



March 30, 2015

Mr. Gary Ameling, Assistant City Manager and Director of Finance
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Dear Mr. Ameling:

Subject: Approval of Oversight Board Action

The City of Santa Clara Successor Agency (Agency) notified the California Department of Finance (Finance) of its February 27, 2015 Oversight Board (OB) Resolution on March 4, 2015. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

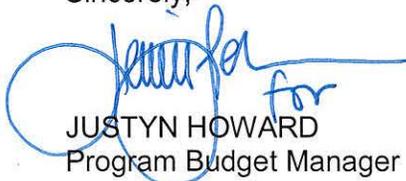
Based on our review and application of the law, OB Resolution No. 2015-02, directing the Agency to use 2011 bond proceeds to defease a portion of the Agency's 2011 Tax Allocation Bond Debt (2011 bonds), is approved. This action is consistent with HSC section 34191.4 (c) (2) (B) which states that proceeds from bonds issued after December 31, 2010 that are not encumbered by an enforceable obligation, shall be used to defease the bonds.

It is our understanding the Agency will defease approximately \$17.3 million of the 2011 bonds which will create an estimated savings of \$34.4 million. Further, the Agency has already obtained expenditure authority to defease a portion of the 2011 bonds during the January through June 2015 Recognized Obligation Payment Schedule (ROPS 14-15B) period. Therefore, the Agency is authorized to move forward with their plan for defeasance of the 2011 bonds.

This is our determination with respect to the OB action taken.

Please direct inquiries to Wendy Griffe, Supervisor, or Jared Smith, Lead Analyst at (916) 445-1546.

Sincerely,


JUSTYN HOWARD
Program Budget Manager

cc: Ms. Tamera Haas, Assistant Director of Finance, City of Santa Clara
Ms. Emily Harrison, Finance Agency Director, Santa Clara County
California State Controller's Office