

County of Santa Clara

Finance Agency
Controller-Treasurer

County Government Center
70 West Hedding Street, East Wing 2nd floor
San Jose, California 95110-1705
(408) 299-5206 FAX 287-7629



NOTICE OF OBJECTION TO ROPS

January 13, 2021

City of Sunnyvale Successor Agency
650 W. Olive Avenue
Sunnyvale, CA 94088

Redevelopment Dissolution Countywide Oversight Board of Santa Clara County
70 West Hedding Street
San Jose, CA 95110

Department of Finance
915 L Street
Sacramento, CA 95814

ROPS Period: ROPS 21-22 (July 1, 2021 – June 30, 2022)
Successor Agency: City of Sunnyvale

To the Successor Agency, Countywide Oversight Board, and Department of Finance:

Pursuant to Health and Safety Code section 34182.5, our office has reviewed the Recognized Obligation Payment Schedule (ROPS) submitted by the above-noted successor agency for the above-noted period. After reviewing all items and funding sources, the Santa Clara County Auditor-Controller objects to the following items and/or funding sources on the submitted ROPS:

Item 9 – Administration and operation of Successor Agency

The Successor Agency has requested administrative costs totaling \$120,000 for the ROPS period. While this amount is within the administrative cost allowance cap, the requested amount is excessive, particularly when compared with other agencies within Santa Clara County and given the number and nature of the obligations listed on the ROPS.

Accordingly, the administrative cost amount should be reduced to an amount appropriate for the number and nature of the obligations listed on the ROPS.


Successor Agency: City of Sunnyvale
Notice of Objection to ROPS 21-22
January 13, 2021

Items 16 and 17 – Town Center Disposition and Development and Owner Participation Agreement Article 4 and Management

The Successor Agency has requested costs totaling \$133,465 and \$80,500, respectively, for ROPS 21-22. These represent significant increases of 91% from the \$70,000 and 61% from the \$50,000, respectively, from previous ROPS 20-21. In making these significantly increased requests, the Successor Agency has not provided any solid justification other than a list of potential expenditures and a claim of complexity of the project. There was no estimate from the contracted parties, and no proposal was provided. These requested increases are not properly supported and the requested amounts should be reduced.

Please note that items and/or funding sources not questioned during this review are subject to subsequent review if they are included on a future ROPS. We also reserve the right to object to an item and/or funding source (including, but not limited to, the use of fund balance) on a future ROPS, even if no objection was made on a preceding ROPS.

Sincerely yours,

DocuSigned by:

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George P. Doorley
Controller-Treasurer
County of Santa Clara

Attachments: ROPS 21-22 as submitted to the County Auditor-Controller by Successor Agency

Board of Supervisors: Mike Wasserman, Cindy Chavez, Otto Lee, Susan Ellenberg, S. Joseph Simitian
County Executive: Jeffrey V. Smith

Recognized Obligation Payment Schedule (ROPS 21-22) - Summary
Filed for the July 1, 2021 through June 30, 2022 Period

Successor Agency: Sunnyvale

County: Santa Clara

| Current Period Requested Funding for Enforceable Obligations (ROPS Detail) | 21-22A Total (July - December) | 21-22B Total (January - June) | ROPS 21-22 Total |
|---|---|--|-----------------------------|
| A Enforceable Obligations Funded as Follows (B+C+D) | \$ - | \$ - | \$ - |
| B Bond Proceeds | - | - | - |
| C Reserve Balance | - | - | - |
| D Other Funds | - | - | - |
| E Redevelopment Property Tax Trust Fund (RPTTF) (F+G) | \$ 4,345,046 | \$ 180,145 | \$ 4,525,191 |
| F RPTTF | 4,285,046 | 120,145 | 4,405,191 |
| G Administrative RPTTF | 60,000 | 60,000 | 120,000 |
| H Current Period Enforceable Obligations (A+E) | \$ 4,345,046 | \$ 180,145 | \$ 4,525,191 |

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/ _____
Signature Date

Sunnyvale
Recognized Obligation Payment Schedule (ROPS 21-22) - ROPS Detail
July 1, 2021 through June 30, 2022

