

County of Santa Clara

Finance Agency

County Government Center
70 West Hedding Street, East Wing, 2nd Floor
San Jose, California 95110-1705
(408) 299-5205 FAX: (408) 287-7629



May 4, 2012

To: State Controller's Office
State Department of Finance
Morgan Hill RDA Successor Agency Oversight Board
City of Morgan Hill

Subject: Re-Certified ROPS

Please find attached the Recognized Obligation Payment Schedules that have been re-certified by my office pursuant to Health and Safety Code sections 34177(l)(2) and 34182 for the obligations payable by the City of Morgan Hill RDA Successor Agency between January 1 and June 30, 2012. The original certification included details and discussion of allowed and non-enforceable obligations as were originally certified incorporated in an accompanying report from Harvey M. Rose Associates, LLC dated April 13, 2012.

However, based on approval from the oversight board after the original certification, the administrative costs were re-certified on the attached schedules. This document will supersede the original certified ROPS previously submitted.

Respectfully Submitted,

Irene Lui
Controller-Treasurer

RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE Jan 1, 2012 to June 30, 2012 PERIOD

Name of Successor Agency: City of Morgan Hill

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Outstanding Debt or Obligation	Note A	\$ 20,508,446
	Total Due for Six Month Period	
Outstanding Debt or Obligation	\$ 20,508,446	
Available Revenues other than anticipated funding from RPTTF	\$ 11,620,611	
Enforceable Obligations paid with RPTTF	\$ 8,887,835	
Administrative Cost paid with RPTTF	\$ 444,392	
Pass-through Payments paid with RPTTF		
Administrative Allowance (greater of 5% of anticipated Funding from RPTTF or 250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 444,392	

Note A: This amount was provided by the Successor Agency and will be certified after completion of a review of the assets and liabilities.

Certification of Oversight Board Chairman:
Pursuant to Section 34177(l) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized
Enforceable Payment Schedule for the above named agency.

