

**CITY OF SAN GABRIEL
SAN GABRIEL SUCCESSOR AGENCY
OVERSIGHT BOARD
REGULAR MEETING**

JANUARY 17, 2017 - 10:00 A.M.

**Community Development Conference Room
410 McGroarty Street,
San Gabriel, California, 91776**

Hamid Behdad
Chair

Thomas Marston
Vice Chair

David R. Gutierrez
Board Member

Annie Huang
Board Member



Frank Cheng
Board Member

Joyce Yah
Board Member

David Sweeney
Board Member

Materials Available for Inspection. The City Clerk's Department has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. You may also view agenda items online at www.sangabrielcity.com/agendacenter. Materials related to an item on this Agenda, submitted to the San Gabriel Successor Agency Oversight Board after distribution of the Agenda packet, are available for public inspection at the meeting or in the City Clerk's Department, located at City Hall, 425 South Mission Drive, San Gabriel, California, during regular office hours, Monday through Friday 8:00 a.m. to 5:00 p.m. except for Tuesdays until 6:30 p.m.

Persons with Disabilities. Upon request, this Agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990.

Questions about this Agenda? Should any person have a question concerning any of the above Agenda items prior to the meeting, please contact the City Clerk in person or by telephone at (626) 308-2816 during regular office hours.

NOTE: CITY HALL IS AN ACCESSIBLE FACILITY PER THE AMERICANS WITH DISABILITIES ACT. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such a request to the City Clerk's Department at (626) 308-2816 at least 48 hours before the meeting, if possible.

San Gabriel Successor Agency Oversight Board
January 17, 2017

- **CALL TO ORDER**
- **PLEDGE OF ALLEGIANCE**
- **ROLL CALL**

Chair Hamid Behdad, Appointee of the Chancellor of the California Community Colleges

Vice Chair Thomas Marston, Employee Appointee of the Mayor of San Gabriel

Board Member Frank Cheng, Appointee of the Los Angeles County Library (Largest Special District)

Board Member David R. Gutierrez, Appointee of the Mayor City of San Gabriel

Board Member Annie Huang, Appointee of the Los Angeles County Board of Supervisors

Board Member Joyce Yah, Appointee of the Los Angeles County Board of Education

Board Member David Sweeney, Appointee of the Los Angeles County Board of Supervisors

1. PUBLIC COMMENT

This is the time set aside for members of the public to address the San Gabriel Successor Agency Oversight Board on items of interest that are not on the Agenda, but are within the subject matter jurisdiction of the San Gabriel Successor Agency Oversight Board. Pursuant to the Brown Act, the San Gabriel Successor Agency Oversight Board cannot answer any questions or take any action until such time as the matter may appear as an item on a future agenda.

If you wish to address the San Gabriel Successor Agency Oversight Board, please complete a speaker's request card and hand it to the Secretary to the Board before the start of the meeting. When speaking, please state your NAME for the record.

2. CONSENT CALENDAR

All items listed under the Consent Calendar are considered routine and recommendations will be approved in one motion unless a member of the San Gabriel Successor Agency Oversight Board or audience requests separate discussion.

A. MINUTES OF THE REGULAR SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD MEETING OF JANUARY 25, 2016

The minutes are a record of the official actions taken at the San Gabriel Successor Agency Oversight Board meeting.

Recommended Board Action: Approval

3. NEW BUSINESS

A. ADOPTION OF RESOLUTION OB NO. 17-01 APPROVING THE 2017-18 RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE FISCAL PERIOD FROM JULY 1, 2017 TO JUNE 30, 2018 AND ADOPTION OF RESOLUTION OB NO. 17-02 APPROVING THE ADMINISTRATIVE BUDGET FOR THE FISCAL PERIOD FROM JULY 1, 2017 TO JUNE 30, 2018

Assembly Bill x1 26 (Redevelopment Agency Dissolution) requires each successor agency to prepare a ROPS using a form provided by Department of Finance ("DOF"), which sets forth the minimum payment amounts and due dates for all enforceable obligations of the former redevelopment agencies for each six-month fiscal period.

