

County of Santa Clara

Finance Agency

County Government Center
70 West Hedding Street, East Wing, 2nd Floor
San Jose, California 951 10-1 705
(408) 299-5205 FAX: (408) 287-7629



NOTICE OF OBJECTION TO ROPS

Tuesday, August 21, 2012

City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

City of Santa Clara Oversight Board
1500 Warburton Avenue
Santa Clara, CA 95050

Department of Finance
915 L Street
Sacramento, CA 95814

ROPS Period: January 1, 2013 to June 30, 2013

Successor Agency: City of Santa Clara

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

Pursuant to Health and Safety Code section 34182.5, my 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:

<u>Line No.</u>	<u>Item</u>	<u>Funding Source</u>	<u>Reason for Objection</u>
8	2011 Cooperation Agreement	Unknown	There is a pending dispute regarding whether this agreement, which is between the former RDA and the city-created/controlled Stadium Authority, is invalid pursuant to HSC 34171(d)(2) and 34178(a). (See also HSC 34167.10.) The state Department of Finance needs to opine on this issue. If it is determined that the agreement is invalid then, per HSC 34178(a), the Oversight Board shall lack the authority to reenter into this agreement except in compliance with AB 1484, which requirements have not yet been satisfied.

Notice of Objection to ROPS

ROPS Period: January 1, 2013 to June 30, 2013

Successor Agency: City of Santa Clara Successor Agency

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<u>Line No.</u>	<u>Item</u>	<u>Funding Source</u>	<u>Reason for Objection</u>
9	Affordable Housing Note	RPTTF	This is a loan agreement between the former RDA and the City. Per HSC 34171(d)(2) and 34178(a), this is not an enforceable obligation.
			Futher, per HSC 34180(a) & (h), the Oversight Board shall lack the authority to reestablish such loans except as provided by AB 1484, which provisions have not been met by the Successor Agency. In addition, this item has been previously deleted by DOF; the Oversight Board lacks authority to restore funding for a deleted item per HSC 34178(a).
10	Franklin Mall Loan	RPTTF	This is a loan agreement between the former RDA and the City. Per HSC 34171(d)(2) and 34178(a), this is not an enforceable obligation. Futher, per HSC 34180(a) & (h), the Oversight Board shall lack the authority to reestablish such loans except as provided by AB 1484, which provisions have not been met by the Successor Agency. In addition, this item has been previously deleted by DOF; the Oversight Board lacks authority to restore funding for a deleted item per HSC 34178(a).
11	City ROPS Loan	RPTTF	This is a cash flow loan made because the RDA had spent tax money from the first half of FY 2011-12 on EOPS items instead of ROPS items, leaving it with a deficit for ROPS I. This loan conflicts with the allowable use of FY 2011-12 tax monies in HSC 34177(l)(3) and 34183.5; as such, this loan cannot be approved for repayment. In addition, this item has been previously deleted by DOF; the Oversight Board lacks authority to restore funding for a deleted item per HSC 34178(a).
Prior 7	Miscellaneous Bond Costs	RPTTF	These expenditures were not included on a previously-approved ROPS; therefore, payment is not authorized and is void per HSC 34177.3(c).

The administrative cost allowance should be reduced to \$314,175.10 to reflect the items set forth in this objection letter.

In accordance with Health and Safety Code section 34182.5, if the Oversight Board disputes any of these objections, it may choose to refer such disputed findings to the Department of Finance for final determination.

Notice of Objection to ROPS

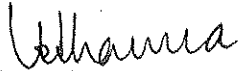
ROPS Period: January 1, 2013 to June 30, 2013

Successor Agency: City of Santa Clara Successor Agency

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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,



Vinod K. Sharma, C.P.A.

Director of Finance

County of Santa Clara

Attachment: ROPS as submitted to County Auditor-Controller by Successor Agency

Successor Agency Contact Information

Name of Successor Agency:	Successor Agency for the Redevelopment Agency of the City of Santa Clara
County:	<u>Santa Clara</u>
Primary Contact Name:	<u>Gary Ameling</u>
Primary Contact Title:	<u>Director of Finance</u>
Address	<u>1500 Warburton Avenue, Santa Clara, CA 95050</u>
Contact Phone Number:	<u>408-615-2340</u>
Contact E-Mail Address:	<u>gameling@santaclaraca.gov</u>
Secondary Contact Name:	<u>Tamera Haas</u>
Secondary Contact Title:	<u>Assistant Director of Finance</u>
Secondary Contact Phone Number:	<u>408-615-2340</u>
Secondary Contact E-Mail Address:	<u>thaas@santaclaraca.gov</u>

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: Successor Agency for the Redevelopment Agency of the City of Santa Clara

		Total Outstanding Debt or Obligation
Outstanding Debt or Obligation		211,717,794.33
Current Period Outstanding Debt or Obligation		Six-Month Total
A	Available Revenues Other Than Anticipated RPTTF Funding	-
B	Enforceable Obligations Funded with RPTTF	12,954,368.93
C	Administrative Allowance Funded with RPTTF	388,631.07
D	Total RPTTF Funded (B + C = D)	13,343,000.00
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>		13,343,000.00
E	Enter Total Six-Month Anticipated RPTTF Funding	13,343,000.00
F	Variance (D - E = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	-
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))		
G	Enter Estimated Obligations Funded by RPTTF <i>(Should be the same amount as RPTTF approved by Finance, including admin allowance)</i>	10,887,411.83
H	Enter Actual Obligations Paid with RPTTF	10,380,818.16
I	Enter Actual Administrative Expenses Paid with RPTTF	518,448.20
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	(11,854.53)
K	Adjustment to RPTTF	13,354,854.53

Certification of Oversight Board Chairman:
Pursuant to Section 34177(m) 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 agency.

