

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

Wednesday, February 26, 2014

Santa Clara Successor Agency
1500 Warburton Avenue
Santa Clara, CA 95050

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

Department of Finance
915 L Street
Sacramento, CA 95814

ROPS Period: ROPS 14-15A (July 1, 2014 – December 31, 2014)
Successor Agency: Santa Clara

To the Successor Agency, 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 does not object to any items on the submitted ROPS.

However, the County Auditor-Controller does object to the funding sources identified on the ROPS. Any other funds of the Successor Agency must first be used to pay enforceable obligations and the RPTTF distribution reduced accordingly. (*See* Health & Saf. Code § 34177(I)(1)(E)-(F).) For example, based on cash balances self-reported by the Successor Agency on the Cash Balances worksheet attached to the ROPS, the Successor Agency held \$3,728,175 on December 31, 2013. These funds, and any other funds of the Successor Agency (e.g., lease revenues), must be used to pay enforceable obligations. The precise amount of available funds is the subject of the continuing review of cash balances, as described below.

Board of Supervisors: Mike Wasserman, Cindy Chavez, Dave Cortese, Ken Yeager, S. Joseph Simitian
County Executive: Jeffrey V. Smith

Successor Agency: City of Santa Clara
Notice of Objection to ROPS 14-15A
February 26, 2014

**Therefore, the Oversight Board resolution should reflect the following statement:
“Notwithstanding the funding source designation on the ROPS, any other funds of the
Successor Agency must first be used to pay enforceable obligations thereby reducing the
RPTTF distribution.”**

In accordance with 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.

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.

Additionally, pursuant to Health and Safety Code section 34186(a), the County Auditor-Controller may review the prior period payments and the prior period estimated versus actual payments reported on the ROPS. This review is ongoing, and this letter does not apply to the true-up of prior period payments. In addition, my office is continuing its review of the cash balances reported by the successor agency on the ROPS. The results of this review will be transmitted to the Department of Finance as soon as possible.

Sincerely yours,



Irene Lui, C.P.A.
Controller-Treasurer
County of Santa Clara

Attachment: ROPS 14-15A as submitted to the County Auditor-Controller by Successor Agency

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: Santa Clara
Name of County: Santa Clara

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A Sources (B+C+D):		\$ -
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		-
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 6,964,160
F Non-Administrative Costs (ROPS Detail)		6,761,320
G Administrative Costs (ROPS Detail)		202,840
H Current Period Enforceable Obligations (A+E):		\$ 6,964,160
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I Enforceable Obligations funded with RPTTF (E):		6,964,160
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)		-
K Adjusted Current Period RPTTF Requested Funding (I-J)		\$ 6,964,160
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L Enforceable Obligations funded with RPTTF (E):		6,964,160
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)		
N Adjusted Current Period RPTTF Requested Funding (L-M)		6,964,160

