



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Scott P. Johnson
Jennifer Maguire

SUBJECT: SEE BELOW

DATE: May 3, 2010

Approved

Date

5/11/10

COUNCIL DISTRICT: Citywide

SUBJECT: DECLARATION OF SURPLUS CONSTRUCTION FUNDS AND AUTHORIZATION OF FUND TRANSFERS AND DISBURSEMENTS FOR EXPIRED SPECIAL ASSESSMENT DISTRICTS

RECOMMENDATIONS

- a. Adopt a resolution to take the following actions for the disposition of balances remaining in expired special assessment district funds:
 1. Declare surplus construction funds for special assessment districts 83-180SJ (Tenth-Senter) and 87-201SJ (N. 1st St.-E. Tasman Refunding) and authorize the use of these funds for the maintenance of improvements funded by these districts;
 2. Authorize the liquidation of surplus construction and administrative funds, and transfer to the General Fund;
 3. Authorize the disbursement of excess assessment and bond reserve funds to past assessees; and
 4. Authorize the disposition of excess water main repayment funds, including the disbursement of a portion of the funds to past assessees and the liquidation and transfer to the General Fund of the remaining portion of the funds.
- b. Adopt the following FY 2009-10 Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:
 1. Increase the revenue estimate for Transfers and Reimbursements by \$4,496,200;
 2. Increase the Economic Uncertainty Reserve by \$3,533,814;

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3. Establish a transfer to the Improvement District No. 99-218SJ (Hellyer-Piercy) construction fund in an amount not to exceed \$448,198 to account for prior year ineligible expenses;
4. Establish a transfer to the Community Facilities District No. 6 (Great Oaks-Route 85) construction fund in the amount of \$96,674 to account for prior year ineligible expenses;
5. Establish a Tenth-Senter Maintenance Project Reserve in the amount of \$214,540;
6. Establish a N. 1st Street-E. Tasman Maintenance Project Reserve in the amount of \$72,974; and
7. Establish a City-wide appropriation to the Finance Department for Inactive Improvement District Funds Close-Out Administration in the amount of \$130,000.

EXECUTIVE SUMMARY

The City currently has 50 expired special assessment districts (collectively referred to as the "Districts") with remaining fund balances for which bonds were repaid or refunded between 1985 and 2005. As discussed in the Analysis section, State law provides for the disposition of surplus special assessment district funds, depending on the type of fund.

The City has historically formed special assessment districts to finance the construction of public improvements and public utility infrastructure in primarily commercial and industrial developments through the issuance of bonds. These improvements include streets, sidewalks, lighting, and utilities. Capital improvements in a special assessment district provide a special benefit to parcels in the district and, thus, are paid for by benefitting property owners. Bond funds received for the construction of improvements and funds collected to make debt service payments on the bonds are ideally exhausted by the time bonds are finally retired (and the district has, thus, expired), which can be up to 25 years. Though attempts were made to credit property assessments and disburse excess funds during the tenure of the Districts, surplus balances remained upon expiration.

In Fiscal Year 2008-09 Finance staff commenced a special project which included a review of the various funds associated with the 50 expired special assessment districts with remaining cash balances. Finance staff, working with the Department of Public Works, underwent an extensive effort to examine and classify the funds associated with the Districts with the goal of closing the funds out. The efforts involved in this forensic analysis included a vast review and summary of journal entries in the City's current accounting system, locating and retrieving archived documents stored by various internal departments, determining past Council actions and other legal guides relevant to the Districts, documenting historical parcel and owner information, and

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developing a refund allocation schedule. In many instances this analysis involved researching actions which occurred nearly 40 years ago.

Surplus funds related to the construction of improvements and the payment of special assessment district bonds issued to finance improvements have been identified in the amount of \$11,105,161 as of June 30, 2009. For this total surplus balance, \$4,409,991 (as of June 30, 2009) has been identified as available and is recommended for six separate purposes, of which the largest is \$3.5 million (as of May 31, 2010 estimate) to the Economic Uncertainty Reserve, as outlined in the Recommendations section. For the remaining surplus funds, \$6,691,160 is recommended to be disbursed as refunds to past assessees and \$4,010 to be transferred to active districts to fund debt service. It should be noted that June 30, 2009 was used as the primary reporting date for the balances referred to above and throughout this memorandum. Fund balances will include additional interest earnings until the time of disposition.

A summary of the recommended disposition of surplus funds by fund type is included in the table below:

CITY OF SAN JOSE				
SURPLUS SPECIAL ASSESSMENT DISTRICT FUNDS				
RECOMMENDED DISPOSITION OF FUNDS				
<i>(For cash balances as of June 30, 2009)¹</i>				
<i>Funds Type</i>	Transfer to General Fund ²	Disburse Refunds to Assesseees	Transfer for Payment of Debt Service	Total Disposition
Construction funds	\$ 4,108,830	\$ -	\$ -	\$ 4,108,830
Assessment funds	184	4,020,298	4,010	4,024,492
Reserve funds	-	2,515,616	-	2,515,616
Water Main funds	92,993	155,246	-	248,239
Administration funds	207,984	-	-	207,984
Total	\$ 4,409,991	\$ 6,691,160	\$ 4,010	\$ 11,105,161

¹ The stated amounts to be transferred to the General Fund and appropriated are based on the reconciled fund balances as of June 30, 2009 plus actual and estimated interest earnings through May 2010. These amounts are forecasted to be sufficient for the transfer of all related fund balances by June 2010 and the closure of all fund accounts from which no disbursements will be made. Balances as of June 30, 2009 are included here for reference purposes.

² Available for six separate purposes, of which the largest is \$3.5 million (as of May 31, 2010 estimate) to the Economic Uncertainty Reserve, as outlined in the Recommendations section.

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In accordance with State law, staff makes the following recommendations (detailed in the "Analysis" section below) regarding disposition of the surplus funds:

Balances to be transferred to the General Fund from expired special assessment district fund accounts and appropriated¹

- a. Transfer to the General Fund \$4,496,200 in surplus funds including:
- \$4,190,000 in surplus construction funds (\$4,108,830 as of June 30, 2009),
 - \$212,000 in surplus administrative funds (\$207,984 as of June 30, 2009),
 - \$94,000 in surplus water main repayments (\$92,993 as of June 30, 2009), and
 - \$200 in surplus assessment fund balances immaterial for disbursement (\$184 as of June 30, 2009).