Name Title

Signature Date

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

Line	Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Note A Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	*** Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)						
									Payments by month						
									Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Total
1	2008 Tax Allocation Bonds Series A & B	2/20/2008	Bank of New York Mellon	Interest payments	Ojo de Agua	\$ 57,789,900	2,050,017	RPTTF	341,670	341,670	341,670	341,670	341,670	341,670	2,050,017
2	2008 Tax Allocation Bonds Series A & B	2/20/2008	Stone & Youngberg/Stifel Nicolaus	Remarketing fee	Ojo de Agua	\$ 125,000	49,958	RPTTF	-	-	24,979	-	-	24,979	49,958
3	2008 Tax Allocation Bonds Series A & B	2/20/2008	ScotiaBank	Letter-of-credit fee	Ojo de Agua	\$ 580,000	235,588	RPTTF	-	-	117,794	-	-	117,794	235,588
4	2008 Tax Allocation Bonds Series A & B	2/20/2008	ScotiaBank	Draw fee	Ojo de Agua	\$ 6,250	3,000	RPTTF	500	500	500	500	500	500	3,000
5	2008 Tax Allocation Bonds Series A & B	2/20/2008	Fraser & Associates	Independent financial consultant, per trust indentu	Ojo de Agua	\$ 17,675	6,600	RPTTF	1,100	1,100	1,100	1,100	1,100	1,100	6,600
6	2008 Tax Allocation Bonds Series A & B	2/20/2008	Bank of New York Mellon	Trustee bank fee	Ojo de Agua	\$ 11,025	4,200	RPTTF	4,200	-	-	-	-	-	4,200
7	RDA Legal Counsel	05/02/11	Richards, Watson & Gershon	RDA Bond Counsel	Ojo de Agua	\$ 200,000	5,270	RPTTF	878	878	878	878	878	878	5,270
8	Madrone Downpayment Assist. Agmt	07/09/10	Various	Down payment loans	Ojo de Agua	\$ 1,400,000	667,000	RPTTF	-	-	-	-	333,500	333,500	667,000
9	Security Grant for Crest Ave Apt Rehab	N/A	South County Housing	Reimburse Security Improvements	Ojo de Agua	\$ 15,000	15,000	RPTTF	2,500	2,500	2,500	2,500	2,500	2,500	15,000
10	Bella Terra-EAH Development OPA	10/11/2010	EAH	Loan pursuant to OPA	Ojo de Agua	\$ 1,125,000	1,125,000	RPTTF	-	-	-	-	1,125,000	-	1,125,000
11	State RDLP Loan	2/1/2007	State of California	State Loan to RDA	Ojo de Agua	\$ 2,623,300	2,304,333	RPTTF	-	-	-	-	2,304,333	-	2,304,333
12	Security Grant for UHC Crossing Apts	N/A	Urban Housing Communities	Reimbursement for Security Improvements	Ojo de Agua	\$ 15,000	14,900	RPTTF	-	-	14,900	-	-	-	14,900
13	MH Integrated Alarm	Note C 1/21/2009	MH Integrated Alarm	Alarm Service for Agency BMR	Ojo de Agua	\$ 27,000	300	RPTTF	50	50	50	50	50	50	300
14	Rehab Loans Servicing	11/20/2006	Amerinational	Rehab Loan Servicing	Ojo de Agua	\$ 260,160	588	RPTTF	98	98	98	98	98	98	588
15	Housing Rehab Loan	03/11/11	Kendall	Housing Rehab Loan	Ojo de Agua	\$ 10,000	2,161	RPTTF	360	360	360	360	360	360	2,161
16	Housing Rehab Loan	7/2010	Shirley	Housing Rehab Loan w/ Grants	Ojo de Agua	\$ 12,500	1,298	RPTTF	216	216	216	216	216	216	1,298
17	Housing Rehab Loan	1/12/2011	Elder	Housing Rehab Loan w/ Grants	Ojo de Agua	\$ 20,000	6,574	RPTTF	1,096	1,096	1,096	1,096	1,096	1,096	6,574
18	Grants for housing services	03/16/11	Catholic Charities	Depot Commons	Ojo de Agua	\$ 13,077	13,077	RPTTF	2,180	2,180	2,180	2,180	2,180	2,180	13,077
19	Grants for housing services	3/17/2011	Community Solutions	Domestic violence shelter	Ojo de Agua	\$ 12,049	12,019	RPTTF	2,003	2,003	2,003	2,003	2,003	2,003	12,019
20	Grants for housing services	3/17/2011	Project Sentinel	Hsg counseling / fair housing	Ojo de Agua	\$ 18,578	18,578	RPTTF	3,096	3,096	3,096	3,096	3,096	3,096	18,578