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
/s/ _____	
Signature	Date

Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail
July 1, 2014 through December 31, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					O	P
										Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total	
								\$ 199,435,608					\$ 6,761,320	\$ 202,840	\$ 6,964,160	
1	1999 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	8/3/1999	6/1/2023	Bank of New York	Bond issue to fund non-housing projects	Bayshore North	42,661,900	N				854,431		\$ 854,431	
2	1999 Tax Allocation Bonds Series B	Bonds Issued On or Before 12/31/10	8/18/1999	6/1/2017	Bank of New York	Bond issue to fund non-housing projects	Bayshore North	11,263,769	N				276,650		\$ 276,650	
3	2002 Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	6/6/2002	6/1/2014	Bank of New York	Bond issue to fund non-housing projects	Bayshore North	-	Y				-		\$ -	
4	2003 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	4/30/2003	6/1/2023	Bank of New York	Bond issue to fund non-housing projects	Bayshore North	55,688,000	N				1,099,000		\$ 1,099,000	
5	2011 Tax Allocation Bonds	Bonds Issued After 12/31/10	5/11/2011	6/1/2026	Bank of New York	Bond issue to fund non-housing projects	Bayshore North	60,582,350	N				325,306		\$ 325,306	
6	Miscellaneous Bond Costs	Fees	8/3/1999	6/1/2026	Various	Fiscal Agent Fees, Arbitrage Fees, etc.	Bayshore North	176,800	N				7,600		\$ 7,600	
7	2002 Series B COPS (Agency Share)	Bonds Issued On or Before 12/31/10	3/1/1989	2/1/2014	City of Santa Clara	Reimbursement Agreement - Agency/City	Bayshore North		N							
8	2011 Cooperation and Predevelopment Funding Agreement, as modified by First Amendment	Third-Party Loans	2/22/2011	7/31/2017	Forty Niners SC Stadium Company LLC	Repayment of a loan to assist a publicly owned stadium	Bayshore North	23,253,985	N				4,198,333		\$ 4,198,333	
11	City ROPS Loan	City/County Loans After 6/27/11	5/22/2012	12/31/9999	City of Santa Clara	Cash Flow Loan for ROPS payments	Bayshore North		N							
12	Independent Legal Counsel	Legal	7/17/2012	12/31/9999	Hilda Cantu Montoy	Legal Counsel for Oversight Board	All		N						\$ -	
13	Administrative Cost Allowance	Admin Costs	7/1/2014	12/31/2014	City of Santa Clara	Reimbursement for Administrative Expenses	All	5,808,804	N					202,840	\$ 202,840	
14	Defense of Lawsuit Filed by County	Legal	1/8/2013	6/30/2014	Gibson, Dunn & Crutcher LLP/Goldfarb & Lipman LLP	Payment of legal fees to defend lawsuits	All		N							
16	Private Letter Ruling and related document preparation	Legal	8/16/2013	12/31/9999	Jones Hall	IRS letter ruling regarding use of 2011 Bond Proceeds	Bayshore North		N						\$ -	
17	Ruling request fee required by IRS	Legal	8/16/2013	12/31/9999	IRS	IRS letter ruling fee regarding use of 2011 Bond Proceeds	Bayshore North		N						\$ -	
19	910-9160 and 915-9301 CIP BAREC Senior Housing	OPA/DDA/Construction	7/5/2005	1/5/2012	City of Santa Clara Housing Authority	Per LMIHF DDR Attachment C1, Item #3, Obligation and expenditures subject to inclusion on future ROPS	Bayshore North		Y						\$ -	
20	910-9182 CIP Bill Wilson Center - The Commons Project	OPA/DDA/Construction	4/14/2007	4/25/2012	City of Santa Clara Housing Authority	Per LMIHF DDR Attachment C1, Item #6, Obligation and expenditures subject to inclusion on future ROPS. Remaining undisbursed loan commitment is considered an enforceable obligation.	Bayshore North		Y						\$ -	
21	915-9306 CIP 1430 El Camino Real Housing Project Presidio	OPA/DDA/Construction	5/11/2010	10/19/2012	City of Santa Clara Housing Authority	Per LMIHF DDR Attachment C1, Item #14, Obligation and expenditures subject to inclusion on future ROPS. Remaining undisbursed encumbrance is included and is considered an enforceable obligation.	Bayshore North		Y						\$ -	
22	910-9187 CIP ROEM Senior Housing Project 2525 El Camino Real	OPA/DDA/Construction	4/19/2011	7/12/2011	City of Santa Clara Housing Authority	Per LMIHF DDR Attachment C1, Item #9, Obligation and expenditures subject to inclusion on future ROPS.	Bayshore North		Y						\$ -	
23	910-9110 CIP Non-Profit Housing Service Providers-Project Sentinel, Fair Housing Services	Miscellaneous	11/1/2010	6/30/2012	City of Santa Clara Housing Authority	Per LMIHF DDR Attachment C1, Item #1, Obligation and expenditures subject to inclusion on future ROPS.	Bayshore North		Y						\$ -	
24	910-9110 CIP Non-Profit Housing Service Providers-Project Sentinel, Mortgage Default Counseling	Miscellaneous	11/1/2010	6/30/2012	City of Santa Clara Housing Authority	Per LMIHF DDR Attachment C1, Item #1, Obligation and expenditures subject to inclusion on future ROPS.	Bayshore North		Y						\$ -	
25	910-9110 CIP Non-Profit Housing Service Providers-Catholic Charities, Housing Search Services	Miscellaneous	11/1/2010	6/30/2012	City of Santa Clara Housing Authority	Per LMIHF DDR Attachment C1, Item #1, Obligation and expenditures subject to inclusion on future ROPS.	Bayshore North		Y						\$ -	
26	910-9110 CIP Non-Profit Housing Service Providers-Silicon Valley Independent Living Center, Supported Living Concepts	Miscellaneous	11/1/2010	6/30/2012	City of Santa Clara Housing Authority	Per LMIHF DDR Attachment C1, Item #1, Obligation and expenditures subject to inclusion on future ROPS.	Bayshore North		Y						\$ -	
27	910-9110 CIP Non-Profit Housing Service Providers-Council on Aging, Senior Case Management	Miscellaneous	11/1/2010	6/30/2012	City of Santa Clara Housing Authority	Per LMIHF DDR Attachment C1, Item #1, Obligation and expenditures subject to inclusion on future ROPS.	Bayshore North		Y						\$ -	
28	910-9110 CIP Non-Profit Housing Service Providers-Next Door, Case Management-HomeSafe SC	Miscellaneous	11/1/2010	6/30/2012	City of Santa Clara Housing Authority	Per LMIHF DDR Attachment C1, Item #1, Obligation and expenditures subject to inclusion on future ROPS.	Bayshore North		Y						\$ -	
29	910-9110 CIP Non-Profit Housing Service Providers-Emergency Housing Consortium, Transitional Housing Supplemental Services	Miscellaneous	11/1/2010	6/30/2012	City of Santa Clara Housing Authority	Per LMIHF DDR Attachment C1, Item #1, Obligation and expenditures subject to inclusion on future ROPS.	Bayshore North		Y						\$ -	
30	910-9110 CIP Non-Profit Housing Service Providers-InnVision, Emergency Rental Assistance	Miscellaneous	11/1/2010	6/30/2012	City of Santa Clara Housing Authority	Per LMIHF DDR Attachment C1, Item #1, Obligation and expenditures subject to inclusion on future ROPS.	Bayshore North		Y						\$ -	
31	Subleasehold Interest - Sports and Open Space Authority (SOSA)	Miscellaneous	3/22/1995	3/22/2050	City of Santa Clara and Sports and Open Space Authority	Per Other Funds DDR Attachment D, Item 29a and 29b per pre-meet and confer advice from DOF.	Bayshore North		N						\$ -	
															\$ -	
															\$ -	
															\$ -	