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W |
|--------|--|------------------------------------|--------------------------|----------------------------|--|--|--------------|------------------------------|---------|------------------|-------------------------|-----------------|-------------|-------------|-------------|--------------|-------------------------|-----------------|-------------|-----------|-------------|--------------|
| Item # | Project Name | Obligation Type | Agreement Execution Date | Agreement Termination Date | Payee | Description | Project Area | Total Outstanding Obligation | Retired | ROPS 21-22 Total | ROPS 21-22A (Jul - Dec) | | | | | 21-22A Total | ROPS 21-22B (Jan - Jun) | | | | | 21-22B Total |
| | | | | | | | | | | | Fund Sources | | | | | | Fund Sources | | | | | |
| | | | | | | | | | | | Bond Proceeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | | Bond Proceeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | |
| | | | | | | | | \$6,180,619 | | \$4,525,191 | \$- | \$- | \$- | \$4,285,046 | \$60,000 | \$4,345,046 | \$- | \$- | \$- | \$120,145 | \$60,000 | \$180,145 |
| 1 | 2003 Tax Allocation Refunding Bonds | Bonds Issued On or Before 12/31/10 | 11/06/2003 | 08/01/2022 | U S Bank | 1977 Bonds issued to fund redevelopment projects in the Central Core Project area, refunded in 1992 and again in 2003. | Central Core | 1,197,088 | N | \$598,925 | - | - | - | 585,763 | - | \$585,763 | - | - | - | 13,162 | - | \$13,162 |
| 3 | Bond Covenants Other Than Principal and Interest Debt Service Payments | Bonds Issued On or Before 12/31/10 | 11/06/2003 | 10/01/2022 | Professional services | Fees for trustee services, rebate analysis, disclosure consulting. | Central Core | 4,355 | N | \$3,000 | - | - | - | 3,000 | - | \$3,000 | - | - | - | - | - | \$- |
| 8 | RDA Special Projects | Property Dispositions | 07/01/2020 | 06/30/2021 | Professional services | Technical and outside legal counsel services | Central Core | - | N | \$- | - | - | - | - | - | \$- | - | - | - | - | - | \$- |
| 9 | Administration and operation of Successor Agency | Admin Costs | 07/01/2020 | 06/30/2021 | Agency staff and professional services | Administrative and legal services; audit fees; General Fund in-lieu payments for treasury and accounting | Central Core | 120,000 | N | \$120,000 | - | - | - | - | 60,000 | \$60,000 | - | - | - | - | 60,000 | \$60,000 |
| 12 | Low and Moderate Income Housing Fund Deferral Repayment | Miscellaneous | 08/26/1986 | 06/30/2022 | Housing Successor Agency | Under Section 34171(d)(1)(G), deferrals to the Low and Moderate Income Housing Fund are enforceable obligations. Pursuant to 34176(e)(6)(B), the repayment | Central Core | 3,589,301 | N | \$3,589,301 | - | - | - | 3,589,301 | - | \$3,589,301 | - | - | - | - | - | \$- |

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W |
|--------|---|--------------------------|--------------------------|----------------------------|--|--|--------------|------------------------------|---------|------------------|-------------------------|-----------------|-------------|--------|-------------|--------------|-------------------------|-----------------|-------------|--------|-------------|--------------|
| Item # | Project Name | Obligation Type | Agreement Execution Date | Agreement Termination Date | Payee | Description | Project Area | Total Outstanding Obligation | Retired | ROPS 21-22 Total | ROPS 21-22A (Jul - Dec) | | | | | 21-22A Total | ROPS 21-22B (Jan - Jun) | | | | | 21-22B Total |
| | | | | | | | | | | | Fund Sources | | | | | | Fund Sources | | | | | |
| | | | | | | | | | | | Bond Proceeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | | Bond Proceeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | |
| | | | | | | amount is equal to one half of the increase in residual tax revenue over the FY 2012/13 base year. | | | | | | | | | | | | | | | | |
| 16 | Town Center Disposition and Development and Owner Participation Agreement Article 4 | OPA/DDA/ Construction | 09/23/ 2016 | 06/30/2030 | State Water Resources Control Board, legal fees and environmental work costs | Investigation and remediation of hazardous materials. | Central Core | 1,119,875 | N | \$133,465 | - | - | - | 66,732 | - | \$66,732 | - | - | - | 66,733 | - | \$66,733 |
| 17 | Town Center Disposition and Development and Owner Participation Agreement Mgmt | Project Management Costs | 09/23/ 2016 | 06/30/2030 | Agency staff and professional services | To monitor and administer rights and obligations under the Town Center Development Agreement. | Central Core | 150,000 | N | \$80,500 | - | - | - | 40,250 | - | \$40,250 | - | - | - | 40,250 | - | \$40,250 |

Sunnyvale
Recognized Obligation Payment Schedule (ROPS 21-22) - Notes
July 1, 2021 through June 30, 2022

| Item # | Notes/Comments |
|--------|----------------|
| 1 | |
| 3 | |
| 8 | |
| 9 | |
| 12 | |
| 16 | |
| 17 | |