DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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

May 25, 2012

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

Dear Mr. Throop:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Paso Robles Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 13, 2012 for period of the January to June 2012 and May 22, 2012 for the July 2012 to December 2012 ROPS period. Finance staff contacted you for clarification of items listed in the ROPS.

January through June 2012 ROPS
Except for items disallowed in whole or in part as enforceable obligations noted in Finance's letter dated April 27, 2012, Finance is approving the remaining items listed in your ROPS.

July 2012 to December 2012 ROPS
Except for the item disallowed in whole or in part as enforceable obligations noted below, Finance is approving the remaining items listed in your ROPS.

HSC section 34171 (d) lists enforceable obligation (EO) characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as an EO:

- Form B, line item 2 – ADA Improvements per Settlement Agreement in the amount of $3.4 million. HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding that contracts for this line item were awarded after June 27, 2011.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPPTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of RPTTF that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. 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 in the RPTTF.

Please direct inquiries to Evelyn Suess, Supervisor or Michael Barr, Lead Analyst at (916) 322-2985.

Sincerely,

Mark Hill

MARK HILL
Program Budget Manager

cc: Mr. Ed Gallagher, Community Development Director, City of Paso Robles
Ms. Barbara Godwin, Property Tax Manager, San Luis Obispo County
Ms. Iris Yang, Attorney, Best Best & Krieger LLP