

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

REVIEW OF PAYMENTS AND FUND BALANCES

October 19, 2013

Department of Finance
915 L Street
Sacramento, CA 95814

ROPS Period: ROPS 13-14B
Prior Period Payments: ROPS III (January 1 to June 30, 2013)
Successor Agency: City of Santa Clara

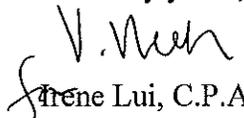
To the Department of Finance:

Pursuant to Health and Safety Code section 34186(a), my office has reviewed the prior period payments and the prior period estimated versus actual payments reported on the Recognized Obligation Payment Schedule (ROPS) submitted by the above-noted successor agency for the above-noted period. Per the Department's direction, the results of our review are contained in the attached worksheet.

In addition, my office is continuing its review of the fund balances reported by the successor agency on the ROPS. The results of this review will be transmitted to the Department as soon as possible.

Please note that items and/or funding sources not examined during this review are subject to subsequent review. 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. Moreover, our office will continue working to refine our fund balances review, which results will be incorporated in subsequent ROPS reviews.

Sincerely yours,


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

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
Review of Payments and Fund Balances as Reported on ROPS 13-14B
October 19, 2013

cc: State Controller's Office
Successor Agency

Attachment:

County Auditor-Controller Worksheet for ROPS 13-14B as approved by the Oversight Board and submitted to the County Auditor-Controller

Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary

Filed for the January 1, 2014 through June 30, 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
A Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):	\$ 19,738,259
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	19,738,259
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 24,785,872
F Non-Administrative Costs (ROPS Detail)	23,489,053
G Administrative Costs (ROPS Detail)	1,296,819
H Current Period Enforceable Obligations (A+E):	\$ 44,524,131
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	24,785,872
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	(2,930)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 24,782,942
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	24,785,872
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	(270,689)
N Adjusted Current Period RPTTF Requested Funding (L-M)	24,515,183

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.

Donald F. Gage	Oversight Board Chairperson
/s/	9/23/2013
Signature	Date

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund 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	J	K	
	Fund Balance Information by ROPS Period	Fund Sources								CAC Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF		Total		
		Bonds	Bonds	Diligence Review balances retained for	RPTTF balances	Rent,					
ROPS III Actuals (01/01/13 - 6/30/13)											
1	Beginning Available Fund Balance (Actual 06/30/13) Note that for the RPTTF, 1 + 2 should tie to column 1 of the Report of Prior Period Adjustments (PPAs)									-	
2	Revenue/Income (Actual 06/30/13) Note that this amount should tie to the ROPS III distributions from the County Auditor-Controller									7,482	
3	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to column 3 and S in the Report of PPAs									4,552	
4	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the reserves for debt service approved in ROPS III									-	
5	ROPS III RPTTF Prior Period Adjustment (Actual 06/30/13) Note that the Admin and Admin RPTTF amounts should tie to column 5 of the Report of PPAs.									2,930	
6	Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ROPS 13-14A Estimate (07/01/13 - 12/31/13)											
7	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,930	\$ -	\$ 2,930		
8	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller						2,833,040	125,000	\$ 2,958,040		
9	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)						2,833,040	125,000	\$ 2,958,040		
10	Retention of Available Fund Balance (Estimate 12/31/13) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A								\$ -		
11	Ending Estimated Available Fund Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,930	\$ -	\$ 2,930		

CAC : Review not complete. The results of this audit will be transmitted to the Department as soon as possible.