Budget actions are recommended to distribute \$4,496,200¹ in available funding as follows:

1. Appropriate \$3,533,814 to the Economic Uncertainty Reserve. This Reserve was reduced from \$10 million to \$5.5 million as part of the 2009-2010 Mid-Year Budget Review to offset lower General Fund revenue collections experienced in the first half of 2009-2010. The budget action recommended in this document would restore the majority of this funding and would bring the Economic Uncertainty Reserve to \$9 million. Given the volatility of that City's revenues, the Administration considers this a prudent use of these funds. This is particularly important given the uncertainty regarding Sales Tax performance. Given the 9.2% decline in Sales Tax receipts during the first half of 2009-2010, growth of 4.5% is needed during the second half of the year to meet the budgeted estimate, which allows for an annual decline of 5.3%. If this growth is not achieved, the Economic Uncertainty Reserve would be used to offset the lower collection level. For instance, if collections in the second half of the year remained at the prior year level, Sales Tax receipts would end the year \$2.1 million below the budgeted estimate. If a 5% decrease is experienced during this period, Sales Tax receipts would fall below the budgeted estimate by \$4.5 million. Any negative variance may also impact the 2010-2011 Sales Tax estimate.
2. Appropriate \$544,872 to account for ineligible expenditures in prior fiscal years related to two active improvement districts (Community Facilities District No. 6 (Great Oaks-Route 85) and Improvement District No. 99-218SJ (Hellyer-Piercy)). Expenditures were charged to the construction funds for these two districts that were later determined

¹ The stated amounts to be transferred to the General Fund and appropriated are based on the reconciled fund balances as of June 30, 2009 plus actual and estimated interest earnings through May 2010. These amounts are forecasted to be sufficient for the transfer of all related fund balances by June 2010 and the closure of all fund accounts from which no disbursements will be made. Balances as of June 30, 2009 are included here for reference purposes.

to be ineligible to be paid from the tax-exempt bond proceeds. This action cleans up the negative balances in the funds.

3. Appropriate \$287,514 to establish specific maintenance project reserves for the Tenth-Senter and N. 1st Street-E. Tasman assessment district areas. These projects would be funded from surplus improvement funds from special assessment districts 83-180SJ (Tenth-Senter) and 87-201SJ (N. 1st St.-E. Tasman Refunding). Once proposed spending plans have been developed by the Department of Transportation for these maintenance projects, recommended budget actions will be brought forward to move these funds from reserves to project appropriations. It is anticipated that these plans will be developed for incorporation in to the 2010-2011 budget as part of the Manager's Budget Addendum process.
4. Appropriate \$130,000 for budgeted Finance Department expenses through June 2011 related to the close out of the expired assessment district funds. It is anticipated that the majority of these funds will be re-budgeted to 2010-2011 to continue administering this program.

Balances to be held in and disbursed from expired special assessment district fund accounts

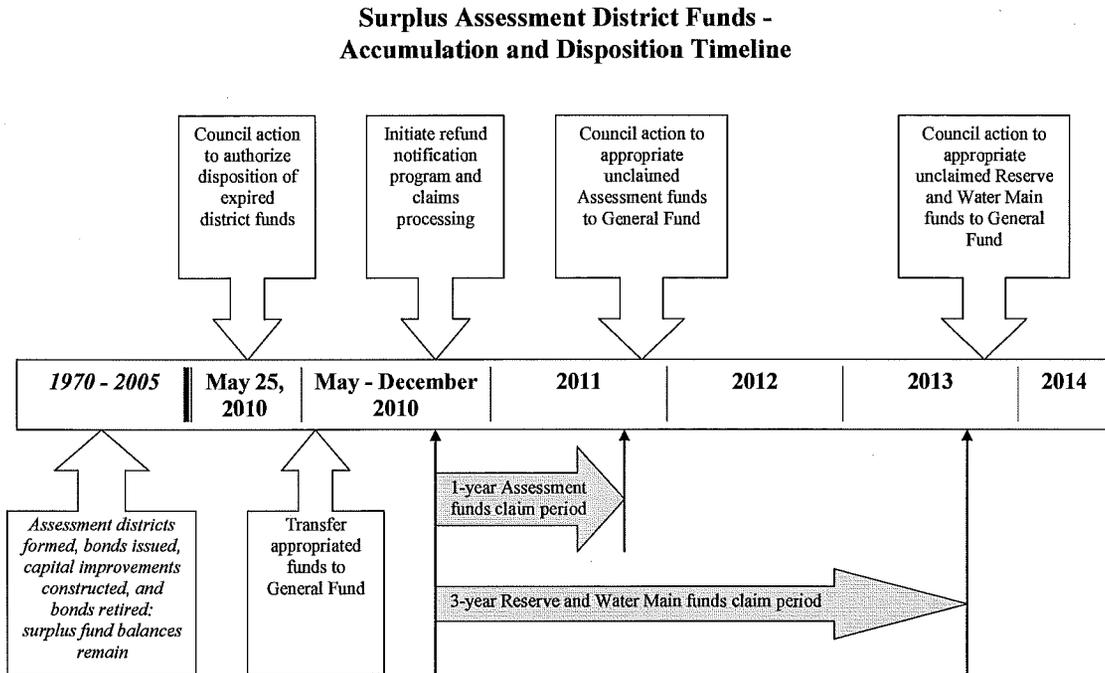
- b. Disburse to past assessees \$4,020,298 in surplus assessment funds as of June 30, 2009, plus interest;
- c. Disburse to past assessees \$2,515,616 in surplus bond reserve funds as of June 30, 2009, plus interest;
- d. Disburse to past assessees \$155,246 in repayments made by private water companies as of June 30, 2009, plus interest, in order to reimburse amounts advanced by these districts for private water facilities; and
- e. Transfer to two active, related improvement districts \$4,010 in surplus assessment funds as of June 30, 2009, plus interest, for the payment of debt service.

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An historical reference and recommended surplus funds disposition timeline are included below:



OUTCOME

Approval of these recommendations will allow the City to complete the transfer and disbursement of surplus funds related to expired special assessment districts for which capital improvements were bond financed and special assessments were levied and collected.

BACKGROUND

The City has historically formed special assessment districts to finance the construction of public improvements and public utility infrastructure in new developments through the issuance of bonds. Capital improvements in a special assessment district provide a special benefit upon parcels in the district and, thus, are paid for by benefitting property owners. Assessment liens are placed on the benefitting properties and collected either upfront or in installments in the form of special assessments billed and collected by Santa Clara County on the property tax roll. After the entire amount of each parcel's assessment is paid off the lien is removed. In more recent years the City has formed Community Facilities Districts (CFDs) to fund public improvements. All of the CFDs formed by the City to-date are active so there are no CFD funds requiring disposition.

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The City currently has 50 expired special assessment districts (collectively referred to as the "Districts") with remaining fund balances for which the bonds were repaid or refunded between 1985 and 2005. Seven of the 50 Districts are reassessment districts that were formed in order to issue bonds to refund the bonds issued for the prior special assessment districts. As described below, the Districts were formed and bonds were issued under State law and in some cases both State law and the City's Municipal Code.

Beginning in 2008-09, as part of a special project proposed by the Finance Department, the funding necessary to commence this project was approved as part of the 2008-2009 Adopted Budget. As a result, Finance staff, working with the Department of Public Works, underwent an extensive effort to examine and classify the funds associated with the Districts with the goal of closing the funds out. To complete this task, staff assembled and reviewed the documents related to the formation of these Districts and the files maintained on these Districts by Finance and Public Works. Most District records were archived and a coordinated search was required to identify documents to be retrieved from storage. As many of the Districts were formed in the 1970s and 1980s, records related to their administration had been previously purged, further complicating the document review. Additionally, many of the documents that are available are hand-written ledgers and similarly antiquated records which further complicated the analysis. Furthermore, the accounting system currently used by the City includes no historical data prior to the July 1, 1989 implementation date. The previous accounting system was taken offline and was not available for review. Staff also worked closely with the City Clerk's office to locate Council resolutions and to research Council actions previously taken related to the Districts. A detailed review of the financial accounting of the Districts was performed to determine the prior disbursement history of these funds in comparison to any Council actions. Finally, staff documented the properties included in the Districts by examining parcel maps, ownership records, and District documents.

