



Successor Agency to the Redevelopment Agency

December 1, 2017

Emily Harrison
Finance Director
County of Santa Clara
70 West Hedding Street, East Wing, 2nd Floor
San Jose, CA 95110

Subject: Notification of Insufficiency of Funds

Dear Ms. Harrison:

Pursuant to Redevelopment Law ABx1 26, Section 34183 (b), the Successor Agency to the Redevelopment Agency of the City of San José (the “Successor Agency”) hereby submits this letter to notify the County of Santa Clara Auditor-Controller (the “County”) that the total amount available to the Successor Agency from the Redevelopment Property Tax Trust Fund (the “RPTTF”) allocation funds is insufficient to meet the payment obligations as identified on the Recognized Obligation Payment Schedule 17-18B (the “ROPS 17-18B”), for the period covering January 1 through June 30, 2018.

The Insufficiency of Funds report includes one category (County Pass-through and Settlement Agreement amounts) at the bottom of the report on additional obligations that is not included in the ROPS 17-18B RPTTF Non-Admin approved payments. This section consists of outstanding Pass-throughs and the fifth installment of the Settlement Agreement. The outstanding balance owed to the County is the fifth installment of the Settlement Agreement equaling approximately \$4.63 million. Attached is a calculation of the \$4.63 million (Attachment A).

The current estimated insufficiency the Successor Agency has for ROPS 17-18B is \$29.54 million.

If you have any questions, please let me know at your earliest convenience.

Sincerely,

JULIA H. COOPER
Chief Financial Officer

Enclosure
cc: Alan Minato

Successor Agency to the Redevelopment Agency of the City of San José
 ROPS 17-18B - Insufficiency of Funds Forecast Worksheet
 For the Period January 1 through June 30, 2018

