



March 14, 2016

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

Dear Ms. Wilson:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Goleta Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) to the California Department of Finance (Finance) on January 27, 2016. Finance has completed its review of the ROPS 16-17.

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

The administrative costs requested by the Agency exceed the Administrative Cost Allowance (ACA) by \$73,600. HSC section 34171 (b) (3) limits the Agency's fiscal year 2016-17 ACA to three percent of the distributed Redevelopment Property Tax Trust Fund (RPTTF) in the preceding fiscal year or \$250,000, whichever is greater; not to exceed fifty percent of the distributed RPTTF in the preceding fiscal year. As a result, the Agency's maximum ACA is \$250,000 for the fiscal year 2016-17.

Consequently, although the Agency requests \$323,600 for ROPS 16-17 administrative costs, only \$250,000 is permissible pursuant to the ACA. The excess administrative costs of \$73,600 (\$323,600 - \$250,000) is not allowed.

On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Pursuant to HSC section 34177 (l) (1) (E), the Agency is required to use all available funding sources prior to RPTTF for payment on enforceable obligations. During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF. Therefore, with the Agency's concurrence, the funding source for the following item is partially reclassified to Other Funds in the amount specified below:

Item No. 2 – 2011 Tax Allocation Bonds Debt Service in the amount of \$2,010. The Agency requests a total of \$1,333,713 of RPTTF; however, Finance is reclassifying \$2,010 to Other Funds. This item is an enforceable obligation for the ROPS 16-17 period.

Therefore, Finance is approving RPTTF in the amount of \$1,331,703 and the use of Other Funds in the amount of \$2,010, totaling \$1,333,713 for ROPS 16-17.

Except for the administrative costs denied in part or the adjusted funding to Item No. 2, Finance is not objecting to the remaining items listed on your ROPS 16-17. If you disagree with Finance's determination with respect to any items on your ROPS 16-17, 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/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,893,422 as summarized in the Approved RPTTF Distribution table on page 4.

ROPS distributions will occur twice annually, one distribution for the July 1, 2016 through December 31, 2016 (ROPS A period), and one distribution for the January 1, 2017 through June 30, 2017 (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's ROPS 18-19 RPTTF distribution. Therefore, the Agency should retain any unexpended RPTTF from ROPS 15-16A and ROPS 15-16B.

Please refer to the ROPS 16-17 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 determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-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.

Ms. Genie Wilson  
March 14, 2016  
Page 3

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

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 2016 through June 2017</b>			
	<b>ROPS A Period</b>	<b>ROPS B Period</b>	<b>Total</b>
Requested RPTTF (excluding administrative obligations)	\$ 751,625	\$ 893,807	\$ 1,645,432
Requested Administrative RPTTF	161,800	161,800	323,600
<b>Total RPTTF requested for obligations on ROPS</b>	<b>913,425</b>	<b>1,055,607</b>	<b>\$ 1,969,032</b>
<b>RPTTF requested</b>	<b>751,625</b>	<b>893,807</b>	<b>1,645,432</b>
<u>Reclassified Item</u>			
Item No. 2	(2,010)	0	(2,010)
<b>RPTTF authorized</b>	<b>749,615</b>	<b>893,807</b>	<b>\$ 1,643,422</b>
<b>Administrative RPTTF requested</b>	<b>161,800</b>	<b>161,800</b>	<b>323,600</b>
Administrative costs in excess of the cap (see Administrative Cost Allowance Cap table below)	0	(73,600)	(73,600)
<b>Administrative RPTTF authorized</b>	<b>161,800</b>	<b>88,200</b>	<b>\$ 250,000</b>
<b>Total RPTTF approved for distribution</b>	<b>911,415</b>	<b>982,007</b>	<b>\$ 1,893,422</b>

<b>Administrative Cost Allowance Cap</b>	
Actual RPTTF distributed for fiscal year 2015-16	\$ 1,833,118
Less sponsoring entity loan and Administrative RPTTF	197,600
Actual RPTTF distributed for 2015-16 after adjustment	1,635,518
Administrative Cap for 2016-17 per HSC section 34171 (b)	250,000
ROPS 16-17 Administrative RPTTF after Finance adjustments	323,600
<b>Administrative Cost Allowance in excess of the cap</b>	<b>\$ (73,600)</b>