SB 107, adopted in September 2015 and effective immediately as a budget trailer provision, made additional changes to the dissolution process, including changing ROPS deadlines and requirements and changing the way certain loans between former redevelopment agencies and cities are repaid. Starting with the last cycle, the ROPS changed to an annual ROPS and included two six month fiscal periods: "A" covers the period of July 1 to December 31, 2017 and "B" covers January 1, 2018 through June 30, 2018.

Recommended Board Action: Adopt Resolution OB No. 17-01 and Resolution OB No. 17-02 approving the 2017-18 Recognized Obligation Payment Schedule, or ROPS, for the fiscal period from July, 1 2017 to June 30, 2018 and the Administrative Budget for the same time period.

4. SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD ITEMS

Each San Gabriel Successor Agency Oversight Board Member may address the Board and public on matters of general information and/or concern.

5. ADJOURN SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD MEETING

San Gabriel Successor Agency Oversight Board actions are subject to review by the California State Department of Finance. As such, the San Gabriel Successor Agency Oversight Board actions shall not be effective for five days pending a request for review by the Department of Finance.

**SAN GABRIEL SUCCESSOR AGENCY
OVERSIGHT BOARD MINUTES**

SPECIAL MEETING

Monday, January 25, 2016 at 10:00 a.m.
Public Works Conference Room
410 McGroarty Street
San Gabriel, California 91776

1. CALL TO ORDER/ROLL CALL – 10:05 a.m.

Present:

Board Chair Hamid Behdad, Appointee of the Chancellor of the California Community Colleges
Board Vice Chair Thomas Marston, Appointee of the Mayor, City of San Gabriel
Board Member Frank Cheng, Appointee of the Los Angeles County Library
Board Member David R. Gutierrez, Appointee of the Mayor, City of San Gabriel
Board Member Annie Huang, Appointee of the Los Angeles County Board of Supervisors
Board Member David Sweeney, Appointee of the Los Angeles Board of Supervisors
Board Member Joyce Yeh, Appointee of the Los Angeles County Board of Education

Absent:

None

Also present were:

Teresa L. Highsmith, Oversight Board Attorney, San Gabriel Successor Agency
Peter Wallin, Deputy City Attorney, City of San Gabriel
Angelica Frausto-Lupo, Economic Development Manager, City of San Gabriel
Diane Hadland, Successor Agency Staff, City of San Gabriel
Gloria Molleda, Chief City Clerk, City of San Gabriel

2. PUBLIC COMMENT

PUBLIC COMMENT: PURSUANT TO GOVERNMENT CODE SECTION 54954.3, THIS IS THE TIME PROVIDED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COUNCIL ON ITEMS OF INTEREST THAT ARE NOT ON THE AGENDA WITHIN THE SUBJECT MATTER JURISDICTION OF THE OVERSIGHT BOARD.

There was no one from the audience who wished to speak.

3. MINUTES OF REGULAR BOARD MEETING OF SEPTEMBER 14, 2015

The minutes are a record of the official actions taken at the last Board meeting.

MOTION: Motion to approve the minutes of Regular Meeting of September 14, 2015 was moved by Board Member David R. Gutierrez and seconded by Board Member Frank Cheng. Motion carried 5-0-2, Abstain: Chair Hamid Behdad and Board Member David Sweeney.

ITEM NO. 2A

4. NEW BUSINESS

A. Adoption of Resolution OB No. 16-01 Approving the 2016-17 Recognized Obligation Payment Schedule for the fiscal period from July 1, 2016 to June 30, 2017 and Adoption of Resolution OB No. 16-02 Approving the Administrative Budget for the fiscal period from July 1, 2016 to June 30, 2017

Assembly Bill x1 26 (Redevelopment Agency Dissolution) requires each successor agency to prepare a ROPS using a form provided by Department of Finance (“DOF”), which sets forth the minimum payment amounts and due dates for all enforceable obligations of the former redevelopment agencies for each six-month fiscal period.

