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# **Santa Clara County, CA GO Bonds Assigned 'AAA' Rating**

09-Oct-2017 13:27 EDT

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SAN FRANCISCO (S&P Global Ratings) Oct. 9, 2017--S&P Global Ratings assigned its 'AAA' rating to the County of Santa Clara, Calif.'s refunding general obligation (GO) bonds, election of 2008, series 2017C. At the same time, S&P Global Ratings assigned its 'AAA' rating to the county's GO bonds, election of 2016, 2017A (federally taxable). In addition, S&P Global Ratings affirmed its 'AAA' issuer credit rating (ICR) on the county. Also, S&P Global Ratings affirmed its 'AA+' long-term rating and underlying rating (SPUR) on the county's existing lease revenue bonds and pension obligation bonds (POBs). The outlook is stable.

Finally, we affirmed our 'AA+/A-1' rating on the county's series 2008M variable-rate demand refunding lease revenue bonds. The long-term component of the rating is based jointly (assuming low correlation) on the ratings on the obligor, Santa Clara County, and the letter of credit provider, Bank of America N.A. The short-term component of the rating is based solely on the short-term rating on Bank of America N.A.

The 2017C refunding bonds are being issued to advance refund a portion of the outstanding 2009A GO bonds. The 2017A bonds are being issued to provide funds for the acquisition or improvement of real property in order to provide affordable local housing for vulnerable populations including veterans, seniors, the disabled, low- and moderate-income individuals or families, victims of abuse, the homeless, and individuals suffering from mental health or substance abuse illnesses, which housing may include supportive mental health and substance abuse services. A portion of the proceeds may be used to provide housing that is affordable for moderate-income individuals and families.

"The ratings reflect our view of the county's very strong economy and participation in a broad and diverse metropolitan area enhance stability, as well as its very strong reserve levels," said S&P Global Ratings credit analyst Jen Hansen.

The stable outlook reflects our view that the county's reserves will likely remain at least strong due to balanced operations. Should reserves and budgetary performance weaken, the ratings could be pressured.

#### RELATED RESEARCH

U.S. State And Local Government Credit Conditions Forecast ([/en\\_US/web/guest/article/-/view/sourceId/10181246](/en_US/web/guest/article/-/view/sourceId/10181246)), July 24, 2017

S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency (/en\_US/web/guest/article/-/view/sourceld/8148636), Sept. 12, 2013  
Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria (/en\_US/web/guest/article/-/view/sourceld/9309298), Sept. 2, 2015  
2017 Update Of Institutional Framework For U.S. Local Governments (/en\_US/web/guest/article/-/view/sourceld/10264037)

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Primary Credit Analyst: Jennifer Hansen, San Francisco (1) 415-371-5035;  
[jen.hansen@spglobal.com](mailto:jen.hansen@spglobal.com) (mailto:[jen.hansen@spglobal.com](mailto:jen.hansen@spglobal.com))

Secondary Contact: Benjamin P Geare, San Francisco (415) 371-5047;  
[benjamin.geare@spglobal.com](mailto:benjamin.geare@spglobal.com) (mailto:[benjamin.geare@spglobal.com](mailto:benjamin.geare@spglobal.com))

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