



April 20, 2012

Gary Ameling, Finance Director
City of Santa Clara
1500 Warburton Ave.
Santa Clara, CA 95050

Dear Mr. Ameling:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), City of Santa Clara (City) Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance). Finance staff contacted you for clarification of items listed in the ROPS.

The ROPS submitted to Finance is incomplete, and therefore, not approved for making obligation payments. The ROPS submitted must include the contractually committed unexpended bond fund projects.

In addition to the above, Finance has determined that a line item included on the ROPS is not an enforceable obligation (EO). HSC section 34171 (d) lists enforceable obligations characteristics. Based on our application of the law, the following is not an EO:

Item No. 6 in the amount of \$1 million for loans from the City. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency are not enforceable obligations.

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO.

Please direct inquiries to Robert Scott, Supervisor or Douglas Evans, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Ms. Irene Lui, Division Manager, Santa Clara County Controller-Treasurer