DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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October 28, 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: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m) (1) (A), the Santa Clara Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period January 1 through June 30, 2016 (ROPS 15-16B) to the California Department of Finance (Finance) on September 25, 2015. Finance has completed its review of the ROPS 15-16B.

Based on our review, Finance is approving all of the items listed on the ROPS 15-16B at this time.

Pursuant to HSC section 34186 (a) (1), the Agency was required to report on the ROPS 15-16B form the estimated obligations versus actual payments (prior period adjustment) associated with the January through June 2015 period (ROPS 14-15B). HSC section 34186 (a) (1) also specifies the prior period adjustment self-reported by the Agency is subject to review by the county auditor-controller (CAC). Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of Redevelopment Property Tax Trust Fund (RPTTF) approved in the table on the following page only reflects the Agency's self-reported prior period adjustment, further adjusted by Finance.

Finance noted on the Agency's ROPS 14-15B prior period adjustment worksheet, for Item No. 13 the Agency's Available RPTTF ($250,000) did not match Finance's authorization of $265,000. Further, reports from the CAC indicate the full $265,000 was distributed for Item No. 13. Therefore, Finance is increasing the Agency's Available RPTTF for Item No. 13 by $15,000 ($265,000 - $250,000) to ensure the available funding is consistent with what was approved and distributed. This increase also increases the total prior period adjustment by $15,000, which results in a prior period adjustment of $36,953 ($26,953 + $15,000).

The amount of RPTTF approved in the table on the next page includes excess prior period adjustment of $36,953. The current approved RPTTF is insufficient to allow for the prior period adjustments of $36,953 during this ROPS period. Pursuant to HSC section 34177 (l) (1) (E), the Agency is required to use all available funding sources to pay enforceable obligations. Therefore, the Agency should apply the remaining funds prior to requesting RPTTF on future ROPS.

The Agency's maximum approved RPTTF distribution for the reporting period is zero as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution For the period of January through June 2016		
Total RPTTF requested for non-administrative obligations		0
Total RPTTF requested for administrative obligations		0
Total RPTTF requested for obligations on ROPS 15-16B	**$**	**0**
Total RPTTF authorized for non-administrative obligations		0
Total RPTTF authorized for administrative obligations		0
Total RPTTF authorized for obligations	**$**	**0**
Self-reported ROPS 14-15B prior period adjustment		(21,953)
Finance adjustment to ROPS 14-15B prior period adjustment		(15,000)
Total ROPS 14-15B prior period adjustment		(36,953)
Excess prior period adjustment		36,953
Total RPTTF approved for distribution	**$**	**0**

On the ROPS 15-16B form, the Agency reported cash balances and activity for the period January 1 through December 31, 2015. Finance will perform a review of the Agency's self-reported cash balances on an ongoing basis. Please be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved obligations, HSC section 34177 (l) (1) (E) requires these balances be used prior to requesting RPTTF.

Please refer to the ROPS 15-16B schedule used to calculate the total RPTTF approved for distribution:

http://www.dof.ca.gov/redevelopment/ROPS

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2016. This determination only applies to items when funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

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

Sincerely,

JUSTYN HOWARD
Program Budget Manager

cc: Mr. Marcelo Penha, Assistant Director of Finance, City of Santa Clara
Ms. Emily Harrison, Finance Agency Director, Santa Clara County