DEPARTMENT OF FINANCE

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May 25, 2012

Mark Sawicki, Economic Development and Housing Manager
City of San Carlos
600 Elm Street
San Carlos, CA 94070

Dear Mr. Sawicki:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of San Carlos Successor Agency submitted revised Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 24, 2012 for the periods of January to June 2012 and July to December 2012. Finance is assuming oversight board approval. Finance has completed its review of your ROPS which may have included obtaining clarification for various items. Based on our review, we are approving all of the items listed on your ROPS at this time.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. In addition, items not questioned during this review are subject to 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.

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 Mindy Patterson, Lead Analyst at (916) 322-2985.

Sincerely,

Mark Hill

MARK HILL
Program Budget Manager

cc: Ms. Tammy Mak, Senior Accountant, City of San Carlos
Mr. Tom Huening, Auditor-Controller, County of San Mateo
Mr. Kenchan Charan, Deputy Controller, County of San Mateo

Ms. Shirley Tourel, Senior Internal Auditor, County of San Mateo