21	Housing Rehab	3/17/2011	Silicon Valley Independent Living Center	Housing grants for persons with disabilities	Ojo de Agua	\$ 2,808	2,808	RPTTF	468	468	468	468	468	468	2,808
22	FY 10/11 Street Resurfacing	Note C 3/17/2011	CSG Consultants	Inspection Services -CIP, Water	Ojo de Agua	\$ 40,000	20,004	RPTTF	3,334	3,334	3,334	3,334	3,334	3,334	20,004
23	FY 10/11 Street Resurfacing	Note C 11/09/10	RMA Group of Northern California	Testing services for FY 10/11	Ojo de Agua	\$ 50,000	948	RPTTF	-	-	948	-	-	-	948
24	CIP Projects-Property Acquisition	Note C 11/21/11	Nossaman LLP	Real Estate Property Acquisition -Butterfield, W. I	Ojo de Agua	\$ 62,693	62,693	RPTTF	4,710	1,739	14,061	14,061	14,061	14,061	62,693
25	West Dunne Ave-Construction	03/08/11	Granite Construction Company	West Dunne Avenue construction	Ojo de Agua	\$ 1,358,065	1,358,065	RPTTF	-	-	-	452,688	452,688	452,688	1,358,065
26	West Dunne Ave-Construction Contingency	3/8/2011	Granite Construction Company	West Dunne Avenue construction contingency	Ojo de Agua	\$ 374,267	374,267	RPTTF	-	-	-	-	-	374,267	374,267
27	West Dunne Ave-Consulting Services	03/08/11	URS Corporation Americas	West Dunne Avenue consultant	Ojo de Agua	\$ 379,121	281,075	RPTTF	85,275	45,800	-	50,000	50,000	50,000	281,075
28	West Dunne Ave-Legal Services	Note C 3/14/2011	JARVIS, FAY, DOPORTO & GIBSON	legal services	Ojo de Agua	\$ 7,728	7,728	RPTTF	1,288	1,288	1,288	1,288	1,288	1,288	7,728
29	Inspection Services	Note C N/A	CSG CONSULTANTS, INC	Inspection services-CIP -Water	Ojo de Agua	\$ 13,000	13,000	RPTTF	2,166	2,166	2,167	2,167	2,167	2,167	13,000
30	Inspection Services	Note C 11/09/10	RMA GROUP OF NORTHERN CALIF	Testing services	Ojo de Agua	\$ 7,418	7,418	RPTTF	1,237	1,237	1,236	1,236	1,236	1,236	7,418
31	Downtown Association	06/28/11	Morgan Hill Downtown Association	Operate Main St. program	Ojo de Agua	\$ 17,800	17,800	RPTTF	-	-	17,800	-	-	-	17,800
32	Façade Grant	6/28/2011	Khanna	Façade grant	Ojo de Agua	\$ 50,000	50,000	RPTTF	8,333	8,333	8,333	8,333	8,333	8,333	50,000
33	Façade Grant	N/A	Van Keulen	Façade grant	Ojo de Agua	\$ 50,000	48,240	RPTTF	8,040	8,040	8,040	8,040	8,040	8,040	48,240
34	Grow Morgan Hill Fund	07/01/10	National Development Council	Technical assistance and project management	Ojo de Agua	\$ 64,996	64,996	RPTTF	10,833	10,833	10,833	10,833	10,833	10,833	64,996
35	Landscape Maintenance	Note C 6/1/2010	Smith & Enright Landscaping, Inc.	FY 2011-12 Landscape Maintenance	Ojo de Agua	\$ 3,288	2,820	RPTTF	470	470	470	470	470	470	2,820
36	Parking lot lease	11/30/07	Gayle Richter (Landlord)	Public Parking lot in downtown	Ojo de Agua	\$ 384,000	16,088	RPTTF	2,681	2,681	2,681	2,681	2,681	2,681	16,088
37	Owl Plan Administration	Note C N/A	Live Oak Associates	Burrowing Owl Monitoring Obligation	Ojo de Agua	\$ 200,000	2,168	RPTTF	361	361	361	361	361	361	2,168
38	VTA/RDA parcels	11/04/10	Santa Clara Valley Transit Authority	50% share of cooperative Agreement with VTA	Ojo de Agua	\$ 22,256	22,256	RPTTF	-	22,256	-	-	-	-	22,256
Totals - This Page (RPTTF Funding)						67,368,954	8,887,835	N/A	489,144	464,754	585,441	911,708	4,674,541	1,762,248	8,887,835
Totals - Page 2 (Other Funding)						24,535,898	11,620,611	N/A	2,568,197	1,706,745	1,474,368	1,948,582	1,945,857	1,976,859	11,620,611
Totals - Page 3 (Administrative Cost Allowance)						4,672,205	444,392	N/A	-	-	-	-	-	-	444,392
Totals - Page 4 (Pass Thru Payments)						-	-	N/A	-	-	-	-	-	-	-
Grand total - All Pages						96,577,057	20,952,838		3,057,341	2,171,499	2,059,809	2,860,290	6,620,398	3,739,107	20,952,838

