



December 21, 2012

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

Dear Mr. Bosse:

Subject: Revised Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) determination letter dated October 20, 2012. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Santa Barbara Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on September 5, 2012 for the period of January through June 2013.

On October 20, 2012, Finance issued a letter stating that your approved Redevelopment Property Tax Trust Fund (RPTTF) distribution amount was \$6,654,148. It has come to our attention that we miscalculated the administrative allowance. Based on a recalculation which included all administrative allowances, Finance has determined the correct RPTTF distribution amount is \$6,745,401. Therefore, we are issuing a revised letter to reflect this change.

The Agency's maximum approved RPTTF distribution for the reporting period is: \$ 6,745,401 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 6,550,401
Less: Item New (Oversight Board legal counsel)*	25,000
Total approved RPTTF for enforceable obligations	\$ 6,525,401
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	220,000
Total RPTTF approved:	\$ 6,745,401

* Reclassified as administrative cost

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.

Please direct inquiries to Zachary Stacy, Manager or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Marck Aguilar, Redevelopment Supervisor, City of Santa Barbara
Mr. Robert W. Geis, CPA, Auditor-Controller, Santa Barbara County
Mr. Ed Price, Division Chief Property Tax Division, Santa Barbara County
California State Controller's Office