SB 107, adopted in September 2015 and effective immediately as a budget trailer provision, made additional changes to the dissolution process, including changing ROPS deadlines and requirements and changing the way certain loans between former redevelopment agencies and cities are repaid. Starting with the current cycle, the ROPS is changed to an annual ROPS and includes two six month fiscal periods: “A” covers the period of July 1 to December 31, 2016 and “B” covers January 1, 2017 through June 30, 2017.

RECOMMENDED BOARD ACTION: Adopt Resolution No. OB 16-01 and Resolution No. OB 16-02 approving the 2016-17 Recognized Obligation Payment Schedule, or ROPS, for the fiscal period from July, 1 2016 to June 30, 2017 and the Administrative Budget for the same time period.

Successor Agency staff Diane Hadland provided the staff report. She noted that a remaining obligation, repayment of the outstanding City Loan, was again not included on ROPS 2015-16B because of outstanding issues about the method of calculation. Discussion ensued between the Board Members as to whether to include the outstanding City Loan in the ROPS 2015-16B schedule.

MOTION: Motion to approve Resolution No. OB 15-02 approving the ROPS 2015- 16B for the fiscal period from January 2 to June 30, 2016, and the successor agency administrative budget pursuant to health and safety code section 34177(j) was moved by Board Member Annie Huang and seconded by Board Member Frank Cheng. The motion carried 5-0-2, Absent: Chair Behdad and Board Member Gutierrez.

5. BOARD ITEMS

There were no Board Member items at this time.

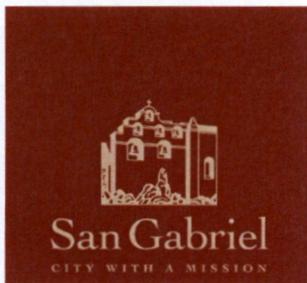
6. ADJOURNMENT

The meeting was adjourned at 10:41 a.m.

Oversight Board actions are subject to review by the California State Department of Finance. As such, the Oversight Board Actions shall not be effective for five days pending a request for review by the Department of Finance.

Gloria Molleda, Chief City Clerk

Thomas Marston, Vice Chair



City of San Gabriel

STAFF REPORT

DATE: January 17, 2017

TO: Members of the San Gabriel Successor Agency Oversight Board

FROM: Armine Chaparyan, Community Development Director

BY: Diane Hadland, Successor Agency Staff Member

SUBJECT: **Adoption of Resolution OB No. 17-01 Approving the 2017-18 Recognized Obligation Payment Schedule for the fiscal period from July, 1 2017 to June 30, 2018 and Adoption of Resolution OB No. 17-02 Approving the Administrative Budget for the fiscal period from July 1, 2017 to June 30, 2018**

SUMMARY

The Oversight Board is asked to consider adoption of ROPS and administrative budget for 2017-18.

RECOMMENDATION

Staff recommends that the Oversight Board adopt Resolution No. OB 17-01 and Resolution No. OB 17-02 approving the 2017-18 Recognized Obligation Payment Schedule, or ROPS, (Exhibit A) for the fiscal period from July, 1 2017 to June 30, 2018 (Attachment No. 1) and the Administrative Budget (Attachment 2) for the same time period.

BACKGROUND

Assembly Bill x1 26 (Redevelopment Agency Dissolution) requires each successor agency to prepare a ROPS using a form provided by Department of Finance ("DOF"), which sets forth the minimum payment amounts and due dates for all enforceable obligations of the former redevelopment agencies for each six-month fiscal period. AB 1484, the redevelopment dissolution/unwind trailer bill passed by the Legislature and signed by the Governor on June 29, 2012 made technical and substantive amendments to AB x1 26 including actions related to the ROPS.

SB 107, adopted in September 2015 and effective immediately as a budget trailer provision, made additional changes to the dissolution process, including changing ROPS deadlines and requirements and changing the way certain loans between former redevelopment agencies and cities are repaid. Starting in 2016-17, the ROPS was changed to an annual ROPS and includes two six month fiscal periods: "A" covers the period of July 1 to December 31, 2017 and "B" covers

ITEM NO. 3A

January 1, 2018 through June 30, 2018. The changes to the City loan repayment requirements are discussed below.