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

** All totals due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPTTF - Redevelopment Property Tax Trust Fund
 Bonds - Bond proceeds
 LMIHF - Low and Moderate Income Housing Fund
 Admin - Successor Agency Administrative Allowance
 Other - reserves, rents, interest earnings, etc

NOTE A: This amount was provided by the Successor Agency and will be certified after completion of a review of the assets and liabilities.
NOTE C: On April 16, 2012, the Oversight Board approved a Reimbursement Agreement between the Successor Agency and the City of Morgan Hill for the reimbursement of certain costs paid by the city on behalf of the former redevelopment agency. These items have been approved by the Oversight Board as payable under the Reimbursement Agreement.

Project Area(s) RDA Project Area All

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Note A Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	Funding Source ***	Payable from Other Revenue Sources								
								Payments by month								
								Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Total		
1 3rd St Promenade Consulting Contract	6/8/2011	Cel Consulting	Testing services	Ojo de	\$ 16,740	16,740	Bonds	8,370	8,370	-	-	-	-	-	16,740	
2 Butterfield Blvd- South Construction	4/20/2011	RGW Construction, Inc.	Construction	Ojo de	\$ 11,571,066	6,000,000	Bonds	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000	
3 Butterfield Blvd- South Consulting Contract	Note C 5/25/2011	MH Engineering Co.	Engineering consulting-Aviles Property	Ojo de	\$ 3,482	3,482	Bonds	-	-	-	1,160	1,161	1,161	1,161	3,482	
4 Butterfield Blvd- South Contingency	4/20/2011	RGW Construction, Inc.	Contingency for the project in line 2.6	Ojo de	\$ 708,453	100,000	Bonds	16,667	16,666	16,666	16,667	16,667	16,667	100,000		
5 Butterfield Blvd- South Design Services	Note C 4/19/2011	WEBER, HAYES & ASSOCIATES, INC	Design Services	Ojo de	\$ 4,000	4,000	Bonds	-	-	-	1,333	1,333	1,334	4,000		
6 Butterfield Blvd- South Property Acquisition	12/12/2011	Lake	property acquisition	Ojo de	\$ 3,500	3,500	Bonds	583	583	583	583	583	583	3,500		
7 Butterfield Blvd- South Property Acquisition	Note C 11/22/2011	Gallo	property acquisition	Ojo de	\$ 64,395	64,395	Bonds	32,395	-	-	10,666	10,667	10,667	64,395		
8 Butterfield Blvd- South Property Acquisition	Note C 12/12/2011	Ray-Will	property acquisition	Ojo de	\$ 1,011,463	1,011,463	Bonds	1,011,463	-	-	-	-	-	1,011,463		
9 Butterfield Blvd- South Property Acquisition	Note C 12/12/2011	Costa	property acquisition	Ojo de	\$ 154,795	154,795	Bonds	154,795	-	-	-	-	-	154,795		
10 Butterfield Blvd- South Property Acquisition	Note C 8/31/2011	Royal Oaks	property acquisition	Ojo de	\$ 31,000	31,000	Bonds	-	-	-	-	-	31,000	31,000		
11 Butterfield Blvd- South Property Acquisition	Note C 11/22/2011	Lieu Quan	property acquisition	Ojo de	\$ 49,835	49,835	Bonds	49,835	-	-	-	-	-	49,835		
12 Butterfield Blvd-South Consulting Services	Note C 7/19/2010	ASSOCIATED RIGHT OF WAY SVCS	Property Acquisition Services	Ojo de	\$ 6,912	6,912	Bonds	1,152	1,152	1,152	1,152	1,152	1,152	6,912		
