NOTICE OF NO OBJECTION TO ROPS

January 18, 2017

City of Milpitas Successor Agency
455 E Calaveras Blvd
Milpitas, CA 95035

City of Milpitas Oversight Board
455 E Calaveras Blvd
Milpitas, CA 95035

Department of Finance
915 L Street
Sacramento, CA 95814

ROPS Period: ROPS 17-18 (July 1, 2017 – June 30, 2018)

Successor Agency: City of Milpitas

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 does not object to any items or funding sources on the submitted ROPS. In addition, we made the following observation:
Item 9 – Administrative Costs of Successor Agency

The Successor Agency has requested administrative costs totaling $135,456 for the fiscal year. While this amount is within the administrative cost allowance cap, the requested amount appears excessive given the number and nature of the obligations listed on the ROPS, particularly compared with other agencies within Santa Clara County. HSC section 34179(i) requires the Oversight Board to exercise a fiduciary duty to the taxing entities. Therefore, Santa Clara County Auditor-Controller encourages the Oversight Board to use adequate discretion when evaluating the administrative resources and reduce the amount appropriate for the number and nature of the obligations listed on the ROPS.

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 review the prior period payments and the prior period estimated versus actual payments reported on the ROPS. Per Health and Safety Code section 34186(c) these reviews will commence on October 1, 2018, and occur each October 1 thereafter and are not included in this letter. In addition, my office is continuing its review of the cash balances reported by the successor agency on the ROPS. The results of this review will be transmitted to the Department of Finance as soon as possible.

Sincerely yours,

[Signature]

Alan Minato
Controller-Treasurer
County of Santa Clara

Attachment: ROPS 17-18 as submitted to the County Auditor-Controller by Successor Agency
# Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

Filed for the July 1, 2017 through June 30, 2018 Period

<table>
<thead>
<tr>
<th>Successor Agency:</th>
<th>Milpitas</th>
</tr>
</thead>
<tbody>
<tr>
<td>County:</td>
<td>Santa Clara</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</th>
<th>17-18A Total (July - December)</th>
<th>17-18B Total (January - June)</th>
<th>ROPS 17-18 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Enforceable Obligations Funded as Follows (B+C+D):</td>
<td>$ - $ - $ - $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B Bond Proceeds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>C Reserve Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>D Other Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</td>
<td>$ 5,981,228 $ 10,971,228 $ 16,952,456</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F RPTTF</td>
<td>5,908,250</td>
<td>10,908,750</td>
<td>16,817,000</td>
</tr>
<tr>
<td>G Administrative RPTTF</td>
<td>72,978</td>
<td>62,478</td>
<td>135,456</td>
</tr>
<tr>
<td>H Current Period Enforceable Obligations (A+E):</td>
<td>$ 5,981,228 $ 10,971,228 $ 16,952,456</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) 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 successor agency.

Jane Corpus
Interim Finance Director
Name
Title
/s/ ________________________________
Signature
Date
## Milpitas Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail

**July 1, 2017 through June 30, 2018**

### [Report Amounts in Whole Dollars]

<table>
<thead>
<tr>
<th>Item</th>
<th>Payee</th>
<th>Description/Project Scope</th>
<th>Project Area</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Retired</th>
<th>ROPS 17-18 Total</th>
<th>Bond Proceeds</th>
<th>Reserve Sinking Fund</th>
<th>Other Funds</th>
<th>RPTTF</th>
<th>Admin RPTTF</th>
<th>17-18A (July - December)</th>
<th>17-18B (January - June)</th>
<th>17-18 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Agreement of Purchase and Sale</td>
<td>Land Purchase</td>
<td>Project Area #1</td>
<td>65,000,000</td>
<td>$5,000,000</td>
<td>$135,456</td>
<td>72,978</td>
<td>62,478</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>15</td>
<td>2015 Tax Allocation Refunding Bonds</td>
<td>Bonds issued to refund 2003 Tax Allocation Bonds</td>
<td>Project Area #1</td>
<td>155,238,250</td>
<td>$11,817,000</td>
<td>$5,908,250</td>
<td>5,908,750</td>
<td>5,981,228</td>
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</tr>
</tbody>
</table>

### Table Details

- **A**: Payee
- **B**: Description/Project Scope
- **C**: Project Area
- **D**: Total Outstanding Debt or Obligation
- **E**: Retired
- **F**: ROPS 17-18 Total
- **G**: Bond Proceeds
- **H**: Reserve Sinking Fund
- **I**: Other Funds
- **J**: RPTTF
- **K**: Admin RPTTF
- **L**: 17-18A (July - December)
- **M**: 17-18B (January - June)
- **N**: 17-18 Total

**Note:** The table contains detailed financial information regarding bond proceeds, reserve balances, and other fund sources for the specified periods, providing a comprehensive view of financial obligations and payments made during the fiscal year 2017-2018 in the Milpitas area.
### Milpitas Recognized Obligation Payment Schedule (ROPS 17-18) - Report of Cash 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. For tips on how to complete the Report of Cash Balances Form, see Cash Balance Tips Sheet.

<table>
<thead>
<tr>
<th>Fund Sources</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Proceeds</td>
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<tr>
<td>Prior ROPS period balances and DDR RPTTF balances retained</td>
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<td>Other</td>
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<tr>
<td>RPTTF</td>
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**Cash Balance Information by ROPS Period**

### ROPS 15-16B Actuals (01/01/16 - 06/30/16)

1. **Beginning Available Cash Balance (Actual 01/01/16)**
   - Bond Proceeds: $15,228
   - Reserve Balance: -
   - Other: -
   - RPTTF: $66,200

2. **Revenue/Income (Actual 06/30/16)**
   - RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during June 2016
   - Bond Proceeds: $13
   - Reserve Balance: $8,435
   - Other: -
   - RPTTF: $16,989,188
   - Comments: $16,989,188 Includes distribution from Jan 2016 and June 2016

3. **Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)**
   - Bond Proceeds: $10
   - Reserve Balance: $8,435
   - Other: -
   - RPTTF: $7,987,229

4. **Retention of Available Cash Balance (Actual 06/30/16)**
   - Bond Proceeds: -
   - Reserve Balance: -
   - Other: -
   - RPTTF: -
   - Comments: No entry required

5. **ROPS 15-16B RPTTF Balances Remaining**
   - No entry required

6. **Ending Actual Available Cash Balance**
   - C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)
   - Bond Proceeds: -
   - Reserve Balance: $15,231
   - Other: -
   - RPTTF: $9,068,159

C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)
<table>
<thead>
<tr>
<th>Item #</th>
<th>Notes/Comments</th>
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