Under Section 34191.4, as amended by SB 107, loans between a city and a former redevelopment agency can be repaid, provided the repayment follows a complex formula tied to the amount of revenue not used for successor agency expenses in the prior year and provided that interest is recalculated at 3 percent simple interest. Any repayments must be applied first to principal and then to accumulated unpaid interest. These provisions serve to limit the amount of revenue that accrues on unpaid loans even though the rate of 3 percent is much higher than the previous rate which was LAIF, or about 0.25 percent.

STATUS ON ROPS 2016-17

Commencing with the 2016-17 ROPS, the Agency requested that the repayment on the City loan be restarted under the SB 107 new provisions. That repayment amount was approved by DOF in the amount of \$562,263. DOF did disallow the requested allowance for the administrative costs that the Agency requested in the amount of \$40,000. Under SB 107, the allowable administrative costs funded through the ROPS process cannot exceed 50 percent of certain types of RPTTF obligations. A copy of the letter that was received from DOF on ROPS 2016-17 is included as Attachment 3 for your reference.

ADMINISTRATIVE BUDGET

The Administrative Budget is to include all of the following: (i) estimated amounts of the Successor Agency's administrative costs for the up-coming six month fiscal period; (ii) the proposed sources of payment for the costs identified in (i); and (iii) proposals for arrangements for administrative and operation services for the six month fiscal period. For the last several ROPS, the Successor Agency has prepared a separate administrative budget to be considered by the Oversight Board and has included only the total on the ROPS.

Since DOF did not approve the ROPS funding of the administrative budget in 2016-17, the costs of the Agency were born by the City's General Fund. The Agency is only requesting \$1,500 in administrative funding on ROPS 2017-18, which is the maximum amount that staff has calculated is allowable under SB 107. This amount will be insufficient to cover the costs for the Agency's operations and reporting requirements. Estimated administrative costs for the 2017-18 ROPS periods are estimated to equal \$21,000, a budget for which is still required to be approved by the Oversight Board, Costs in excess of the administrative allowance actually approved by DOF will again be funded by the General Fund.

SUMMARY OF ROPS 2017-18

The projects that the Redevelopment Agency had underway when dissolution occurred have been largely completed with no or little expenditures expected in the upcoming ROPS cycle. The major remaining expenditures for future ROPS is the repayment of the City loan, plus amounts for the continued monitoring of the Lucky Center Agreement.

For 2017-18, the Agency is again requesting repayment of the City loan. The calculation of the outstanding balance is included as Table 4.1 and the allowable repayment for 2017-18 has been calculated and is included as Table 4.2 in Attachment 4. Repayment of City loans under Section 34191.4 of the Health and Safety Code is subject to a complex formula, although SB 107, discussed above, simplified some of those provisions.

As shown in Table 4.1, the amount of the City loan outstanding as of June 30, 2017 is calculated at \$975,650. This reflects the addition of 3.0 percent interest on the principal outstanding as well as a deduction for the \$562,263 repayment made by the Successor Agency during the 2016-17 fiscal year.

Table 4.2 shows the calculation of the allowable payment under Section 34191.4. Basically, the maximum payment is calculated based on the revenue that went to the base year taxing entities (the "Residual Payments") in the prior year. These are monies that were not spent by the Successor Agency on ROPS items, either because they were not included on the approved ROPS or they were included on the ROPS but were not spent as estimated. The loan repayment formula includes the amount by which the Residual Payment in the preceding fiscal year, or 2016-17A and B for the 2017-18 ROPS, exceed the Residual Payments in the 2012-13 base year. (Fiscal year 2012-13 is the first full year that payments were distributed to taxing entities under redevelopment dissolution.) The allowable payment can equal half (50 percent) of the increase in the Residual Payments. As shown in Table 4.2, the amount for 2017-18 equals \$424,888. The amount is less than the amount allowed last year because the revenues to the Agency for 2016-17 no longer included certain taxes collected on rates in excess of the 1.0 percent tax rate. In prior years, these amounts were included as RPTTF. The annual repayment amount must also be reviewed and approved by DOF.