This portion of the Background section provides a high level discussion of the various funds – a more detailed discussion of the various funds is included in the Analysis section.

As of June 30, 2009 there were remaining balances of \$4,108,830 in construction funds and \$6,996,331 in redemption funds (including assessments, administrative funds, reserve funds, and water main deposit repayments, as explained in more detail below) for a total of \$11,105,161 related to the Districts. Of the 50 Districts with cash remaining, 32 districts have a construction fund balance and 40 have a redemption fund balance (22 have both types of balances remaining). Appendix A provides a detailed summary of the fund balances and number of parcels in each of the 50 Districts as of June 30, 2009. The remaining balances include investment earnings as of June 30, 2009. Accordingly, the amounts currently held in the various funds are somewhat higher.

In accordance with State law and City policy, the City Council previously adopted resolutions to declare surplus construction funds (the "Surplus Resolutions") for 30 of 32 special assessment districts that had a construction fund balance following completion of the improvements funded

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by these Districts. Appendix B to this memorandum lists the Surplus Resolutions adopted by the City Council related to the disposition of construction funds. Staff recommends that, consistent with State law, the remaining construction funds be transferred to the General Fund. For the two special assessment districts for which a surplus resolution has not been adopted, staff recommends that the Council adopt a resolution declaring a surplus in construction funds and approve the transfer of these funds to the General Fund for the maintenance of the respective districts' constructed improvements.

No prior recommendations have been made to Council regarding the disposition of excess special district assessments or other remaining balances in special district redemption funds. As discussed below, staff recommends that the City Council approve the disbursement of these funds consistent with State law.

Appendix C to this memorandum lists the sources of all surplus funds and the recommended uses.

ANALYSIS

This section of the report contains a detailed discussion of the issues and actions associated with closing out the inactive improvement districts and includes the following subsections: Legal Authority & Guidance, Disposition of Funds, and Refund Disbursement Process.

Legal Authority & Guidance

The procedures for the formation and implementation of the Districts were established by State law, the City's Municipal Code,² and specific governing documents.

State Law

- *Special Assessment Districts* - Council approved the formation of the special assessment districts, including the prior special assessment districts included within the Reassessment Districts, pursuant to the authority provided for in California State Law, specifically:

² The Municipal Code in Chapters 14.16 and 14.21 specifies alternate procedures and provisions for the creation and administration of special assessment districts. Both chapters incorporate by reference State law related to the formation and administration of assessment districts with certain modifications. Of the 50 expired Districts, one district was formed pursuant exclusively to Chapter 14.21, and two districts were formed pursuant to Chapter 14.21 and the 1913 Act with bonds issued pursuant to the 1915 Act. Several districts were formed pursuant to the 1913 Act with bonds issued pursuant to the 1915 Act, and were also subject to specific provisions in Chapter 14.16 related to reserve funds and the City's acquisition of the improvements funded by the assessment district bonds. The State law provisions discussed below with respect to the disposition of surplus assessment district funds control the disposition of these funds.

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- the Municipal Improvement Act of 1913 [Streets and Highways Code, Division 12] (the “1913 Act”), and
- the Improvement Bond Act of 1915 [Streets and Highways Code, Division 10] (the “1915 Bond Act”) (collectively, the “Acts”).
- *Reassessment Districts* - Council approved the formation of the Reassessment Districts pursuant to the authority provided for in California State Law, specifically:
 - the Refunding Act of 1984 for 1915 Improvement Act Bonds [Streets and Highways Code, Division 11.5] (the “Refunding Act”), and
 - the Marks-Roos Local Bond Pooling Act of 1985 [Government Code Section 6584] (the “Pooling Act”).

Governing Documents

Governing documents included Council resolutions, City ordinances, official transcripts and memoranda related to the formation of the Districts and the sale of the bonds, and cooperation agreements. The City has continuing agreements related to water main extension/installation of water facilities (the “water main deposits”) that the City entered into with the local water companies (discussed in more detail below).

Disposition of Funds

This section of the report discusses the disposition of the five types of funds: construction, assessment, reserve, water main deposit, and administrative. Each discussion of the various funds includes: the purpose of the funds, background information, disposition guidelines, and recommendations for disposition.

The City established funds and accounts, as required by law and the governing documents, to manage the cash flow of each of the Districts. Construction Funds were created to account for project expenses and the sources of construction funding, primarily bond proceeds. Redemption Funds were created to account for debt service payments, the City’s administrative expenses, and reserves established to fund debt service payments in the event property owners were delinquent in payment of their assessments.³ Cash in these funds is currently held by the City and invested. The investment earnings are credited to the respective funds.

³ The trustee for Consolidated Refunding District No. 94-214SJ held the reserve funds until the bonds were paid off and, subsequent to the bonds being paid off, transferred the reserve funds to the City. For the other expired districts the City held the amount designated as the reserve funds in the redemption fund for the applicable series of bonds.

1. Construction Funds

Funds for the construction of District improvements were provided primarily from the proceeds of special assessment bonds.

Disposition Guidelines

Section 10427 of the 1913 Act ("Section 10427") requires a city to use a construction fund surplus, in amounts the City determines, for one or more of the following purposes:

1. Maintaining the improvements constructed.
2. Reducing property assessments by crediting future assessments, calling bonds, and/or providing cash refunds to property owners.
3. Transferring to the City's General Fund the lesser of \$1,000 or five percent of the total amount expended from the construction fund.

Additionally, Section 10427.1 of the 1913 Act provides that balances that have not been paid to or claimed by the persons entitled thereto shall be transferred to the General Fund four years after the final payment on the bonds.

During the 1980s and the early 1990s, the City Council approved guidelines for the disposition of surplus construction funds. Although the guidelines changed over this period, they generally were consistent with Section 10427 with the additional provision that a portion of the surplus construction funds could be set aside to pay the City's administrative costs of disbursing the surplus construction funds. The guidelines currently in effect include revisions that were approved by the City Council on August 4, 1992. The main purpose of the 1992 revisions was to address disbursement of surplus construction funds to property owners during the four year period following bond pay off. The prior guidelines were silent on this point.

The Surplus Resolutions were adopted on various dates between 1980 and 1999. The intention of the Surplus Resolutions was to liquidate remaining construction balances and close the related funds. The Surplus Resolutions directed surplus District construction funds to be used primarily to credit assessments, but also called for maintenance/rehabilitation of the District improvements and reimbursement of administration costs.

