

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

Friday, September 20, 2013

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, 2014 to June 30, 2014 - ROPS 13-14B

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, 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 objects to the following items and/or funding sources on the submitted ROPS:

Item 13 – Administrative Cost Allowance

The proposed administrative budget for this period includes \$550,400 for “Legal Activities Related to Lawsuits.” This is comprised of \$500,000 for Successor Agency Outside Counsel (presumably Goldfarb Lipman), and \$50,400 (400 hours) for Staff Support for Legal Actions. This is also in addition to \$50,000 for outside counsel for non-litigation work. The \$550,400 should be struck from the administrative budget.

As an initial matter, we note that we believe it is appropriate for the Successor Agency to absorb any litigation costs related to the lawsuit filed by the County Auditor-Controller, Santa Clara Unified School District (“SCUSD”) and County Office of Education (“COE”) within its

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

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administrative budget. This is because successor agency litigation expenses are only allowed as a separate ROPS item where the litigation pertains to the *successor agency's* assets or obligations. This lawsuit seeks the return to the Successor Agency of former RDA assets that were improperly transferred to the City and City-related entities. Presumably, the Successor Agency would support such relief. The Successor Agency has not provided any explanation for why *opposing* the relief requested in the lawsuit pertains to its assets or obligations or duties under the Redevelopment Dissolution Law. The Department of Finance ("DOF") has also determined that "a contract related to these particular expenses would not qualify as an Enforceable Obligation because the expenses do not relate to the administration or operation of the successor agency." (May 17, 2013 Department of Finance Letter regarding Meet-and-Confer for ROPS 13-14A.)

The County Auditor-Controller continues to object to the joint representation of the Successor Agency, City and City-related entities on the grounds that it poses a clear conflict of interest. The Successor Agency's role is to perform its ministerial duties under the Redevelopment Dissolution Law. These duties include "[e]nforc[ing] all former redevelopment agency rights for the benefit of the taxing entities" (Health & Saf. Code, § 34177(f).) The law also states that "[s]uccessor agencies shall make diligent efforts to recover any money determined to have been transferred without an enforceable obligation [under the Due Diligence Review process]." (Health & Saf. Code, § 34179.6(f).)

Furthermore, it is in the best interests of the taxing entities in the lawsuit for the Court to determine that the City and City-related entities do not have any entitlement to the cash and other assets transferred to them from the former RDA and that these assets must be returned to the Successor Agency. In short, the Successor Agency has interests and statutory duties to the affected taxing entities that differ markedly from the City's interests. This puts the interests of the taxing entities (and the Successor Agency in its role as fiduciary for the taxing entities) in direct conflict with the City and City-related entities. Thus, the Successor Agency and City should be represented by separate counsel in the lawsuit.

The shared counsel situation also makes it difficult, if not impossible, to determine what share of legal fees relate to representation of the Successor Agency's legitimate interests in the lawsuit and whether the Successor Agency (and, ultimately, the taxing entities) are paying all or part of the cost of representing the City's interests. Given that the City is the real party in interest affected by the lawsuit, it is inappropriate for any City litigation costs to be paid from the RPTTF because any costs paid from the RPTTF ultimately are borne by the taxing entities. If, for some reason, the Successor Agency and City have a plausible explanation for why the joint representation does not pose a conflict of interest, then they must still clearly explain how the litigation costs are being divided between the Successor Agency and the City.

The \$550,400 included in the administrative budget apparently is *in addition* to the outside legal costs for which the Successor Agency seeks *separate* approval on Items 14 and 15 (\$328,500 for two law firms related to the same lawsuit), and repayment of a purported \$400,000 loan from the City to the Successor Agency for legal costs related to the same lawsuit (item 18). This amounts

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to \$1,278,900 for legal costs (items 13, 14, 15 and 18) for a lawsuit that is only seven months old. Since this lawsuit was filed on February 8, 2013, Goldfarb and Lipman has filed a joint answer on behalf of the Successor Agency, City and various City-related entities, and has briefed and argued a joint opposition to the County's motion for preliminary injunction. Gibson Dunn & Crutcher has not made an appearance in the litigation. The Successor Agency has not provided any substantiation or justification for why its litigation costs are so high or how the litigation costs are being allocated between the Successor Agency, City and other City-related entities.

Item 14 (\$175,000) – Gibson Dunn & Crutcher, LLP for Defense of Lawsuit filed by County, SCUSD and COE

As explained above in relation to Item 13, this lawsuit seeks the return of former RDA assets improperly transferred to the City and City-related entities. The Successor Agency has not provided any explanation for why opposing the relief requested in the lawsuit pertains to its assets or obligations or duties under the Redevelopment Dissolution Law. DOF has also opined that "a contract related to these particular expenses would not qualify as an Enforceable Obligation because the expenses do not relate to the administration or operation of the successor agency." (May 17, 2013 Department of Finance Letter regarding Meet-and-Confer for ROPS 13-14A.) In addition, this agreement appears to be identical to the legal services agreement approved by the City for its own litigation work related to RDA dissolution.