13 Butterfield Blvd-South Design Services	Note C 8/8/2010	MARK THOMAS & CO, INC	2nd Amendment - Construction support	Ojo de	\$ 400,475	398,351	Bonds	66,391	66,392	66,392	66,392	66,392	66,392	398,351		
14 Butterfield Blvd-South Legal Services	6/28/2011	JARVIS, FAY, DOPORTO & GIBSON	construction legal services	Ojo de	\$ 19,850	17,805	Bonds	2,967	2,967	2,967	2,968	2,968	2,968	17,805		
15 Butterfield Blvd-South ROW and Permit Fees	Note C 5/9/2011	UPRR	ROW and permit fees	Ojo de	\$ 120,000	120,000	Bonds	-	-	-	40,000	40,000	40,000	120,000		
16 Cochrane Rd-Traffic Signal	Note C 6/28/2011	HATCH MOTT MACDONALD	Develop traffic models, memos	Ojo de	\$ 27,100	27,100	Bonds	-	12,846	-	4,751	4,751	4,752	27,100		
17 CRC Solar Project-Construction Contract	6/1/2011	Cupertino Electric, Inc.	Design-build a photovoltaic system	Ojo de	\$ 125,070	125,035	Bonds	27,000	-	98,035	-	-	-	125,035		
18 CRC Solar Project-Construction Contract	4/8/2011	CUPERTINO ELECTRIC INC	Contingency for the above project	Ojo de	\$ 98,510	98,510	Bonds	-	-	-	32,836	32,837	32,837	98,510		
19 CRC Solar Project-Consulting Contract	Note C 6/1/2011	NOVA PARTNERS	Project Management	Ojo de	\$ 8,029	8,028	Bonds	1,338	1,338	1,338	1,338	1,338	1,338	8,028		
20 Monterey Rd Streetscape	N/A	Callander Associates	Landscape architecture services	Ojo de	\$ 18,565	8,187	Bonds	-	2,729	2,729	2,729	-	-	8,187		
21 Hale Avenue Extension	4/12/2011	Mark Thomas & Company, Inc	Design services	Ojo de	\$ 673,111	180,000	Bonds	30,000	30,000	30,000	30,000	30,000	30,000	180,000		
22 Hale Avenue Extension-Environmental	Note C 7/18/2011	David Powers and Associates	Environmental work	Ojo de	\$ 319,800	299,560	Bonds	-	9,073	72,621	72,622	72,622	72,622	299,560		
23 Hale Avenue Extension-Consulting Contract	Note C 10/24/2011	Akel Engineering	Water/Sewer Main Sizes	Ojo de	\$ 4,860	4,860	Bonds	-	4,470	-	130	130	130	4,860		
24 Tennant Ave/Hwy 101 Engineering	Note C 11/28/2011	MARK THOMAS & CO, INC	Engineering Services	Ojo de	\$ 232,166	154,823	Bonds	-	36,473	29,587	29,587	29,588	29,588	154,823		
25 Tennant Ave/Hwy 101 Consulting Services	Note C 9/16/2009	STATE OF CA DEPT OF TRANS	CALTRANS construction support	Ojo de	\$ 18,441	18,441	Bonds	12,943	-	-	1,832	1,833	1,833	18,441		
26 Tennant Ave/Hwy 101 Landscape Maintenance	Note C 9/16/2009	West Coast Arborist	Landscape establishment	Ojo de	\$ 15,000	3,600	Bonds	600	600	600	600	600	600	3,600		
27 Underground Utilities	Note C 7/6/2011	City/PGE	underground utilities along Monterey Rd	Ojo de	\$ 225,000	225,000	Bonds	37,500	37,500	37,500	37,500	37,500	37,500	225,000		
28 West Little Llagas Creek	Note C 8/13/2009	SANTA CLARA VALLEY WATER DIST	Share of design costs for W. Little Llagas Creek	Ojo de	\$ 2,780,173	1,800,000	Bonds	-	361,388	-	479,538	479,537	479,537	1,800,000		
29 CIP Implementation and Delivery Cost	N/A	Successor Agency	Cost to implement and deliver projects CIP obligations	Ojo de	\$ 5,824,107	685,188	Bonds	114,198	114,198	114,198	114,198	114,198	114,198	685,188		
Totals - LMIHF															-	
Totals - Bond Proceeds						24,535,898		11,620,611		2,568,197	1,706,745	1,474,368	1,948,582	1,945,857	1,976,859	11,620,611
Totals - Other															-	
Grand total - This Page						24,535,898		11,620,611		2,568,197	1,706,745	1,474,368	1,948,582	1,945,857	1,976,859	11,620,611