UPCOMING SUCCESSOR AGENCY ISSUES

Countywide Oversight Boards are to be formed and effective as of July 2018. In Los Angeles and other large counties, the number of Countywide Oversight Boards has been expanded from 1 to 5, with one Oversight Board covering the jurisdiction of each County Supervisor. This means that the San Gabriel Oversight Board will likely need to meet again in January 2018 to approve the 2018-19 ROPS. Successor Agency staff members do not anticipate the need for a meeting on items other than the ROPS, but will of course contact the members should the situation change.

ATTACHMENTS

Attachment: No. 1: Resolution OB No. 17-01 approving ROPS 2017-18 for the period from July, 1 2017 to June 30, 2018

Exhibit A: ROPS 2017-18

Attachment: No. 2: Resolution OB No. 17-02 approving the Administrative Budget for the period from July, 1 2017 to June 30, 2018

Exhibit A: Administrative Budget 2017-18A and B

Attachment No. 3: Letter from DOF approving ROPS 2016-17

Attachment No. 4: City loan repayment Tables 4.1 and 4.2

Attachment 1

Resolution OB No. 17-01
ROPS 2017-18

RESOLUTION NO. OB 17-01

**A RESOLUTION OF THE SAN GABRIEL SUCCESSOR AGENCY
OVERSIGHT BOARD APPROVING THE 2017-18 RECOGNIZED
OBLIGATION PAYMENT SCHEDULE FOR THE FISCAL PERIOD
FROM JULY 1, 2017 TO JUNE 30, 2018**

WHEREAS, pursuant Part 1.85 of the Dissolution Act, Section 34171(g), a “Recognized Obligation Payment Schedule” means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period until June 30, 2016, as provided in subdivision (m) of Section 34177; and

WHEREAS, on and after July 1, 2016, Section 34171(g) provides that “Recognized Obligation Payment Schedule” means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each fiscal year, as provided in subdivision (o) of Section 34177; and

WHEREAS, the members of the Oversight Board have been presented with a draft recognized obligation payment schedule for the period July 1, 2017 to June 30, 2018 (the “Draft ROPS 2017-18”); and

WHEREAS, the Oversight Board has reviewed the Draft ROPS 2017-18 and those instruments referenced in the Draft ROPS 2017-18; and

WHEREAS, the Oversight Board has met and has duly considered the Draft ROPS 2017-18 and desires to express its approval of a recognized obligation payment schedule for the period July 1, 2017 to June 30, 2017;

NOW, THEREFORE, THE SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD DOES HEREBY FIND AND RESOLVE AS FOLLOWS:

Section 1. ROPS 2017-18 for the period of July 1, 2017 to June 30, 2018, attached hereto as Exhibit A and incorporated herein by this reference, is hereby approved.

Section 2. The Successor Agency City Manager, or designee, is directed to file, post, mail, or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of ROPS 2017-18.

Section 3. The Successor Agency City Manager or designee is authorized to make ministerial adjustments to the ROPS and Successor Agency Administrative Budget so long as these adjustments are within the scope of the approved schedule and total obligation.

Section 4. Pursuant to Health and Safety Code 34179(h), all actions taken by the Oversight Board may be reviewed by the California Department of Finance, and therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the California Department of Finance.

I HEREBY CERTIFY that the foregoing resolution was introduced and passed by the San Gabriel Successor Agency Oversight Board, at its meeting of January 17, 2017, by the following vote.

PASSED, APPROVED AND ADOPTED this 17th day of January 2017.