Item 15 (\$153,500) – Goldfarb & Lipman, LLP for Defense of Lawsuit filed by County, SCUSD and COE

The County Auditor-Controller objects to this item for the same reasons set forth under Items 13 and 14, above.

Item 18 (\$400,000) – Cash flow loan from City for legal fees incurred for Defense of Lawsuit filed by County, SCUSD and COE

Although the Oversight Board approved \$500,000 to pay for the Successor Agency's legal fees on ROPS 13-14A (item 14), the Department of Finance denied this item. The City loan is simply an attempt to circumvent DOF's denial of this item in the prior ROPS period.

The dissolution law expressly forbids oversight boards from approving such City-Successor Agency arrangements, stating "[a] successor agency or an oversight board shall not exercise the powers granted by this subdivision [the power to enter or re-enter into agreements between a Successor Agency and a City] to restore funding for an enforceable obligation that was deleted or reduced by the Department of Finance pursuant to subdivision (h) of Section 34179 unless it reflects the decisions made during the meet and confer process with the Department of Finance or pursuant to a court order." (Health & Saf. Code, § 34178(a).)

The County Auditor-Controller also objects to this item for the same reasons set forth under Items 13 and 14, above.

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Item 31 (\$2,027,717) – Sublease payments to City and SOSA

This issue was previously addressed in the Other Funds DDR, which materials are incorporated herein by reference. The County Auditor-Controller continues to object to these payments for the same reasons set forth in the Other Funds DDR; in particular, that the cooperation agreement payments from the former RDA to the City and SOSA are invalid and not recognized as “enforceable obligations” under the Redevelopment Dissolution Law. (*See, e.g.*, Health & Saf. Code, §§ 34171(d), 34179.5(b)(2).)

Additional Comments

In addition to the above objections, the Note for Item #8 (Settlement Agreement and Judgment Relating to 2011 Cooperation Agreement/Forty Niners SC Stadium Company LLC) should be revised to reflect the Oversight Board action in Resolution No. 2013-05. The note should specifically include: “Consistent with Oversight Board Resolution No. 2013-05, if a favorable IRS private letter ruling is received, this payment is due from bond proceeds.”

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 audit the prior period payments and the prior period estimated versus actual payments reported on the ROPS. This audit is ongoing, and this letter does not apply to the true-up of prior period payments.

Sincerely yours,



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

Attachments:

May 17, 2013 Department of Finance Letter regarding Meet-and-Confer for ROPS 13-14A
ROPS 13-14B as submitted to the County Auditor-Controller by Successor Agency



May 17, 2013

Mr. Gary Ameling, Director of Finance
Santa Clara Successor Agency
1500 Warburton Avenue
Santa Clara, CA 95050

Dear Mr. Ameling:

Subject: Recognized Obligation Payment Schedule

This letter supersedes California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS 13-14A) letter dated April 13, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the Santa Clara Successor Agency (Agency) submitted ROPS 13-14A to Finance on February 28, 2013 for the period of July through December 2013. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on April 30, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific item being disputed.

Item No. 14 – Defense of Lawsuit Filed by County in the amount of \$500,000. The lawsuit was filed to assist the Agency in recovering assets that may have been improperly transferred to other parties. Finance continues to deny this item. Through the Meet and Confer process, the Agency provided additional documentation, including the complaint filed by the County of Santa Clara and the engagement letter submitted by Goldfarb & Lipman for litigation services; however, a properly executed contract was not provided. Therefore, the obligation for the defense of this lawsuit remains unknown, and pursuant to HSC 34163 (b), allocating funds for unknown contingencies is not an allowable use of funds. Furthermore, a contract related to these particular expenses would not qualify as an Enforceable Obligation because the expenses do not relate to the administration or operation of the successor agency (HSC 34171(d) (1) (F)).

Except for items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 13-14A. Obligations deemed not to be enforceable shall be removed from your ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for July through December 2013. Finance's determination is effective for this time period only and should not be conclusively relied on for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$2,958,040 as summarized below:

Approved RPTTF Distribution Amount For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 3,333,040
Minus: Six-month total for items denied or reclassified as administrative cost	
Item 14	500,000
Total approved RPTTF for enforceable obligations	\$ 2,833,040
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	125,000
Minus: ROPS II prior period adjustment	-
Total RPTTF approved for distribution:	\$ 2,958,040

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the above table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14A Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14A%20Forms%20by%20Successor%20Agency/).