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*** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc

LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance

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Project Area(s) RDA Project Area All

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)**

Project Name / Debt Obligation	Payee	Description	Project Area	Note A Total Outstanding Debt or Obligation	Note B Total Due During Fiscal Year 2011-2012**	Funding Source **	Payable from the Administrative Allowance Allocation ****						
							Payments by month						
							Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Total
1 Winding down RDA via administration of Successor Agency	City of Morgan Hill	Administrative staffing costs	Ojo de Agua	\$ 1,000,000	\$ 140,248	ADMIN	\$ 23,375	\$ 23,375	\$ 23,375	\$ 23,375	\$ 23,375	\$ 23,375	\$ 140,248
2 Debt Service Implementation and Delivery Cost	Successor Agency	Cost to implement and deliver debt service obligations	Ojo de Agua	\$ 680,995	\$ 29,206	ADMIN	\$ 4,868	\$ 4,868	\$ 4,868	\$ 4,868	\$ 4,868	\$ 4,868	\$ 29,206
3 Domain Website	South Valley Internet	Hosting of RDA website	Ojo de Agua	\$ 60	\$ 60	ADMIN	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 60
4 Marketing/Advertising Design	Schiffer Design	Graphic design	Ojo de Agua	\$ 12,371	\$ 12,371	ADMIN	\$ 2,062	\$ 2,062	\$ 2,062	\$ 2,062	\$ 2,062	\$ 2,062	\$ 12,371
5 Marketing/Graphics/Advertising Design	San Jose Business Journal	2011 Advertising campaign	Ojo de Agua	\$ 2,190	\$ 2,190	ADMIN	\$ 365	\$ 365	\$ 365	\$ 365	\$ 365	\$ 365	\$ 2,190
6 Chamber of Commerce	MH Chamber of Commerce	Service agreement FY 11-12	Ojo de Agua	\$ 44,245	\$ 44,250	ADMIN	\$ 7,375	\$ 7,375	\$ 7,375	\$ 7,375	\$ 7,375	\$ 7,375	\$ 44,250
7 Legal Counsel	NOSSAMAN LLP	Legal counsel	Ojo de Agua	\$ 3,637	\$ 3,637	ADMIN	\$ 606	\$ 606	\$ 606	\$ 606	\$ 606	\$ 606	\$ 3,637
8 Legal Counsel	Goldfarb and Lipman	Legal counsel	Ojo de Agua	\$ 7,030	\$ 7,030	ADMIN	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 7,030
9 Web-Streaming of Successor Agency Meetings	Granicus	Web-Streaming of Successor Agency meetings	Ojo de Agua	\$ 1,680	\$ 1,680	ADMIN	\$ 280	\$ 280	\$ 280	\$ 280	\$ 280	\$ 280	\$ 1,680
10 Housing Implementation and Delivery Cost	Successor Agency	Cost to implement and deliver projects housing obligations	Ojo de Agua	\$ 1,616,598	\$ 95,094	ADMIN	\$ 15,849	\$ 15,849	\$ 15,849	\$ 15,849	\$ 15,849	\$ 15,849	\$ 95,094
11 Non-Housing, Non-CIP Implementation and Delivery Cost	Successor Agency	Cost to implement and deliver projects & obligations	Ojo de Agua	\$ 1,303,399	\$ 153,342	ADMIN	\$ 25,557	\$ 25,557	\$ 25,557	\$ 25,557	\$ 25,557	\$ 25,557	\$ 153,342
Totals - This Page				\$ 4,672,205	\$ 489,108		\$ 81,518	\$ 81,518	\$ 81,518	\$ 81,518	\$ 81,518	\$ 81,518	\$ 489,108

Administrative cost Cap 5% of RPTTF : \$ 444,392

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 RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc
 LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance
 **** - Administrative Cost Allowance caps are 5% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.

NOTE A: This amount was provided by the Successor Agency and will be certified after completion of a review of the assets and liabilities.
 NOTE B: This amount was approved by the Oversight Board.

Name of Successor Agency: **City of Morgan Hill**

FORM D - Pass-Through Payments

Project Area(s) RDA Project Area All

OTHER OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	Source of Fund***	Pass Through and Other Payments ****							
							Payments by month							
							Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Total	
No reportable item.														
Totals - Other Obligations				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

** All total due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc

LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance

**** - Only the January through June 2012 ROPS should include expenditures for pass-through payments. Starting with the July through December 2012 ROPS, per HSC section 34183 (a) (1), the county auditor controller will make the required pass-through payments prior to transferring money into the successor agency's Redevelopment Obligation Retirement Fund for items listed in an oversight board approved ROPS.



April 30, 2012

Mr. Vinod Sharma
Director of Finance
County of Santa Clara
70 West Hedding Street
San Jose, CA 95110

Dear Mr. Sharma:

Pursuant to your request, this report reflects the actions taken by the Oversight Board on April 30, 2012. The Board approved the ROPS that was submitted pursuant to schedule 1 of the spreadsheet submitted to the Board on April 30, but amended it to place items 1.33 and 1.66 as payable from the administrative budget, rather than from the Trust Fund. The Board also re-affirmed its intent to have item 2.43 paid from bond funds.