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Prior Period Adjustments
 Reported for the ROPS III (January 1, 2013 through June 30, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
 (Report Amounts in Whole Dollars)

ROPS III Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS III (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 13-14B (January through June 2014) period will be offset by the SA's self-reported ROPS III prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the **ROPS III CAC PPA:** To be completed by the CAC upon submittal of the ROPS 13-14B by the SA to Finance and the CAC

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB						
Item #	Project Name / Debt Obligation	Non-RPTTF Expenditures										RPTTF Expenditures										Net SA Non-Admin and Admin PPA	Non-Admin CAC				Admin CAC				Net CAC Non-Admin and Admin PPA	SA Comments	CAC Comments
		LMIHF (Includes LMIHF Due Diligence Review (DDR))		Bond Proceeds		Reserve Balance (Includes Other Funds and)		Other Funds		Non-Admin					Admin					Difference (Amount Used to Offset ROPS 13-14B Requested RPTTF (O + T))	Difference (If R is less than S, the difference is zero)		Difference (If V is less than W, the difference is zero)	Difference (If Y is less than Z, the difference is zero)	Difference (Amount Used to Offset ROPS 13-14B Requested RPTTF (X + AA))								
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Available RPTTF (ROPS III distributed + all other available as of 1/1/13)	Net Lesser of Authorized/ Available	Actual	Difference (If M is less than N, the difference is zero)	Authorized	Available RPTTF (ROPS III distributed + all other available as of 1/1/13)	Net Lesser of Authorized / Available	Actual							Difference (If R is less than S, the difference is zero)	Net Lesser of Authorized / Available	Actual	Difference (If V is less than W, the difference is zero)	Net Lesser of Authorized / Available			
1	1999 Tax Allocation Bonds Series A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,136,723	\$ 854,431	\$ 854,431	\$ 854,431	\$ -	\$ 2,930	\$ 267,759	\$ 267,759	\$ -	\$ -	\$ -	\$ 2,930	\$ 10,136,723	\$ 10,136,793	\$ 2,930	\$ 267,759	\$ -	\$ 267,759	\$ 270,689				
2	1999 Tax Allocation Bonds Series B										2,079,778	2,079,778	2,079,778	2,079,778	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	2,079,778	2,079,778	\$ -		\$ -	\$ -						
3	2002 Tax Allocation Refunding Bonds										5,678,738	5,678,738	5,678,738	5,678,738	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	5,678,738	5,678,738	\$ -		\$ -	\$ -						
4	2003 Tax Allocation Bonds										1,099,000	1,099,000	1,099,000	1,099,000	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	1,099,000	1,099,000	\$ -		\$ -	\$ -						
5	2011 Tax Allocation Bonds										325,306	325,306	325,306	325,306	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	325,306	325,306	\$ -		\$ -	\$ -						
6	Miscellaneous Bond Costs										17,470	17,470	17,470	14,540	\$ 2,930		\$ -	\$ -	\$ 2,930			17,470	14,540	\$ 2,930		\$ -	\$ 2,930						
7	2002 Series B COPS (Agency Share)											\$ -	\$ -	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -		N/A				
8	Settlement Agreement and Judgment Relating to 2011 Cooperation Agreement											\$ -	\$ -	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -		N/A				
11	City ROPS Loan											\$ -	\$ -	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -		N/A				
12	Independent Legal Counsel										85,000	85,000	85,000	85,000	\$ -		\$ -	\$ -	\$ -			85,000	85,000	\$ -		\$ -	\$ -		SA reported actual \$85,000, but paid \$120,335 in ROPS III period that exceeds the authorized amount by \$35,335. CAC amount reported at \$85,000, the maximum authorized amount.				
13	Administrative Cost Allowance											\$ -	\$ -	\$ -	267,759	267,759	267,759	267,759	\$ -	\$ -		\$ -	\$ -	\$ -	267,759	\$ -	267,759	267,759		No Oversight Board approval of Admin Budget per HSC 34177(j). SA reported actual amount of \$267,759. Without approved budget, SA had no expenditure authorization.			
14	Defense of Lawsuit Filed by County											\$ -	\$ -	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -		N/A				

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
1-5	Tax Allocation Bond debt service payments.
6	Miscellaneous Bond Costs of \$6,500 for 13-14B 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.
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).
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.
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.