Ayes:
Noes:
Absent:
Abstain:

Hamid Behdad, Chair

Attest:

Deputy City Clerk

Exhibit A

ROPS 2017-18

Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

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

Successor Agency:

San Gabriel

County:

Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 14,490	\$ -	\$ 14,490
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	14,490	-	14,490
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 410,398	\$ 4,500	\$ 414,898
F RPTTF	410,398	4,500	414,898
G Administrative RPTTF	-	-	-
H Current Period Enforceable Obligations (A+E):	\$ 424,888	\$ 4,500	\$ 429,388

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.

Name Title

/s/ _____
Signature Date

**San Gabriel 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.](#)

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
Cash Balance Information by ROPS Period		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
ROPS 15-16B Actuals (01/01/16 - 06/30/16)									
1	Beginning Available Cash Balance (Actual 01/01/16)				23,354		45,650	See Worksheet A	
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016						-	Actual Distribution was -0-	
3	Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)						31,160	Actual Expenditures	
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				23,354			Reserve of the amount in Column F is used to fund expenditures in 2016-17A	
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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,490	Available for ROPS 2017-18A Funding	

San Gabriel Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	17-18A (July - December)					Q	17-18B (January - June)					W
											Fund Sources						Fund Sources					
											L	M	N	O	P		R	S	T	U	V	
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 17-18 Total	17-18A Total	17-18B Total										
1	City Loan (City-Agency Cooperation)	City/County Loans On or Business Incentive Agreements	6/15/1993	6/15/2034	City of San Gabriel	City loan to the Agency including		\$ 975,650	N	\$ 429,388	\$ -	\$ -										
6	Lucky Center Loan (Subsidy)		4/13/2011	3/26/2027	DHA Consulting / Contract Staff	For the construction of site improvements and facade/signage upgrades to attract new market operator that will make major tenant improvements. Loan Compliance Monitoring		\$ 3,000	N	\$ 3,000	\$ 14,490	\$ 410,398										
10	Street Haul Route Rehab / San Gabriel Blvd. Streetscape Bridge Enhancements for Trench	Improvement/Infrastructure	3/9/2011	6/30/2016	ACE	Reimbursement			N	\$ -	\$ -	\$ -										
42	Administrative Costs	Admin Costs	1/2/2014	6/30/2016	Employees/Various	Administrative Costs			N	\$ 1,500	\$ -	\$ 1,500										
47									N	\$ -	\$ -	\$ -										
48									N	\$ -	\$ -	\$ -										
49									N	\$ -	\$ -	\$ -										
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Attachment 2

Resolution OB No. 17-02
Administrative Budget
2017-18A and B

RESOLUTION NO. OB 17-02

A RESOLUTION OF THE SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING AN ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2018

WHEREAS, Health and Safety Code Section 34177(j) provides that the Successor Agency may prepare a proposed administrative budget (“Successor Agency Administrative Budget”) and submit it to the Oversight Board for the Oversight Board’s approval;

NOW THEREFORE, BE IT RESOLVED by the Oversight Board, as follows:

SECTION 1. The Oversight Board approves the Successor Agency Administrative Budget attached hereto as Exhibit A and incorporated herein by this reference.

SECTION 2. The Successor Agency is authorized and directed to submit the approved Administrative Budget to the California Department of Finance, the county administrative officer and the county auditor-controller.

SECTION 3. The Successor Agency shall maintain on file as a public record this Resolution and the Administrative Budget as approved hereby.

I HEREBY CERTIFY that the foregoing resolution was introduced and passed by the San Gabriel Successor Agency Oversight Board, at its meeting of January 17, 2017, by the following vote.

PASSED, APPROVED AND ADOPTED this 17th day of January 2017.