The attached report includes:

- Schedule 1: A summary sheet of total obligations based on the Auditor-Controller's Schedule of Certified Payment Obligations of the City of Morgan Hill's Redevelopment Agency for the period January 1, 2012 through June 30, 2012, inclusive of Board actions on April 16, 2012 and April 30, 2012;
- Schedule 2: A Reconciliation of the City's Draft and Auditor-Controller's Certified Recognized Obligation Payment Schedules;
- Schedule 3: A Recognized Obligation Payment Schedule Including Monthly Detail of the City's Six-Month (January 1, 2012 to June 30, 2012) Certified Payment Obligations;
- A written description of the three items that were approved by the Oversight Board on April 30, 2012, below.

Line 1.33 Housing Implementation and Delivery Costs

This is the City's estimated expenses for staffing costs for administration of housing programs.

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Total Due:

The total debt listed on the ROPS is \$1,616,598. This amount was not reviewed.

Amount Due January through June 2012

The amount due per the draft ROPS is \$190,188, and this appears to consist of between 5 and 15 percent of numerous other expenses, plus a 25% inflator, as follows:

- Madrone Downpayment Assist. Agmt 15%
- Security Grant for Crest Ave Apt Rehab 15%
- Bella Terra-EAH Development OPA 15%
- State RDLP Loan 5%
- State HELP Loan 5%
- Smith Wagle Prop Mgmt 15%
- Viento HOA Dues 5%
- Security Grant for UHC Crossing Apts 15%
- MH Integrated Alarm 5%
- Rehab Loans Servicing 15%
- Housing Rehab Loan 15%
- Housing Rehab Loan 15%
- Housing Rehab Loan 15%
- Housing Rehab Grant Committed 15%
- BMR Unit Landscaping 5%
- Grants for housing service 15%
- Grants for housing services 15%
- Grants for housing services 15%
- Keyser Marston Madrone Analysis 5%
- RDA Legal Counsel 15%
- RDA Domain Website 15%

Plus 25%. The effective overhead rate is therefore: 6.25% to 18.75% for January to June 2012. Because this methodology is not sufficiently detailed, we requested more information. On April 11, 2012, the City provided documentation indicating that it will require two FTEs annually, at an estimated cost of \$191,600 per year to administer existing RDA and state loans, disburse Madrone loans, and implement Madrone, Bella Terra and Crest Avenue agreements. On April 11, the City requested half of this amount for the six-month ROPS. Furthermore, pursuant to Section 34176, as February 1, 2012, obligations related to housing maintenance and operations costs were transferred to the designated housing entity under that section. Finally, this appears to be administrative. Pursuant to Health and Safety Code Section 34177(j), the successor agency may submit a proposed administrative budget to the Oversight Board for its approval. However, the

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Oversight Board approved this item on April 16, 2012. At its April 30, 2012 meeting, the Board voted instead to make this item payable from the administrative fund subject to the administrative cap, rather than the trust fund. Refer to page 265 of the audit report submitted to the Oversight Board for the April 30, 2012 meeting for supporting documentation.

Line 1.66 Non-Housing, Non-CIP Delivery Costs

This is estimated staffing expenses.

Total Due:

The total debt listed on the ROPS is \$1,303,399. This amount has not been reviewed.

Amount Due January to June 2012

The total amount due is \$153,341. This is staff costs reflected as a percentage of other items that staff would be administering, as shown in attachment 1.66. We believe this item is administrative and that the documentation of the amount is insufficient. However, it was approved by the Oversight Board as a ROPS item on April 16, 2012. At its April 30, 2012 meeting, the Oversight Board approved this item as payable from the administrative budget, which is subject to cap, rather than from the trust fund. Refer to page 699 of the audit report submitted to the Oversight Board for the April 30, 2012 meeting for supporting documentation.

Line 2.43 Cost to implement and deliver projects CIP obligations

This is administrative costs for capital projects.

Total Due:

The total debt listed on the ROPS is \$5,824,107. This amount has not been reviewed.

Amount Due January to June 2012

The total amount due per the draft ROPS is \$685,189. This amount was calculated based on various percentages of existing capital projects submitted on the ROPS. This methodology is the same as that used in Lines 1.10, 1.33, and 1.66. We believe this item is an administrative expense, and further, that the documentation is insufficient. However, it was included on the ROPS because it was approved by the Oversight Board

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on April 16, 2012. On April 30, 2012, the Board again approved this item payable from the bond funds. Refer to page 1,354 of the audit report submitted to the Oversight Board for the April 30, 2012 meeting for supporting documentation.