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments	
ROPS 13-14A Actuals (07/01/13 - 12/31/13)									
1	Beginning Available Cash Balance (Actual 07/01/13) Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)	9,672,105	2,767,859	-	-	-	(63,590)	1G) Per the Court's 7/26/2013 temporary restraining order, rents are being held in a separate general ledger trust account.	
2	Revenue/Income (Actual 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013	3,112,173	25,000,555	41,783,647			2,958,040	2C) Transfer \$3,112,171 of pre-2011 bond proceeds from the City in accordance with State Controller's Asset Transfer Review, plus \$2 of interest income on restricted bond reserves. 2D) Transfer \$25,000,552 of 2011 bond proceeds from the City in accordance with the State Controller's Asset Transfer Review, plus \$3 of interest income on such bond proceeds. C and D) All funds are subject to the court ordered preliminary injunction.	
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs			38,055,472			2,958,040	3E) Housing DDR paid to the County 11/19/2013.	
4	Retention of Available Cash Balance (Actual 12/31/13) Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A	12,784,278	27,768,414	3,728,175				4C and 4D) Bond proceeds are required to be retained until the State issues a Finding of Completion. Bond reserves are restricted reserve fund account balances required by indenture. 4C) 12/31/13 of \$12,784,278 consists of \$9,672,107 of restricted bond reserves and \$3,112,171 of bond proceeds. 4D) 12/31/13 of \$27,768,414 consists of \$2,767,859 of restricted bond reserves and \$25,000,555 of bond proceeds. 4E) 12/31/13 of \$3,728,175 consists of OFA DDR cash transferred to and held by the Successor Agency until settlement of OFA DDR.	
5	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs.	No entry required						-	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (63,590)		
ROPS 13-14B Estimate (01/01/14 - 06/30/14)									
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 12,784,278	\$ 27,768,414	\$ 3,728,175	\$ -	\$ -	\$ (63,590)	H7) 12/31/13 RPTTF cash deficit of \$63,590 consists of ROPS 2 funding deficit of \$65,802 plus ROPS timing differences that will clear in 2014 of \$2,212.	
8	Revenue/Income (Estimate 06/30/14) Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014						11,523,027		
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)						11,523,027		
10	Retention of Available Cash Balance (Estimate 06/30/14) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B	12,784,278	27,768,414	3,728,175				10C and 10D) Bond proceeds are required to be retained until the State issues a Finding of Completion. Bond reserves are restricted reserve fund account balances required by indenture. 10C) 12/31/13 of \$12,784,278 consists of \$9,672,107 of restricted bond reserves and \$3,112,171 of bond proceeds. 10D) 12/31/13 of \$27,768,414 consists of \$2,767,859 of restricted bond reserves and \$25,000,555 of bond proceeds. 10E) 12/31/13 of \$3,728,175 consists of OFA DDR cash transferred to and held by the Successor Agency until settlement of OFA DDR.	
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (63,590)		

Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
1-5	Tax Allocation Bond debt service payments.
6	Miscellaneous Bond Costs of \$7,600 for 14-15A is an estimate which may require a true-up in subsequent ROPS periods.
7	2002 Series B COPS (Agency Share) was previously denied by DOF. Therefore, no amount was entered.
8	Reused line item related to Forty Niner's litigation. Oversight Board on 8/1/2013 approved Resolution No. 2013-05 agreeing that the preconditions in the Cooperation Agreement with StadCo had been met and that renegotiation of the Stadium Agreements was in the best interest of the taxing entities. Amount included per Section 2.2 of the First Amendment to Cooperation Agreement to Assist Publicly-Owned Stadium and First Amendment to Predevelopment Funding Agreement. Consistent with Oversight Board Resolution No. 2013-05, if an IRS letter ruling is obtained in the affirmative with respect to bond proceeds of the former RDA, and other conditions outlined in Exhibit A to the Resolution are met, this payment is due from 2011 bond proceeds.
9-10	Items removed by Oversight Board during prior ROPS period.
11	City ROPS Loan of \$5,900,000 was previously denied by DOF. Therefore, no amount was entered.
12	Independent Legal Counsel contract of 7/17/2012 was amended on 2/22/2013 and 8/16/2013. This contract is primarily related to litigation costs associated with the Forty Niner's litigation.
13	Administrative Cost Allowance calculated as 3% of the Successor Agency's enforceable obligations or \$125,000, whichever is greater.
14-15	Items removed by Oversight Board at Oversight Board meeting on 9/23/2013.
16-17	Costs associated with filing for an IRS private letter ruling regarding use of 2011 Tax Allocation Bond proceeds per Oversight Board Resolution No. 2013-07 on August 16, 2013 as approved by DOF. DOF approved on ROPS13-14B; no current request.
18	Item removed by Oversight Board at Oversight Board meeting on 9/23/2013.
19-30	Per the Housing Due Diligence Review. DOF requested in a letter dated 9/23/13 that the Oversight Board include these items on ROPS 13-14B. Amounts listed have already been paid from the Low and Moderate Income Housing Funds (LMIHF). DOF approved on ROPS 13-14B; no further action necessary.
31	Subleasehold Interest SOSA per the Other Funds Due Diligence Review Attachment D, Items 29a and 29b. DOF requested in a letter dated 9/23/13 that the Oversight Board include these items on ROPS 13-14B. Amount listed has already been paid to SOSA. DOF denied this item for ROPS 13-14B.
All	Since the form requires that the Contract/Agreement Termination Date be filled in, we have entered 12/31/9999 for line items where no contract or agreement termination date exists.