MINUTES OF THE CITY OF SANTA CLARA OVERSIGHT BOARD FOR SUCCESSOR AGENCY TO THE CITY OF SANTA CLARA REDEVELOPMENT AGENCY FOR REGULAR MEETING HELD ON FRIDAY, FEBRUARY 22, 2013

Chairperson Gage called the Oversight Board for Successor Agency to the City of Santa Clara Redevelopment Agency regular meeting to order at 2:02 pm, on the above-mentioned date, in the City Hall Council Chambers.

Present: Mayor of the City of Santa Clara appointees: Gary Ameling, Director of Finance and Jamie L. Matthews, Mayor; Santa Clara County Board of Supervisors appointee: Jane Decker, County of Santa Clara, retired, former Deputy County Executive and John Guthrie, County of Santa Clara, retired, former Director of Finance; Santa Clara Valley Water District (SCVWD) appointee: Don Gage, Board Member; Santa Clara County Board of Education appointee: Kolvira Chheng, Santa Clara Unified School District, District Business Advisory (alternate).

Not Present: Chancellor of the California Community College District appointee: Edralin Maduli, West Valley-Mission Community College District, Vice Chancellor of Administrative Services.

City staff present: Julio J. Fuentes, City Manager/Successor Agency Executive Officer; Richard Nosky, City Attorney; Tamera Haas, Assistant Director of Finance; Bernadette DeSousa, Acting Assistant City Clerk/Successor Agency Clerk; Hilda Cantú Montoy, Outside Legal Counsel to the Oversight Board; and Karen Tiedemann, Legal Counsel, Goldfarb & Lipman, LLC.

MOTION was made by Matthews, seconded and unanimously carried (Maduli absent), that the Board **continue** to March 8, 2013 consideration of the approval of **Minutes** for the following meetings: Regular Meetings of May 3, 2012 and July 9, 2012; Adjourned Meeting of July 11, 2012 and Special Meetings of July 18, 2012, July 24, 2012, July 31, 2012, August 9, 2012, August 22, 2012, August 24, 2012, October 26, 2012 and December 21, 2012.

Chairperson Gage then introduced for discussion the Successor Agency Director of Finance's memo (02/19/13) recommending the adoption of a Resolution approving the Recognized Obligation Payment Schedule (ROPS) and the Administrative Budget for the period July through December 2013. The Board also noted the following memos: an email (02/21/13) submitted by Jacelyn Ma, Property Tax Manager, County of Santa Clara, regarding the review of the ROPS with an attached memo (02/21/13) from Irene Lui, CPA, Controller-Treasurer, County of Santa Clara, and a memo (02/22/13) submitted by Vinod K. Sharma, C.P.A., Director of Finance, County of Santa Clara, regarding the Santa Clara Successor Agency Due Diligence Review for all funds (except housing) pursuant to Health and Safety Code Section 34179.5. The Assistant Director of Finance reviewed the Director of Finance's recommendations referenced above and the attached schedule of ROPS line items 1 through 18. She informed the Board that line items 1 through 6 were previously approved by the State Department of Finance (DOF) and line items 7 through 11 were no longer allowed by the DOF. A Board discussion followed regarding new or continuing ROPS line items 14 through 18. Karen Tiedemann, Legal Counsel, Goldfarb & Lipman, spoke in support of the Director of Finance's recommendation to add line items 14 through 18 and answered Board questions. James Williams, Deputy County Executive and Lizanne Reynolds, Deputy County Counsel addressed the Board in opposition to adding line items 14 through 18 and

they answered Board questions. Hilda Cantú Montoy, Outside Legal Counsel to the Board answered Board questions and provided legal advice. James Rowen addressed the Board with concerns regarding the stadium litigation. Ms. Tiedemann answered the Board's question regarding the Housing Due Diligence Review (DDR) expenditures. A motion made by Matthews, and seconded, with Chheng, Decker, Guthrie and Gage dissenting (Maduli absent), to adopt a Resolution approving the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2013 to December 31, 2013 and approving the Successor Agency Administrative Budget for the same period as submitted by the Successor Agency Director of Finance failed to pass. **MOTION** was then made by Gage, seconded and unanimously carried (Maduli absent), that the Board adopt **Resolution No. 2013-02** entitled "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE CITY OF SANTA CLARA REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND AN ADMINSTRATIVE BUDGET FOR THE PERIOD JULY THROUGH DECEMBER 2013, MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH", which approves the Recognized Obligation Payment Schedule (ROPS), as amended, excluding line item 14 (Monitoring Housing Loans), line item 16 [2002 Series B COPS (Agency Share)], line item 17 (Agreed-Upon Procedures per Section 34179.5), and line item 18 (2011 Cooperation Agreement/2011 Predevelopment Funding Agreement); including the addition of a footnote stating that the Successor Agency defense costs are to include Successor Agency legal costs only and not other entities' legal costs that are a party to the lawsuit; and approving the Successor Agency Administrative Budget for the period of July 1, 2013 through December 31, 2013.

MOTION was made by Matthews, seconded and unanimously carried (Maduli absent), that, per the Executive Officer to Successor Agency's memo (02/15/13), the Board **adopt Resolution No. 2013-03** entitled "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARA, APPROVING AMENDMENT TO LEGAL SERVICES AGREEMENT", which approves **Amendment No. 1** to the Legal Services Agreement with **Hilda Cantú Montoy, Montoy Law Corporation**, to include a new cap of $60,000 to serve as independent legal counsel for the Oversight Board.

Following a Board discussion regarding the DDR, the meeting was adjourned at 3:35 pm to Friday, March 8, 2013 at 2:00 pm for the regular scheduled meeting in the City Hall Council Chambers.

APPROVE: Donald F. Gage
Chairperson

ATTEST: Jennifer Yamaguma
Clerk