The City applied assessment credits to properties in each succeeding tax year until the pro-rata share of the surplus balances was exhausted or the bonds were paid off. In addition, the City attempted to refund the pro-rata share of District surpluses for previously-paid assessments to property owners paying the assessments. To refund previously paid assessments, however, assessment payers, per Section 10427.1(b) of the 1913 Act, were required to furnish proof of payment. Informational letters and forms were mailed to District properties to provide for refund claims, and other direct contact was made as well. Although

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the City generally succeeded in disposing of the District construction surplus balances as directed by Council, residual balances of unclaimed monies ultimately remained in the established construction funds and these funds/accounts were not closed. For all of the expired districts with remaining construction fund balances, it has been more than four years since the bonds for these districts were paid off.

Surplus construction funds totaled \$4,108,830 as of June 30, 2009. Two recommendations are being made for its disposition.

Recommendation - Resolution Declaring Surplus for Two Districts and Transfer of Funds to General Fund for Maintenance of Improvements

In compliance with State law and City guidelines, staff recommends that the City Council approve the adoption of a resolution declaring surplus construction funds for special assessment districts 83-180SJ (Tenth-Senter) and 87-201SJ (N. 1st Street-E. Tasman Refunding). Staff has not located any prior surplus resolutions for these districts. All known construction claims have been paid and the remaining construction fund balances are:

<u>District</u>	<u>Date Bonds Paid Off</u>	<u>June 30, 2009 Construction Fund Balance</u>
83-180SJ 23Z (Tenth-Senter).....	9/2/05	\$ 214,540
87-201SJ 24A (N. 1 st Street-E. Tasman Refunding).....	9/2/04	72,974
Total		<u>\$ 287,514</u>

The bonds for districts 83-180SJ (Tenth-Senter) and 87-201SJ (N. 1st Street-E. Tasman Refunding) were refunded by bonds issued pursuant to Consolidated Refunding District No. 94-214SJ. Unlike the other four districts that were refunded by this reassessment district, surplus construction funds for 83-180SJ and 87-201SJ were not liquidated as part of the refunding but instead were allocated to pay for additional improvements in these two districts. The additional construction costs were less than expected and the excess balances, plus interest earnings, remain. No record of a declaration of surplus funds exists. Therefore, staff recommends, in accordance with Section 10427, that these surplus construction funds be transferred to the General Fund for the maintenance of the expired districts' improvements. As noted above, staff recommends that these funds be placed in reserve while spending plans are developed. It is anticipated that these plans will be brought forward for incorporation into the 2010-2011 budget as part of the Manager's Budget Addendum process.

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Recommendation - Transfer Surplus Construction Funds to General Fund and Allocate Portion to Two Active Improvement District Funds

As discussed above, the City provided credits on the assessment roll and attempted to provide cash refunds to property owners per Section 10427. Pursuant to Section 10427.1 of the 1913 Act, staff recommends transferring remaining unclaimed construction funds for 30 of the 32 districts with a construction fund balance totaling \$3,821,316 as of June 30, 2009, plus interest, to the General Fund.

As part of staff's review of all improvement district funds, two active improvement districts with negative construction fund balances were identified. The expenditures charged to these funds causing the negative balances are ineligible to be reimbursed from bond proceeds. The only identified source for reimbursing these funds is the General Fund. Staff recommends that a portion of the construction funds to be transferred to the General Fund be allocated to Community Facilities District No. 6 (Great Oaks-Route 85) in the amount of \$96,674 and Improvement District No. 99-218SJ (Hellyer-Piercy) in an amount not to exceed \$448,198 for a total of \$544,872.

2. Assessment Funds

Assessments were collected to make debt service payments as long as bonds were outstanding. District bonds issued by the City had terms from 1 to 25 years. Assessment installments were calculated to provide for sufficient funds to make scheduled debt service payments.

Disposition Guidelines

Section 8784 of the 1915 Bond Act ("Section 8784") requires the City to use a redemption fund surplus for the following purposes, in order of priority:

1. Reimbursement of Public Agency Costs - any surplus is first applied to repayment to the City of any advances made by the City in connection with the delinquent payment of assessments.
2. Repayment of Supplemental Assessments - any remaining surplus is then repaid to any person paying a supplemental assessment, if any.
3. Credit Against Final Assessment Installments or Transfer to General Fund – any further remaining surplus balance may then either be (a) proportionately credited upon the final installments due upon the assessments securing the Bonds and repaid to those persons whose assessments have been previously paid, or (b) transferred to the general fund of the City.

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The City provided assessment roll credits to property owners for excess debt service cash during the term of the Districts. These credits were provided in the final years of the bonds as the ultimate need and availability of redemption funds became evident. Often the credits negated the need to collect further assessments. Pursuant to Section 8784, the City proportionately credited properties with scheduled unbilled assessment installments.

Despite the reduction in assessment collections upon the retirement of District bonds, more reductions were necessary but not possible as assessment installments ceased to be available for further credits. The City did not transfer the remaining District assessment funds to the General Fund in the ensuing years and balances remain.

Recommendation – Disbursement of Excess Assessment Funds to Past Assesseees

To comply with Section 8784, the City is required to use a redemption fund surplus either as a credit against assessments or transfer it to the General Fund. The other purposes specified in the guidelines are not applicable to the excess assessment funds as (1) the City has not identified any unreimbursed City advances and (2) no supplemental assessments were imposed in the Districts. Although assessments are no longer being collected and available for crediting, staff recommends that the City make a reasonable attempt to return the excess funds to those past assesseees who bore the cost of the District improvements through their annual assessment payments.

Excess Assessment Funds Refund Methodology

In accordance with Section 8784, eligible refund recipients are property owners of District parcels with outstanding assessments at the time of retirement of the bonds. If the bonds were refunded, eligible refund recipients are those property owners at the time of retirement of the refunded bonds in the refunding bonds issue. Refunds will be apportioned by District to the parcels listed on the last City assessment roll based on the proportionate share of total original assessment principal.

Staff recommends that the City Council authorize the following actions for remaining assessment balances. In making this recommendation, staff has taken into account the cost of refunding relatively small dollar amounts to the property owners assessed at the time the bonds for those districts were paid off. A refund of \$2,515,616, plus interest, in reserve funds is required (see next section) and a disbursement program will, therefore, already be necessary. The two districts with this cumulative reserve balance also account for 49% of all excess assessment funds.

Surplus assessment funds totaled \$4,024,492 as of June 30, 2009. The recommendations for the disposition of the balances are:

- Transfer the following amounts, plus interest, to the revenue funds for active districts that incorporate the same properties located within the prior expired district:

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- \$3,989 from District 89-205SJ (Bailey-S. Teresa) to Community Facilities District 9 (Bailey-Route 101),
- \$21 from District 93-213SJ (Capitol-Copperfield) to 02-219SJ (2002 Consolidated Refunding) for the benefit of the properties located within the boundaries of District 93-213SJ, and
- \$0.14 from District 94-215SJ (Silver Creek Refunding) to 02-219SJ (2002 Consolidated Refunding);
- Transfer to the General Fund assessment funds in the amount of \$184, plus interest, for Districts 72-098SJ (Miller-Turlock-Janary-Carter) and 74-124SJ (O'Toole-Paragon); and
- Disburse \$4,020,298, plus interest, for all other districts to the property owners assessed at the time the bonds for those districts were paid off.

