16-17B) to the California Department of Finance (Finance) on September 21, 2016. Finance has completed its review of the Amended ROPS 16-17B.

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

> Item No. 20 – Professional Services for the requested adjustment of $50,000 in Redevelopment Property Tax Trust (RPTTF) funding is not allowed. It is our understanding the professional services agreement with Rincon Consultants is to perform a Phase II Environment Site Assessment for property located at 125 Calle Cesar Chavez. Finance approved the Agency's Long-Range Property Management Plan (LRPMP) on May 15, 2015, which approved this property listed on the LRPMP for sale. The Environmental Site Assessment cost is not necessary to sell the property and should not be incurred by the Agency. Pursuant to HSC section 34177.3 (b), except as required by an EO, the work of winding down does not include planning, redesign or design, demolition, alteration, or construction, construction financing, site remediation, site development or improvement, land clearances and seismic retrofits. Therefore, this cost is not an enforceable obligation and the total requested amount of $50,000 in RPTTF funding for ROPS 16-17B is not allowed.

Except for the adjustment denied above, Finance is not objecting to the remaining adjustments listed on your Amended ROPS 16-17B. Since the other adjustments were not requested for RPTTF, the Agency's maximum approved RPTTF distribution for the ROPS 16-17B period remains at $7,165,139 as summarized in the Approved RPTTF Distribution table on Page 3 (See Attachment).

Please refer to the ROPS 16-17B schedule used to calculate the total RPTTF approved for distribution:

http://www.dof.ca.gov/redevelopment/ROPS

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 16-17B. Please note there is not a Meet and Confer option for the Amended ROPS process so Finance's determination is final. 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 Amended 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 Kylie Oltmann, Supervisor, or Daisy Rose, Analyst, at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Sue Gray, Community Development Business Manager, City of Santa Barbara
Mr. Ed Price, Division Chief Property Tax Division, Santa Barbara County

Attachment

Approved RPTTF Distribution For the period of January 2017 through June 2017	
Authorized RPTTF on ROPS 16-17B	$ 7,040,139
Authorized Administrative RPTTF on ROPS 16-17B	125,000
Total Authorized RPTTF on ROPS 16-17B	**7,165,139**
Total Requested 16-17B RPTTF Adjustments	**50,000**
Finance RPTTF Adjustments	
Item No. 20	(50,000)
Total Finance Authorized 16-17B Adjustments	**0**
Total Amended ROPS 16-17B RPTTF approved for distribution	**$ 7,165,139**