Name

Title

Signature

Date

Name of Successor Agency: Successor Agency for the Redevelopment Agency of the City of Santa Clara
 County: Santa Clara

Oversight Board Approval Date: _____

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source											
									LMJHF	Bond Proceeds	Reserve Balance	Admth Allowance	RP/TFE	Other	Six-Month Total					
1	1999 Tax Allocation Bonds Series A	8/7/1999	8/7/2023	Bank of New York	Bond issue to fund non-housing projects	Bayshore North	211,717,794.33	23,965,311.26												
2	1999 Tax Allocation Bonds Series B	8/16/1999	8/1/2017	Bank of New York	Bond issue to fund non-housing projects	Bayshore North	46,079,625.00	1,708,857.50												
3	2002 Tax Allocation Refunding Bonds	8/5/2002	6/1/2014	Bank of New York	Bond issue to fund non-housing projects	Bayshore North	11,954,325.00	2,449,556.26												
4	2003 Tax Allocation Bonds	4/30/2003	6/1/2023	Bank of New York	Bond issue to fund non-housing projects	Bayshore North	60,084,000.00	2,198,000.00												
5	2011 Tax Allocation Bonds	5/11/2011	6/1/2026	Bank of New York	Bond issue to fund non-housing projects	Bayshore North	63,048,575.00	650,513.50												
6	Miscellaneous Bond Costs	8/3/1989	6/1/2014	Various	Fiscal Agent Fees, Archibanc Fees, etc.	Bayshore North	182,000.00	13,000.00												
7	2002 Series B COPS (Agency Share)	3/1/1989	2/1/2014	City of Santa Clara	Reimbursement Agreement - Agency/ City	Bayshore North	670,816.81	343,748.00												
8	2011 Cooperation Agreement	2/28/2011	TBD	Stadium Authority	To assist a publicly owned stadium	Bayshore North														
9	Attertable Housing, Promissory Note	7/14/1998 & 5/22/2012	7/1/2015	City of Santa Clara	Repayment of 1998 advance to Agency	Bayshore North	2,884,857.18	1,050,000.00												
10	Franklin Mall Loan Agreement	8/17/1998 & 5/22/2012	7/1/2017	City of Santa Clara	Cooperation and Reimbursement Agreement	University	2,816,512.96	500,000.00												
11	City ROPS Loan	5/22/2012	TBD	City of Santa Clara	Cash Flow Loan for ROPS payments	Bayshore North	5,800,000.00	5,800,000.00												
12	Independent Legal Counsel	7/17/2012	TBD	Hilda Cantu Montoy	Legal Counsel for Oversight Board	All	85,000.00	85,000.00												
13	Administrative Cost Allowance	2/1/2012	TBD	City of Santa Clara	Reimbursement for Administrative Expense	All	2,533,876.00	2,533,876.00												
14																				
15																				
16																				
17																				
18																				
	Grand Total																			

Name of Successor Agency: Successor Agency for the Redevelopment Agency of the City of Santa Clara
 County: Santa Clara

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional)
 January 1, 2013 through June 30, 2013

Item #	Notes/Comments
8	2011 Cooperation Agreement Requesting reconsideration. The amount is unknown and subject to possible settlement agreement or court action.
9	Affordable Housing Promissory Note Requesting reconsideration. This Promissory Note was re-entered into between the Successor Agency and the City of Santa Clara on May 22, 2012 in accordance with Oversight Board authorization on May 18, 2012. (per H&S Section 34178(g)).
10	Franklin Mall Loan Agreement Requesting reconsideration. This Loan Agreement was re-entered into between the Successor Agency and the City of Santa Clara on May 22, 2012 in accordance with Oversight Board authorization on May 18, 2012. (per H&S Section 34178(g)).
11	City ROPS Loan The loan is a loan from the City authorizing the creation of the redevelopment agency to the successor agency for payment of an enforceable obligation. (Bond payments due in 2012).
11	City ROPS Loan The loan was approved by the Successor Agency and the Oversight Board. Pursuant to Health and Safety Code Section 34173(h) the loan is deemed an enforceable obligation.

Name of Successor Agency:
County:

Successor Agency for the Redevelopment Agency of the City of Santa Clara
Santa Clara

Pursuant to Health and Safety Code section 34186 (a)
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
January 1, 2012 through June 30, 2012

Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
		Grand Total				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,448.20	\$ -	\$ -	\$ 10,380,818.16	\$ -	\$ -
Page 1	1	1999 Tax Allocation Bonds Series A	Bank of New York	Bond issue to fund non-housing projects	Bayshore North										854,431.25		
Page 1	2	1999 Tax Allocation Bonds Series B	Bank of New York	Bond issue to fund non-housing projects	Bayshore North										2,042,565.64		
Page 1	3	2002 Tax Allocation Refunding Bonds	Bank of New York	Bond issue to fund non-housing projects	Bayshore North										5,577,137.50		
Page 1	4	2003 Tax Allocation Bonds	Bank of New York	Bond issue to fund non-housing projects	Bayshore North										1,099,000.00		
Page 1	5	2011 Tax Allocation Bonds	Bank of New York	Bond issue to fund non-housing projects	Bayshore North										451,556.25		
Page 1	6	2002 Series B COPS (Agency Share)	City of Santa Clara	Reimbursement Agreement - Agency/City	Bayshore North										344,273.00		
New	7	Miscellaneous Bond Costs	Various	Fiscal Agent Fees, Arbitrage Fees, etc.	Bayshore North										345,157.52		
New	8	Administrative Cost Allowance	City of Santa Clara	Reimbursement for Administrative Expenses	All										518,448.20		