Staff recommends that disburseable funds be held in and disbursed from the expired special assessment fund accounts. General procedures for the disbursement of funds are listed below under the section titled "Refund Disbursement".

3. Reserve Funds

To provide security for District bond payments in the event that property owners were delinquent in their installment payments, the City established Reserve Funds using bond proceeds. Minimum levels of reserves were required according to the governing documents for the individual Districts. The Reserve Funds were regularly drawn down as the reserve requirements lessened as bonds were called or scheduled debt service payments were made.

Reserve funds for Consolidated Refunding District No. 94-214SJ, bond series 24M ("Series 24M"), were not reduced in this manner. The City of San José Financing Authority issued its Series 1994A and Series 1994B Bonds to purchase the Series 24M Bonds. Separate reserve funds for the Series 1994A and the Series 1994B Bonds were established and the two reserve funds were held by the trustee. The Series 24M Bonds refunded bonds for six districts, each with separate reserve requirements. Due to the difficulty in tracking the ongoing requirements of multiple districts, and the risks involved with not maintaining sufficient minimum levels according to the covenants of governing documents, the City maintained the balances of the reserve funds throughout the term of the Series 1994A and Series 1994B Bonds. Furthermore, the Bonds were redeemed, or paid-off, using all available redemption funds absent any credits from the reserve funds. After the Bonds final maturity the reserve funds were transferred to the City from the trustee along with all other monies held by the trustee.

Improvement District No. 92-208 (Hellyer-Fontanoso Refunding) reserve funds were regularly drawn down but funds still remained after the final bond payments. Sizable assessment credits were provided to property owners on the final property tax bills in

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recognition that sufficient levels of redemption funds existed to pay off the bonds. Assessment and reserve funds were not fully utilized before the bonds were retired and surplus balances remain.

Disposition Guidelines

Section 8885 of the 1915 Bond Act (“Section 8885”) requires the City to use surplus reserve funds according to the following:

“Whenever the balance in the special reserve fund is sufficient to retire all remaining outstanding bonds in the issue, whether by advance retirement or otherwise, collection of the principal and interest on the assessments shall be discontinued and the special reserve fund shall be liquidated in retirement of the bonds.

In the event that the balance in the fund at the time of liquidation exceeds the amount required to retire all outstanding bonds in the issue, the excess shall be apportioned to each parcel upon which the individual assessment remained unpaid at the time the balance in the reserve fund was sufficient to retire all outstanding bonds in the issue. The payments shall be made in cash to the respective owners of the parcels except that, if the excess is not greater than one thousand dollars (\$1,000), the excess may be transferred to the general fund of the entity conducting the proceedings.”

Recommendation – Disbursement of Reserve Funds to Past Assesseees

To comply with Section 8885, staff recommends that the City Council authorize the disbursement of remaining reserve funds to persons and businesses previously assessed. The surplus reserve balances remaining as of June 30, 2009 are:

<u>District</u>	<u>Date Bonds Paid Off</u>	<u>June 30, 2009 Reserve Fund Balance</u>
94-214SJ 24M (Consolidated Refunding)	9/2/05	\$ 2,416,112
92-208SJ 24H (Hellyer-Fontanoso Refunding)	9/2/04	99,504
Total		<u>\$ 2,515,616</u>

Staff recommends that these funds, plus future interest, be held in and disbursed from the expired special assessment fund accounts. General procedures for the disbursement of funds are listed below under the section titled “Refund Disbursement”.

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Reserve Funds Refund Methodologies

In accordance with Section 8885, refund recipients are property owners of District parcels with outstanding assessments (a) at the time the reserve balance was sufficient to retire all outstanding original bonds or (b) at the time of retirement of the bonds. Special assessment district 92-208SJ never had a reserve balance sufficient to retire the outstanding bonds so qualified recipients are those at the time of retirement of the bonds. Refunds will be apportioned to the district parcels listed on the last City assessment roll based on the proportionate share of total original assessment principal.

One year before the Series 24M Bonds were retired Consolidated Refunding District 94-214SJ had a reserve balance sufficient to retire all bonds. However, a modified method of assigning and apportioning the district 94-214SJ reserve fund balance is necessary because reserve funds were never used to provide assessment credits, which was normal operating procedure. In recognition that no credits were ever applied, staff has determined that refund recipients are all district 94-214SJ property owners who ultimately paid-off the assessment, whenever that may have occurred. Accordingly, the refunds will be apportioned to the parcels based on the proportionate share of total original assessment principal.

4. *Water Main Deposits*

In accordance with the 1913 Act and the 1915 Act, the City used the assessment bonds to fund the installation of water supply facilities in a number of districts on behalf of private water companies. In accordance with State law requirements, the City and the water companies entered into agreements related to the installation of water supply facilities, transfer of ownership, and the obligation of the water companies to make payments to the City to repay these deposit amounts. Per the water agreements and Streets and Highways Code Section 10110.1, the refunds are to be passed-through to the assessment district property owners with assessment credits and bond calls. The term of the agreements generally exceeded the term of the assessment districts, however, and, as a result, the City receives refund payments although bonds have already been retired and assessments discontinued. Thirteen of the Districts have water main deposit balances that include previous and continuing repayments.

Disposition Guidelines

The agreements contemplate that refunds will be made to the property owners who paid the assessments. Also, Section 10110.1 of the 1913 Act ("Section 10110.1") contemplates that water company refunds received by the City up to four years after the bonds are retired are to be returned to those property owners paying the assessments. Refunds received after those four years are to be transferred to the City's General Fund.

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Surplus water main deposit repayment funds totaled \$248,239 as of June 30, 2009. Two recommendations are being made for its disposition.

Recommendation – Disbursement of Water Main Deposits to Property Owners

To comply with the water main installation agreements and Section 10110.1, staff recommends that the City Council authorize the disbursement of \$155,246 in water main deposit refund payments as of June 30, 2009, plus interest, to all persons and businesses previously assessed. Past assesses in the thirteen districts with balances are eligible for a refund of the repayments received by the City four years after retirement of the bonds.

Staff recommends that the funds be held in and disbursed from the expired special assessment fund accounts. General procedures for the disbursement of funds are listed below under the section titled “Refund Disbursement”.

Water Main Deposit Refund Methodology

In accordance with the water agreements and Section 10110.1, eligible refund recipients are all property owners of assessed parcels during the terms of the respective Districts. Refunds will be apportioned by District to all parcels ever assessed based on the proportionate share of total assessment principal paid. The apportioned refund amount per parcel will be based on the length of ownership to equitably refund different owners over time.

Recommendation – Transfer of Water Main Refunds to the General Fund

The City continues to receive refund payments from water companies for five of the thirteen assessment districts that received repayments from the private water companies. In accordance with Section 10110.1, staff recommends that (1) water payments received by the City since four years after retirement of the bonds in the amount \$92,993 as of June 30, 2009 and (2) all future water Main Deposit payments, plus interest, be transferred to the General Fund. Future water payments are estimated to total \$288,244 and are expected to be received over the next nineteen years.