Ayes:
Noes:
Absent:
Abstain:

Hamid Behdad, Chair

Attest:

Deputy City Clerk

Exhibit A

Successor Agency Administrative Budget
July 1, 2017 through June 30, 2018

Exhibit A
San Gabriel Successor Agency
Administrative Budget for 2017-18
7/1/2017 to 6/30/2018

Description	Annual Budget	July to Dec. 2017-18A	Jan. to June 2017-18B
Full Time Employees / Portion Finance	10,000	5,000	5,000
Special Departmental	-	-	-
Administration/Contract Staff	-	-	-
Medicare	-	-	-
Administration/Contract Administrative (Diane)	5,000	3,000	2,000
Contractual Services / Consultants / Legal	-	-	-
Agency Council (Peter)	3,000	1,500	1,500
Oversight Board Council (Theresa)	2,000	1,000	1,000
Auditing	-	-	-
Other Consultants	-	-	-
Contractual Services	-	-	-
Lease Payments/All	-	-	-
Copier	-	-	-
Security	-	-	-
HVAC	-	-	-
Office Operating	1,000	500	500
Office Lease	-	-	-
Supplies	-	-	-
Cleaning	-	-	-
Other	-	-	-
Electricity	-	-	-
Telephone	-	-	-
Water	-	-	-
Other Direct Costs	-	-	-
Telephone - Wireless	-	-	-
TOTAL	21,000	11,000	10,000
Less: Proposed RPTTF Funding (1)	1,500	-	1,500
Total to be Funded by City	19,500	11,000	8,500

Attachment 3

DOF Letter Approving ROPS 2016-17



April 1, 2016

Mr. Thomas Marston, Director of Finance
City of San Gabriel
425 South Mission Drive
San Gabriel, CA 91776

Dear Mr. Marston:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of San Gabriel Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) to the California Department of Finance (Finance) on January 27, 2016. Finance has completed its review of the ROPS 16-17.

Based on a sample of line items reviewed and application of the law, Finance made the following determination:

The claimed administrative costs exceed the allowance by \$40,000. HSC section 34171 (b) (3) limits the fiscal year 16-17 Administrative Cost Allowance (ACA) to three percent of actual distributed Redevelopment Property Tax Trust Fund (RPTTF) in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the distributed RPTTF in the preceding fiscal year. As a result, the Agency's maximum ACA is zero for the fiscal year 2016-2017. Although \$40,000 is claimed for administrative cost, there is zero RPTTF available pursuant to the cap. Therefore, \$40,000 of excess administrative cost is not allowed.

Except for the item denied in whole, Finance is not objecting to the remaining items listed on your ROPS 16-17. If you disagree with Finance's determination with respect to any items on your ROPS 16-17, except for those items which are the subject of litigation disputing Finance's previous or related determinations, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Finance performs a review of the Agency's self-reported cash balances on an ongoing basis. Be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved enforceable obligations, HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF.

The Agency's maximum approved RPTTF distribution for the reporting period is \$541,909 as summarized in the Approved RPTTF Distribution Table on Page 3 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the July 1, 2016 through December 31, 2016 (ROPS A period), and one distribution for the January 1, 2017 through June 30, 2017 (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

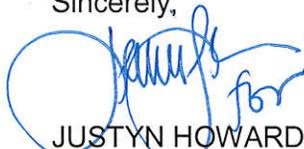
<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Kylie Oltmann, Supervisor, or Nicole Prisakar, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Diane Hadland, Successor Agency Staff (Contract), City of San Gabriel
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution			
For the period of July 2016 through June 2017			
	ROPS A Period	ROPS B Period	Total
Requested RPTTF (excluding administrative obligations)	\$ 538,909	\$ 3,000	\$ 541,909
Requested Administrative RPTTF	30,000	10,000	40,000
Total RPTTF requested for obligations on ROPS 16-17	568,909	13,000	\$ 581,909
Total RPTTF authorized	538,909	3,000	\$ 541,909
Total Administrative RPTTF requested	30,000	10,000	40,000
Administrative costs in excess of the cap (see Administrative Cost Allowance Cap table below)	(30,000)	(10,000)	(40,000)
Total Administrative RPTTF authorized	0	0	\$ 0
Total RPTTF approved for distribution	538,909	3,000	\$ 541,909