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination 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 that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. 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 successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Mr. Gary Ameling
May 17, 2013
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Please direct inquiries to Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a stylized flourish extending from the end of the signature.

STEVE SZALAY
Local Government Consultant

cc: Ms. Tamera Haas, Assistant Director of Finance
Ms. Irene Lui, Controller Treasurer, County of Santa Clara
California State Controller's Office

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):					\$ 25,381,727
F	Non-Administrative Costs (ROPS Detail)					24,067,553
G	Administrative Costs (ROPS Detail)					1,314,174
H	Current Period Enforceable Obligations (A+E):					\$ 45,119,986
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding						
I	Enforceable Obligations funded with RPTTF (E):					25,381,727
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)					(2,930)
K	Adjusted Current Period RPTTF Requested Funding (I-J)					\$ 25,378,797
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding						
L	Enforceable Obligations funded with RPTTF (E):					25,381,727
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)					-
N	Adjusted Current Period RPTTF Requested Funding (L-M)					
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/				
		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								Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF		Total		
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin			
ROPS III Actuals (01/01/13 - 6/30/13)											
1	Beginning Available Fund Balance (Actual 01/01/13) Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)								\$ -		
2	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller						10,139,723	267,759	\$ 10,407,482		
3	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs						10,136,793	267,759	\$ 10,404,552		
4	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III								\$ -		
5	ROPS III RPTTF Prior Period Adjustment Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.	No entry required						2,930	-	\$ 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		

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P		
										L						Six-Month Total	
										M							N
										Funding Source							
Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)					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		
								\$ 244,695,365		\$ -	\$ -	\$ 19,738,259	\$ 24,067,553	\$ 1,314,174	\$ 45,119,986		
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	43,516,331	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	13,383,660	N				2,119,891		\$ 2,119,891		
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	5,825,925	N				5,825,925		\$ 5,825,925		
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	56,787,000	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	62,072,656	N				1,490,306		\$ 1,490,306		
6	Miscellaneous Bond Costs	Fees	8/3/1999	6/1/2026	Various	Fiscal Agent Fees, Arbitrage Fees, etc.	Bayshore North	169,000	N				6,500		\$ 6,500		
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	Settlement Agreement and Judgment Relating to 2011 Cooperation Agreement	Litigation	2/22/2011	7/31/2017	Forty Niners SC Stadium Company LLC	Repayment of a loan to assist a publicly owned stadium	Bayshore North	35,253,985	N				12,000,000		\$ 12,000,000		
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	50,000	N				50,000		\$ 50,000		
13	Administrative Cost Allowance	Admin Costs	1/1/2014	6/30/2014	City of Santa Clara	Reimbursement for Administrative Expenses	All	7,127,049	N					1,314,174	\$ 1,314,174		
14	Defense of Lawsuit Filed by County/Santa Clara Unified School District/County Office of Education	Legal	9/10/2013	12/31/9999	Gibson, Dunn & Crutcher LLP	Payment of legal fees to defend lawsuits	All	175,000	N				175,000		\$ 175,000		
15	Defense of Lawsuit Filed by County/Santa Clara Unified School District/County Office of Education	Legal	9/10/2013	12/31/9999	Goldfarb & Lipman LLP	Payment of legal fees to defend lawsuits	All	153,500	N				153,500		\$ 153,500		
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	25,000	N				25,000		\$ 25,000		
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	18,000	N				18,000		\$ 18,000		
18	Cash Flow Loan from City to pay for the legal fees incurred to date for defense of lawsuit filed by County/Santa Clara Unified School District/County Office of Education	Legal	9/10/2013	12/31/9999	City of Santa Clara	Payment of legal fees to defend against County/SCUSD/County Office of Education lawsuit	All	400,000	N				250,000		\$ 250,000		

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
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	Funding Source					Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
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	11,666,211	N			11,666,211			\$ 11,666,211
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	1,258,497	N			1,258,497			\$ 1,258,497
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	4,455,636	N			4,455,636			\$ 4,455,636
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	157,091	N			157,091			\$ 157,091

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 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.
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	Outside legal contracts for the Successor Agency to defend itself in the the lawsuit filed on February 8, 2013 by the County of Santa Clara, the Santa Clara Unified School District, and the Santa Clara County Office of Education.
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	Cash flow loan from the City to the Successor Agency to cover costs incurred in defending itself in the lawsuit filed by the County of Santa Clara, the Santa Clara Unified School District, and the Santa Clara County Office of Education prior to the ROPS 13-14B period and includes costs incurred to-date related to the lawsuit.
19-30	Per the Housing Due Diligence Review. 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 instructed Successor Agency to place this on ROPS 13-14B during a pre-meet and confer conversation. 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.