5. *Administrative Funds*

The City established administration accounts in the redemption funds for each District and would deposit in these accounts the scheduled portion of bond proceeds and assessments necessary to cover the City’s costs to collect assessments, register and pay bonds, and comply with federal arbitrage requirements.

Disposition Guidelines

As outlined above, Section 8784 of the 1915 Bond Act provides that the City may transfer funds held in the redemption fund to the General Fund following repayment of the bonds. Additionally, for three of the seven Districts with remaining administrative funds, resolutions for these districts specified that either all of the redemption funds or the amounts allocated for administrative costs be deposited in the General Fund or as directed by the City following retirement of the applicable bonds.

Recommendation – Transfer Administration Funds to the General Fund

In accordance with the resolutions and Section 8784, staff recommends that remaining administrative funds in the amount of \$207,984 as of June 30, 2009, plus interest, be transferred to the General Fund.

Refund Disbursement Process

This section of the report includes a summary of the refund disbursement process and includes the following subsections: Notification and Claim Procedures, Claim Periods/Unclaimed Funds, and Eligible Recipients.

Notification and Claim Procedures

The City will make a reasonable attempt to notify all eligible recipients of the claimable funds and act in a timely manner to process claims and provide refunds checks to those with valid claims.

The Director of Finance will oversee the claims procedure set forth in Government Code Section 50500, et seq., for the return of moneys held by a city.

Notice Program

A prerequisite to disbursing refunds is locating and notifying eligible recipients. Staff has devised a notification program and continues to work on developing an implementation plan to disburse funds. The program, as outlined, will include the following steps:

- Mail notice and refund claim form to eligible recipients at available addresses, if any
- Publish notice in major local newspaper (San Jose Mercury News) at beginning of claims period
- Post notice on City web site and community bulletin board
- Establish informational pages on City website via links through web notice
- Establish information telephone line
- Make copies of notice and claim form available to members of the public

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- Publish notice in major local newspaper at expiration of claims period

Refundable water main deposit funds (\$155,246 plus interest) are disburseable to all owners of assessed properties over the term of the districts, which was often up to 25 years. Due to the unavailability of historical assessment payment information and the lack of owner/property data over the terms of the districts, the summary notice and refund claim form will only be sent to those scheduled to receive notification of excess assessment and reserve funds. The Finance Department will utilize available records to assist in verifying claims.

Claims Processing

In addition to a fully completed claim form, further proof of identity and ownership may be required to validate any claim. A fully-completed federal W-9 "Request for Taxpayer Identification Number and Certification" form may be required as the City may be required to file 1099 information returns with the IRS and provide a copy to the payees.

Claim Periods/Unclaimed Funds

Staff anticipates that there will be funds remaining following efforts to locate and alert eligible recipients. Government Code Section 50050, et seq., specifies that unclaimed funds held by a local agency for three years after attempts at reimbursement become the property of the local agency. The three year period applies to the water deposit and reserve funds.

Because Section 8784 of the 1915 Bond Act, discussed above, provides for transferring surplus assessment funds to the General Fund as the alternative to providing refunds, staff recommends that the period for claiming assessment funds be limited to one year following the commencement of the refund procedures.

In accordance with Government Code Section 50050, et seq., at the end of the three year period for the water deposit and reserve funds and the one year period for the assessment funds, staff will publish a notice of claimable funds once a week for two successive weeks in a local newspaper of general circulation. The notice will state the procedures for submitting a claim and that the unclaimed funds will become the property of the City on a specified date not less than 45 days nor more than 60 days after the first published notice. A notice will also be posted on the City's website.

Eligible Recipients

Based on the methodologies explained above, 880 parcels have been identified to receive an allocation of excess assessment and/or reserve funds. About 419 different companies, corporations, partnerships, joint ventures, individuals, and trusts are associated with owning those parcels and being eligible for a disbursement. The majority of the funds are claimable by, what appear to be in name, companies with commercial, development, and investment interests.

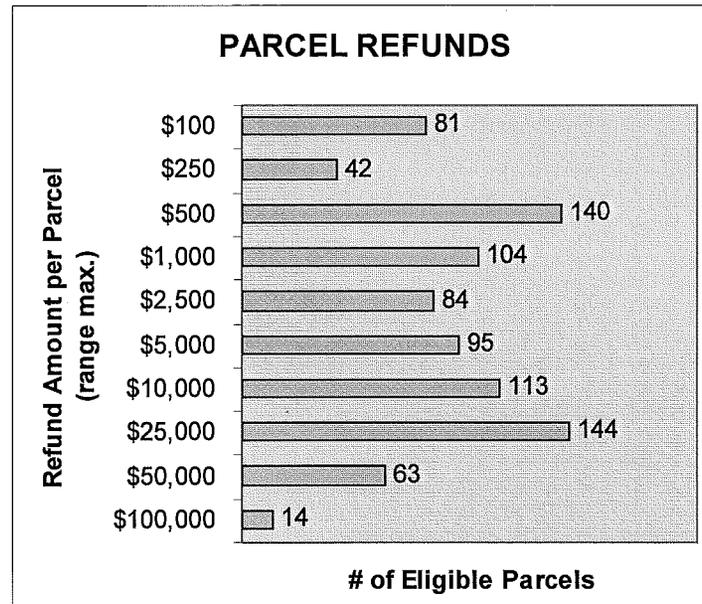
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Past assessees making claims for water main deposit funds will add to the number of eligible recipients requiring disbursement efforts.

The range of assessment and reserve refunds and the number of parcels eligible to receive them are as follows:



EVALUATION AND FOLLOW-UP

This memorandum presents the set of recommendations for the City Council's approval of the disposition of funds related to the City's expired improvement districts and requires three follow-up items that will be brought forward for City Council consideration in the future:

1. Staff will recommend the specific maintenance projects to be funded from the surplus improvement funds from special assessment districts 83-180SJ (Tenth-Senter) and 87-201SJ (N. 1st St-E. Tasman Refunding). It is anticipated that these plans will be brought forward as part of the 2010-2011 Manager's Budget Addendum process for incorporation into the 2010-2011 budget.

As part of an Annual Report, Annual Budget, or Mid-Year Budget Review:

2. A final appropriation action will be taken to transfer any unclaimed assessment funds to the General Fund at the end of the one-year claim period (forecasted to be sometime in FY 2011-12), and

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3. A final appropriation action will be taken to transfer any unclaimed reserve and water main deposit repayment funds to the General Fund at the end of the three-year claim period (forecasted to be sometime in FY 2013-14).

The Finance Department, using consultants from the Government Finance Officers Association (GFOA), initiated a department-wide documentation of processes and procedures in late 2009 for the development of a comprehensive Policy and Procedure Manual. As part of this project an "Improvement District Close-Out" process was developed and documented. This process, along with the continued development of more detailed procedures, is expected to eliminate the likelihood that improvement funds will again accumulate in excess and not be disposed-of in a timely manner.

POLICY ALTERNATIVES

Alternative #1: Transfer Excess Assessment Funds to General Fund for Unrestricted Operating Costs

Pros: If this alternative were adopted, the City would not have to implement refunds of \$4,020,298 (plus interest earnings).