Administrative Cost Allowance Cap Calculation	
Actual RPTTF distributed for fiscal year 2015-16	\$ 32,500
Less sponsoring entity loan and Administrative RPTTF	32,500
Actual RPTTF distributed for 2015-16 after adjustment	0
Administrative Cap for 2016-17 per HSC section 34171 (b)	0
ROPS 16-17 Administrative RPTTF after Finance adjustments	40,000
Administrative Cost Allowance in excess of the cap	\$ (40,000)

Attachment 4

City Loan Repayment 2017-18

Table 4.1
San Gabriel Successor Agency
Calculation of Outstanding Loan Balance and Estimated Payments
ROPS 2017-18

ROPS Fiscal Yr (1)	Principal Advanced (2)	Net Principal Beginning Balance	Less: (3) Pmts @ 7/1	Net Principal Ending Balance	3.0%				Total Interest	Cumulative Interest	Total Ending Bal w/ Interest
					Interest @ (4) Sept. (1st Qtr)	Interest @ (4) Dec. (2nd Qtr)	Interest @ (4) March (3rd Qtr)	Interest @ (4) June (4th Qtr)			
2009-10	784,259	784,259	-	-	N/A	N/A	N/A	N/A	N/A	-	-
2010-11	500,686	1,284,945	-	1,284,945	9,637	9,637	9,637	9,637	38,548	38,548	1,323,493
2011-12	-	1,284,945	-	1,284,945	9,637	9,637	9,637	9,637	38,548	77,096	1,362,041
2012-13	-	1,284,945	-	1,284,945	9,637	9,637	9,637	9,637	38,548	115,644	1,400,589
2013-14	-	1,284,945	-	1,284,945	9,637	9,637	9,637	9,637	38,548	154,192	1,439,137
2014-15	-	1,284,945	-	1,284,945	9,637	9,637	9,637	9,637	38,548	192,740	1,477,685
2015-16	-	1,284,945	-	1,284,945	9,637	9,637	9,637	9,637	38,548	231,288	1,516,233
2016-17	-	1,284,945	562,263	722,682	5,420	5,420	5,420	5,420	21,680	252,968	975,650
2017-18	-	722,682	424,888	297,794	2,233	2,233	2,233	2,233	8,932	261,900	559,694
2018-19	-	297,794	440,000	-	-	-	-	-	-	119,694	119,694
2019-20	-	-	119,694	-	-	-	-	-	-	119,694	-

(5)

- (1) Includes expenditure periods of July 1 through June 30th, per DOF designated ROPS forms. A portion of the associated revenues are received in June of the prior fiscal year.
- (2) Principal balance per the June 30, 2012 CAFR equals \$1,284,945, which is the principal amount (i.e., does not contain any accrued interest).
- (3) All future payments are assumed to occur on July 1 of the applicable fiscal year, before additional interest is accrued.
- (4) As interest is simple, the principal amount outstanding on which interest is calculated does not change from quarter to quarter.
- (5) Twenty percent of any loan repayments the City receives must be used for low and moderate income housing purposes pursuant to HSC 34191.4 and will be remitted to the Housing Authority of Los Angeles County pursuant to Resolution OB12-11; 2016-17 payment = \$112,453; 2017-18 payment = \$84,978; 2018-19 payment = \$80,000; 2109-20 payment = \$23,939.

Table 4.2
San Gabriel Successor Agency
Maximum Allowable City Loan Payment
ROPS 2017-18

Description	Tax Entity Distribution	Prior Period Adjustment	Total Distribution
2016-17 Prior Year			
ROPS 2016-17A - June 2016 (Actual)	583,773	-	583,773
ROPS 2016-17B - Jan 2017 (Actual)	564,519	-	564,519
Total	1,148,292	-	1,148,292
2012-13 Base Year			
ROPS 2 - June 2012	298,516	-	298,516
ROPS 3 - January 2013	-	-	-
Total	298,516	-	298,516
Increased Distribution to Taxing Entities	849,776		849,776
Factor:	50.0%		50.0%
Available for City Loan Repayment 2017-18A	424,888		424,888
Less: SERAF Loan	-		-
Eligible for City Loan Repayment on ROPS 2017-18A	424,888	-	424,888