	Balance	Totals
Beginning Cash Balance as of January 1, 2018 (forecast)		
Unrestricted Cash From General Account/LAIF	\$ 1,087,173	
Restricted Cash Reserve for all Tax Allocation Bonds 17-18B Debt Service Payments	1,430,781	
Restricted North San Pedro Prop 1C Project - Grant Proceeds	21,629	
Restricted Cash for Security Deposit	7,100	
Restricted CET Escrow Funds	22,595	
Total Cash on Hand as of October 31, 2017	2,569,277	\$ 2,569,277
RPTTF Cash Inflows (per County letter on 10/02/2017):		
Gross RPTTF Beginning Fund Balance (Per County Controller-Treasurer)	148,281,040	
Less: Roll Corrections	N/A	
Less: Assessment Appeals	N/A	
Total RPTTF Available Balance	148,281,040	
Plus: Release of PERS Levy held by County (per County and Agency)		
Less: AB x1 26 County Auditor Admin Cost	(24,500)	
Less: SB2557 Property Tax Administrative Fees	(1,297,000)	
Less: AB1290	(14,272,779)	
Less: County Pass-Through/Settlement	(29,315,648)	
Total Estimated Net Property Tax Distribution to Successor Agency from RPTTF for January 1, 2018	103,371,113	103,371,113
Other Income/Sources (Based on ROPS 17-18B)		
A/R, Rent, Parking Revenues, DDA Participation Revenue	461,390	
City of San Jose General Fund - to fund Personnel Cost	104,665	
Restricted CDBG Fund Advance for HUD Debt Service	212,711	
Restricted State Grant Funds - North San Pedro Housing Project	79,456	
Total Cash Inflows	858,222	858,222
Beginning Restricted/Unrestricted Cash Balance, DOF RPTTF Approval, and Other Income		\$ 106,798,613
Cash Outflows (ROPS 17-18B RPTTF Eligible Obligations):		
Debt Service Payments - Senior Housing Set-Aside Tax Allocation Bonds - Wells Fargo Bank	5,052,771	
Debt Service Reserve 18-19A Senior Housing Set-Aside Tax Allocation Bonds	14,757,771	
Debt Service Payments - Senior Tax Allocation Bonds - Union Bank	31,892,704	
Debt Service Reserve 18-19A Senior Tax Allocation Bonds	34,102,500	
Debt Service Payments - Subordinate Housing Set-Aside Tax Allocation Bonds 2010C - Wells Fargo Bank	-	
Debt Service Reserve 18-19A Subordinate Housing Set-Aside Tax Allocation Bonds	4,333,688	
Debt Service Payments - Subordinate Tax Allocation Bonds Variable Rate - U.S. Bank	583,377	
Debt Service Reserve 18-19A Subordinate Tax Allocation Bonds Variable Rate	5,310,608	
Debt Service - CSJFA Commercial Paper	4,777,000	
Debt Service/Fiscal Agent Fees - 4th & San Fernando Street Parking Facility Bonds	1,685,252	
Debt Service/Fiscal Agent Fees - Convention Center Bonds	1,677,125	
Fiscal Agent Fees - Senior Tax Allocation Bonds	7,070	
Fiscal Agent Fees - Subordinate Tax Allocation Bonds Variable Rate	-	
Fiscal Agent Fees - Housing Set-Aside Tax Allocation Bonds	3,000	
Letter of Credit Fees/Callable Commercial Paper - Subordinate Tax Allocation Bonds - JP Morgan	249,193	
Remarketing Fees - Subordinate Tax Allocation Bonds - Citi, JP Morgan, US Bank	29,058	
Bond Logistics/Bond Activities	150,338	
Legally Binding & Enforceable Obligations - ROPS 17-18B	6,343,333	
City Advance Estimate of City Supported Debt Service Payments, Admin, and Enforceable Obligations for FYs 12-17	17,017,131	
SARA Administrative Cost	1,793,909	
Sub-Total Cash Outflows	129,765,828	129,765,828
Other Cash Outflows (Other Funding Sources)		
Debt Service Reserve From 17-18B Senior Housing Set-Aside Tax Allocation Bonds	-	
Debt Service Reserve From 17-18B Senior Tax Allocation Bonds	-	
Debt Service Reserve From 17-18B Subordinate Housing Set-Aside Tax Allocation Bonds	895,312	
Debt Service Reserve From 17-18B Subordinate Tax Allocation Bonds Variable Rate	6,931	
Letter of Credit Fees - Other Misc. Income	461,390	
Personnel Costs for Operations - SARA	234,665	
Restricted HUD 108 - loan payments	212,711	
Restricted CET Escrow Funds	22,595	
Restricted Security Deposits	7,100	
Restricted State Grant Funds - North San Pedro Housing Project payments	101,085	
Sub-Total Other Cash Outflows (Other Funding Sources)	1,941,789	1,941,789
Total Cash Outflows (ROPS 17-18B as Approved by Oversight Board 01/12/2017 and 08/24/2017 & DOF Approval 4/17/2017 and 11/15/2017)		\$ 131,707,617
Insufficiency of Funds Sub-Total (based on current period ROPS 17-18B)		\$ (24,909,005)
⁽¹⁾ County Pass-Through and Settlement Agreement due as of January 3, 2018		\$ 4,627,621
Insufficiency of Funds Total (based on accrued amounts due)		\$ (29,536,625)

⁽¹⁾ Remaining estimated outstanding County obligation after applying January 2018 RPTTF excess funds.

Attachment A

Sources	Amount
Estimated Pass-through Payment Due to Santa Clara County as of 1/1/2018	\$ 2,634,376
Excess RPTTF in January 2018 per Country estimate	(2,634,376)
Estimated Pass-through earned on 12/31/2017	17,573,413
Excess RPTTF in June 2017 per Country estimate applied to FY 16-17 Pass-through amount	(17,573,413)
Outstanding Pass-through Total due to Santa Clara County	\$ (0)
March 2011 Settlement Pass-through as of 1/1/2018 (includes interest on the fourth settlement installment)	\$ 8,104,640
Excess RPTTF in January 2018 per Country estimate applied to 4th Settlement Installment	(8,104,640)
5th Settlement Installment due 06/30/18 (Dec 2017 balance)	5,630,840
Excess RPTTF in January 2018 per Country estimate applied to 5th Settlement Installment	(1,003,219)
Outstanding Total of Settlement Agreement	\$ 4,627,621
(1) Total Estimated Outstanding Amount of Pass-through and Settlement Amounts due to Santa Clara County	\$ 4,627,621

⁽¹⁾ Remaining outstanding County obligation after applying January 2018 RPTTF excess funds.