Cons: The intended use of these funds was to repay bonds issued to improve specific assessment districts.

Reason for not recommending: The assessment funds collected from property owners for bond debt service were in excess of what was necessary.

Alternative #2: Transfer Excess Assessment Funds to General Fund for Maintenance of District Improvements

Pros: If this alternative were adopted, the City would not have to implement refunds of \$4,020,298 (plus interest earnings). The City would have additional funds available to pay for maintenance costs.

Cons: The intended use of these funds was to repay bonds issued to improve specific assessment districts.

Reason for not recommending: The assessment funds collected from property owners for bond debt service were in excess of what was necessary.

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PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**

- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

As discussed in the Notification and Claims Procedures section of this document, the City will attempt to notify all eligible recipients of the claimable funds and act in a timely manner to process claims and issue refunds checks to those with valid claims.

This memorandum is also posted on the City's website for the May 25, 2010 City Council Agenda.

COORDINATION

This staff report and the resolutions were prepared by the Finance Department in coordination with the City Manager's Office, Public Works and the City Attorney's Office. The detailed financial review was performed by the Debt Management division of the Finance Department.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
001	8680	Economic Uncertainty Reserve	\$5,500,000	p. IX-52	2/9/2010, Ord. 28698

HONORABLE MAYOR AND CITY COUNCIL

May 3, 2010

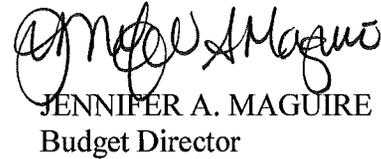
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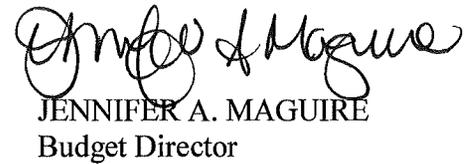
CEQA

Not a project, PP10-069, City organizational and administrative activities.


SCOTT P. JOHNSON
Finance Director


JENNIFER A. MAGUIRE
Budget Director

I hereby certify that there will be available for appropriation in the General Fund in the Fiscal Year 2009-2010 monies in excess of those heretofore appropriated therefrom, said excess being at least \$4,496,200.


JENNIFER A. MAGUIRE
Budget Director

For questions please contact Julia H. Cooper, Assistant Director of Finance, at (408) 535-7011.

APPENDIX A
EXPIRED SPECIAL ASSESSMENT DISTRICTS
Summary of Funds

June 30, 2009 Cash Balance

District No.	Description	Bond Series	City Fund #*	Current No. of Parcels	Redemption Fund					Construction Fund	Total
					Assessments	Reserves	Water Main	Admin	Subtotal		
70-068	Brokaw-Trimble-Zanker	21M	613 / 713	95	\$ 17,355	\$ -	\$ -	\$ -	\$ 17,355	\$ 360,401	\$ 377,756
72-085	Trimble-Lundy	21X	620 / 720	272	101,649	-	-	858	102,507	30,933	133,440
72-094	Calero Ave.	21K	621	21	-	-	-	-	-	1,380	1,380
72-098	Miller-Turlock-Janary-Carter	21V	723	17	182	-	-	-	182	-	182
73-103	Zanker Road	21G	624 / 724	14	103,017	-	-	-	103,017	229,717	332,734
73-113	Bonaventura Dr.	21N	727	12	172,194	-	-	-	172,194	-	172,194
73-116	Gish Road	21P	730	51	4,971	-	-	-	4,971	-	4,971
74-118	Skyport Dr-Forrestal	21L	631 / 731	51	33,272	-	10,173	-	43,445	58,406	101,851
74-119	Bernal - S. Teresa	21S	632 / 732	33	10,633	-	-	-	10,633	197,574	208,207
74-120	11th-Horning	22A	733	14	35,902	-	-	-	35,902	-	35,902
74-122	San Tomas Aquino Rd.	22N	635 / 735	80	65,033	-	8,190	1,783	75,006	1,633	76,639
74-124	O'Toole-Paragon	21W	736	39	2	-	-	-	2	-	2
74-129	Bernal - Via Del Oro	21Y	638 / 738	7	9,238	-	-	-	9,238	1,332	10,570
76-138	Stone-Cimino	22B	639 / 739	10	-	-	7,801	-	7,801	192,989	200,790
76-140	Gateway Place	22D	740	7	18,790	-	-	-	18,790	-	18,790
76-141	Old Oakland-Rock	22J	641 / 741	107	8,326	-	-	-	8,326	18,232	26,558
77-144	Charcot-Bering	22F	643 / 743	28	873	-	8,767	-	9,640	994,640	1,004,280
77-145	Brokaw-Technology	22G	644 / 744	53	8,009	-	-	-	8,009	19,523	27,532
77-146	Zanker-Montague	22V	645	31	-	-	-	-	-	361,524	361,524
77-147	Hwy 9-Fallenleaf	22K	746	2	1,316	-	-	-	1,316	-	1,316
77-148	Zanker-Bayshore	22P	647 / 747	12	131,509	-	37,755	-	169,264	15,538	184,802
78-149	Northerly Bering Extension	22L	648 / 748	9	4,394	-	201	-	4,595	114,644	119,239
78-150	Orchard-Montague	22Q	749	11	8,581	-	-	-	8,581	-	8,581
78-151	Orchard-Plumeria	22S	650 / 750	7	8,494	-	-	-	8,494	19,632	28,126
78-152	S. Teresa-Great Oaks	22U	651	77	-	-	-	-	-	10,524	10,524
78-153	River Oaks Industrial Park	22R	652 / 752	593	180,189	-	-	-	180,189	193,749	373,938
79-158	Rancho Drive	23B	656	153	-	-	-	-	-	57	57
79-159	Coleman-Santa Teresa	22T	657 / 757	2	122,717	-	21,635	-	144,352	286,094	430,446
80-160	Cottle-Hospital Pkwy.	22W	658	1	-	-	-	-	-	27,917	27,917
80-162	Tully-Senter	22Z	659 / 759	5	44,960	-	-	-	44,960	1,019	45,979
81-165	Sanchez Drive	23A	661 / 761	2	61,543	-	61,074	-	122,617	360,203	482,820
81-168	Geomax-Collishaw	23F	663	13	-	-	-	-	-	8,035	8,035
82-171	North First-Viebrock	23E	665	38	-	-	-	-	-	26,090	26,090
83-174	Payne-Phelps	23G	767	2	7,392	-	-	4	7,396	-	7,396
83-176	Senter-Wool	23N	669 / 769	71	88,833	-	18,831	3,274	110,938	51,785	162,723
83-180	Tenth-Senter	23Z	672 / 772	77	8,057	-	30,191	-	38,248	214,540	252,788
84-183	Blossom Hill-Snell	23S	674 / 774	6	13,550	-	-	-	13,550	9	13,559
84-186	Hostetter-UPRR Tracks	23U	777	9	-	-	14,353	-	14,353	-	14,353
84-189	First St.-Holger Wy.	23Y	678	16	-	-	-	-	-	225,337	225,337
84-190	Commercial-Berryessa	23T	779	6	-	-	9,313	-	9,313	-	9,313
86-196	Oakmead Refunding	23V	681	145	-	-	-	-	-	3,928	3,928
86-197	Old Oakland-Fox	23X	682 / 782	1	57,997	-	-	-	57,997	8,471	66,468
87-198	Old Oak-Murphy Refunding	24B	784	232	24,051	-	19,955	-	44,006	-	44,006
87-201	N 1st St.-E Tasman Refunding	24A	683	20	-	-	-	-	-	72,974	72,974
89-205	Bailey-S. Teresa	24D	787	11	3,989	-	-	-	3,989	-	3,989
92-208	Hellyer-Fontanoso Refunding	24H	790	31	78,957	99,504	-	22,467	200,928	-	200,928
93-210	Consolidated Refunding	24J	792	258	714,092	-	-	48,767	762,859	-	762,859
93-213	Capitol-Copperfield	24L	794	140	21	-	-	-	21	-	21
94-214	Consolidated Refunding	24M	796	283	1,874,404	2,416,112	-	130,831	4,421,347	-	4,421,347
94-215	Silver Creek Refunding	24N	797	1061	0.14	-	-	-	0.14	-	0.14
TOTAL					\$ 4,024,492	\$ 2,515,616	\$ 248,239	\$ 207,984	\$ 6,996,331	\$ 4,108,830	\$ 11,105,161

