



March 28, 2014

Mr. Jim Throop, Director of Administrative Services  
City of El Paso De Robles  
821 Pine Street, Suite A  
Paso Robles, CA 93446

Dear Mr. Throop:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of El Paso De Robles Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to the California Department of Finance (Finance) on February 13, 2014 for the period of July through December 2014. Finance has completed its review of your ROPS 14-15A, which may have included obtaining clarification for various items.

Based on a sample of line items reviewed and application of the law, the following adjustments were made to the enforceable obligations for the reasons specified:

- Item No. 1 – Certificate of Participation Financing Agreement in the amount of \$11,327. The Agency requested Redevelopment Property Tax Trust Funds (RPTTF) in the amount \$268,674. The debt service payment schedule provided by the Agency shows that only \$257,347, which includes half of the annual interest and the principal, is due during the ROPS 14-15A period. As the Agency requested more than necessary, the requested amount will be reduced by the variance of \$11,327.
- Item No. 2 – 2000 Tax Allocation Bond in the amount of \$8,219. The Agency requested RPTTF in the amount of \$158,873. According to the debt service schedule on file, the amount requested reflects the amount due for the prior year's payment on July 1, 2013. The total due for July 1, 2014 is \$167,092. In order to ensure the proper funding is provided, Finance increased the non-admin RPTTF by \$8,219.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2013 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the table below includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Except for the item denied in whole or in part as an enforceable obligation, Finance is not objecting to the remaining items listed on your ROPS 14-15A. If you disagree with the

determination with respect to any items on your ROPS 14-15A, 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 \$981,996 as summarized below:

<b>Approved RPTTF Distribution For the period of July through December 2014</b>	
Total RPTTF requested for non-administrative obligations	878,104
Total RPTTF requested for administrative obligations	107,000
<b>Total RPTTF requested for obligations</b>	<b>\$ 985,104</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>878,104</b>
<u>Adjusted Items</u>	
Item No. 1	(11,327)
Item No. 2	8,219
	(3,108)
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 874,996</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>107,000</b>
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 107,000</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 981,996</b>
ROPS 13-14A prior period adjustment	0
<b>Total RPTTF approved for distribution</b>	<b>\$ 981,996</b>

Pursuant to HSC section 34177 (l) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During the ROPS 14-15A review, Finance requested financial records to support the cash balances reported by the Agency; however, Finance was unable to reconcile the financial records to the amounts reported. As a result, Finance will continue to work with the Agency after the ROPS 14-15A review period to properly identify the Agency's cash balances. If it is determined the Agency possesses cash balances that are available to pay approved obligations, the Agency should request the use of these cash balances prior to requesting RPTTF in ROPS 14-15B.

Please refer to the ROPS 14-15A schedule that was used to calculate the approved RPTTF amount:

<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 July 1 through December 31, 2014. This determination only applies to items where 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 periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from

Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination 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 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.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

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

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Mr. Ed Gallagher, Director of Community Development, City of El Paso De Robles  
Ms. Barbara Godwin, Property Tax Manager, San Luis Obispo County  
California State Controller's Office