



October 20, 2012

Ms. Carolyn Galloway-Cooper, Finance Director
City of Guadalupe
918 Obispo Street
Guadalupe, CA 93434

Dear Ms. Galloway-Cooper:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Guadalupe (City) successor agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on September 4, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, 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 do not qualify as enforceable obligations:

- Item No. 2 in the amount of \$26,456 is for an expenditure contract signed October 7, 2011. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. Additionally, HSC section 34163 (c) prohibits a redevelopment agency from amending or modifying extending agreements with any entity for any purpose after June 27, 2011. Therefore, this is not an enforceable obligation and not eligible for funding.
- Item No. 5 in the amount of \$1.3 million is a contract between the City and the former redevelopment agency. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable. Therefore, this item is not enforceable and not eligible for funding on this ROPS.
- Items No. 6, 11, and 12 totaling \$117,000 are contracts between the City and third parties. As the former RDA is neither a party to the contracts nor responsible for payments of the contracts, these line items are not enforceable obligations.
- Although enforceable, Item No. 13 and 14 are considered administrative expenses and have been reclassified.

Except for item(s) denied in whole or in part as enforceable obligation(s) as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, 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 Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$344,390 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 242,819
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 2	2,429
Item No. 11	12,000
Item No. 12	9,000
Item No. 13*	10,000
Item No. 14*	50,000
Total approved RPTTF for enforceable obligations	\$ 159,390
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	185,000
Total RPTTF approved:	\$ 344,390

*reclassified as administrative costs

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%20III%20Forms%20by%20Successor%20Agency/).

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

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

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Please direct inquiries to Robert Scott, Supervisor or Derk Symons, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Juana Merino-Escobar, Administrative Assistant, City of Guadalupe
Mr. Ed Price, Division Chief Property Tax Division, County of Santa Barbara