* Funds numbered in the 600s are Construction Funds; funds numbered in the 700s are Redemption Funds.

APPENDIX B
EXPIRED SPECIAL ASSESSMENT DISTRICTS
Summary of Prior Council Actions Declaring/Directing Use of Surplus Construction Funds

<u>District No.</u>	<u>Description</u>	<u>Bond Series</u>	<u>City Fund #</u>	<u>Resolution Number</u>	<u>Resolution Date</u>
70-068	Brokaw-Trimble-Zanker	21M	613	63961	8/4/92
72-085	Trimble-Lundy	21X	620	57186	1/31/84
72-094	Calero Ave.	21K	621	63962	8/4/92
73-103	Zanker Road	21G	624	60728	6/28/88
73-113	Bonaventura Dr.	21N	627	53268	6/10/80
73-116	Gish Road	21P	630	63964	8/4/92
74-118	Skyport Dr-Forrestal	21L	631	59863	6/9/87
74-119	Bernal - S. Teresa	21S	632	60727	6/28/88
74-120	11th-Horning	22A	633	53269	6/10/80
74-122	San Tomas Aquino Rd.	22N	635	60230	12/1/87
74-124	O'Toole-Paragon	21W	636	63190	8/6/91
74-129	Bernal - Via Del Oro	21Y	638	60231	12/1/87
76-138	Stone-Cimino	22B	639	60232	12/1/87
76-140	Gateway Place	22D	640	59865	6/9/87
76-141	Old Oakland-Rock	22J	641	60730	6/28/88
77-144	Charcot-Bering	22F	643	59866	6/9/87
77-145	Brokaw-Technology	22G	644	59867	6/9/87
77-146	Zanker-Montague	22V	645	60233 & 65212	12/1/87 & 5/3/94
77-147	Hwy 9-Fallenleaf	22K	646	54369	3/24/81
77-148	Zanker-Bayshore	22P	647	60726	6/28/88
78-149	Northerly Bering Extension	22L	648	59868	6/9/87
78-150	Orchard-Montague	22Q	649	60725	6/28/88
78-151	Orchard-Plumeria	22S	650	60729	6/28/88
78-152	S. Teresa-Great Oaks	22U	651	60234 & 65212	12/1/87 & 5/3/94
78-153	River Oaks Industrial Park	22R	652	58801	12/17/85
79-158	Rancho Drive	23B	656	63191	8/6/91
79-159	Coleman-Santa Teresa	22T	657	60235	12/1/87
80-160	Cottle-Hospital Pkwy.	22W	658	63967	8/4/92
80-162	Tully-Senter	22Z	659	62251	6/19/90
81-165	Sanchez Drive	23A	661	59869	6/9/87
81-168	Geomax-Collishaw	23F	663	59870 & 65212	6/9/87 & 5/3/94
82-171	North First-Viebrock	23E	665	60236	12/1/87
83-174	Payne-Phelps	23G	667	64805	8/3/93
83-176	Senter-Wool	23N	669	62253 & 63327	6/19/90 & 10/29/91
83-180	Tenth-Senter	23Z	672		<i>Recommended</i>
84-183	Blossom Hill-Snell	23S	674	62254	6/19/90
84-186	Hostetter-UPRR Tracks	23U	677	62050	4/3/90
84-189	First St.-Holger Wy.	23Y	678	64462	4/6/93
84-190	Commercial-Berryessa	23T	679	62255	6/19/90
86-196	Oakmead Refunding	23V	681	64806	8/3/93
86-197	Old Oakland-Fox	23X	682	63968	8/4/92
87-201	N 1st St.-E Tasman Refunding	24A	683		<i>Recommended</i>
93-213	Capitol-Copperfield	24L	694	69061	8/10/99

APPENDIX C
EXPIRED SPECIAL ASSESSMENT DISTRICTS
Summary of Sources & Uses

SOURCE OF FUNDS	June 30, 2009
	Cash Balance
SURPLUS BALANCES	
Construction funds.....	\$ 4,108,830
Assessment funds.....	4,024,492
Reserve funds.....	2,515,616
Water Main Deposit Repayment funds.....	248,239
Administration funds.....	207,984
TOTAL SOURCE OF FUNDS.....	\$ 11,105,161
USE OF FUNDS	
TRANSFER TO GENERAL FUND	
<i>General Fund Reserve & Project Funding</i>	
Economic Uncertainty Reserve.....	\$ 3,447,605
Finance Department-related Project Expenses.....	130,000
Total General Fund Reserve & Project Funding.....	3,577,605
<i>Reimburse Prior Year Ineligible Capital Expenditures</i>	
Improvement District 99-218SJ 24Q (Hellyer-Piercy).....	448,198
Community Facilities District 6 (Great Oaks-Route 85).....	96,674
Total Reimbursement of Prior Year Ineligible Capital Expenditures.....	544,872
<i>Maintenance Projects Reserve</i>	
Improvement District 83-180SJ, Bond Series 23Z (Tenth-Senter).....	214,540
Improvement District 87-201SJ, Bond Series 24A (N. 1 st St.-E. Tasman Refunding)...	72,974
Total Maintenance Projects Reserve.....	287,514
Total Transfer to General Fund.....	4,409,991
REFUND PAST ASSESSEES	
Assessment funds.....	4,020,298
Reserve funds.....	2,515,616
Water Main Deposit Repayment funds.....	155,246
Total Refund to Past Assesseees.....	6,691,160
TRANSFER FOR PAYMENT OF DEBT SERVICE	
Community Facilities District 9, Bond Series 2003 (Bailey-Route 101).....	3,989
Improvement District 02-219SJ, Bond Series 24R (2002 Consolidated Refunding).....	21
Total Transfer for Payment of Debt Service.....	4,010
TOTAL USE OF FUNDS.....	\$ 11,105,161