

RESOLUTION NO. OB 13-01

**A RESOLUTION OF THE SAN GABRIEL SUCCESSOR AGENCY
OVERSIGHT BOARD APPROVING THE NON-HOUSING DUE
DILIGENCE REVIEW PREPARED IN ACCORDANCE WITH
HEALTH AND SAFETY CODE SECTIONS 34179.5 and 34179.6**

WHEREAS, Marcum LLP was retained by the San Gabriel Successor Agency to perform a Due Diligence Review of the Low and Moderate Income Housing Fund in accordance with the provisions of Health and Safety Code §§ 34179.5 and 34179.6;

WHEREAS, Marcum LLP completed the Due Diligence Review, a copy of which is attached hereto as Exhibit A, in accordance with agreed upon procedures and the provisions of the Health and Safety Code;

WHEREAS, the Oversight Board conducted a duly noticed public hearing on the Due Diligence Review on January 7, 2013;

WHEREAS, the Oversight Board has reviewed the Due Diligence Review and is satisfied that it accurately determines the amount of cash and cash equivalents that are available for disbursement to taxing entities.

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

Section 1. The Due Diligence Review attached as Exhibit A is hereby approved;

Section 2. The Successor Agency is directed to transmit this determination and approval to the Department of Finance, State Controller, the Los Angeles County Auditor-Controller and the Los Angeles Chief Executive Office.

Section 3. Effectiveness. Pursuant to Health and Safety Code Section 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 14, 2013, by the following vote.

PASSED, APPROVED and ADOPTED this 14 day of January, 2013.

Ayes: 5
Noes:
Absent: 2
Abstain:



Chair

Attest:



Deputy City Clerk

City of San Gabriel
(Successor Agency to the former San Gabriel
Redevelopment Agency)

**All Other Funds Combined (Excluding Low
and Moderate Income Housing Fund)**

*Independent Accountants' Report
on Applying Agreed-Upon Procedures
with respect to AB1484 (Reissued January 3, 2013)*

**CITY OF SAN GABRIEL
(SUCCESSOR AGENCY TO THE FORMER SAN GABRIEL REDEVELOPMENT AGENCY)
ALL OTHER FUNDS COMBINED (EXCLUDING LOW AND INCOME MODERATE INCOME
HOUSING FUND)
CONTENTS**

	<u>Page</u>
Independent Accountants’ Report on Applying Agreed Upon Procedures	1
Attachment A – Procedures and Findings	2
 Exhibits	
Exhibit 1-01: Listing of all assets that were transferred from the San Gabriel Redevelopment Agency (Dissolved Agency) to the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) on February 1, 2012	
Exhibit 4-01: Summary of the financial transactions of the San Gabriel Redevelopment Agency (Dissolved Agency) and the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency for the fiscal periods 2010 through 2012	
Exhibit 5-01: Listing of all assets of All Other Funds Combined (Excluding Low and Moderate Income Housing Fund) of the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) as of June 30, 2012	
Exhibit 6C-01: Listing of the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) Asset Balances Held on June 30, 2012 that are Restricted for the Following Purposes: Other Assets Considered to be Legally Restricted (Issued on December 14, 2012)	
Exhibit 7-01: Listing of Assets of the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) as of June 30, 2012 that are Not Liquid or Otherwise Available for Distribution	
Exhibit 8-01: Itemized Schedule of the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) Asset Balances (Resources) as of June 30, 2012 that are Dedicated or Restricted for the Funding of Enforceable Obligations with Projection of Annual Spending Requirements to Satisfy Each Obligation and Projection of Revenues to Fund those Requirements (Revised Exhibit included with Reissued Report dated January 3, 2013)	
Exhibit 9-01: Schedule of the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) Cash Balances as of June 30, 2012 that Need to be Retained to Satisfy Obligations on the Recognized Obligations Payment Schedule (ROPS) for the period of July 1, 2012 – June 30, 2013 (Revised Exhibit included with Reissued Report dated January 3, 2013)	
Exhibit 10-01: Summary of the City of San Gabriel Balances Available for Allocation to Affected Taxing Entities (Revised Exhibit included with Reissued Report dated January 3, 2013)	
Exhibit A-01: Letter from the California Department of Finance to the City of San Gabriel dated December 15, 2012 related to the Low and Moderate Income Housing Fund Due Diligence Review (New Exhibit included with Reissued Report dated January 3, 2013)	
Exhibit B-01: Letter from the California Department of Finance to the City of San Gabriel dated December 18, 2012 related to the Recognized Obligation Payment Schedule (ROPS III) for the period of January 1 through June 30, 2013 (New Exhibit included with Reissued Report dated January 3, 2013)	
Exhibit B-02: Recognized Obligation Payment Schedule (ROPS III) for the period of January 1 through June 30, 2013 as Modified per the Department of Finance Letter Dated December 18, 2012 (New Exhibit included with Reissued Report dated January 3, 2013)	



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Oversight Board

City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency)
San Gabriel, California

We have performed the agreed-upon procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office, the State of California Department of Finance ("State Agencies") and the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) solely to assist you in ensuring that the All Other Funds Combined (Excluding Low and Moderate Income Housing Fund) of the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) is complying with its statutory requirements with respect to AB1484. Management of the City of San Gabriel are responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code Section 34179.5(c)(1) through 34179.5 (c)(6). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures identified below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures as set forth in Attachment A. Attachment A also identifies the findings noted as a result of the procedures performed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment A. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) requested that we reissue our report dated December 14, 2012 (the "Reissued Report") based on re-performing certain procedures included in Attachment A (procedures 8A, 9 and 10) and performing additional procedures, specifically developed by the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency), also included in Attachment A (procedures A and B). We have re-performed procedures 8A, 9 and 10 and have performed new procedures A and B as of January 3, 2013. As a result of re-performing procedures 8A, 9 and 10, the related Exhibits (8-01, 9-01 and 10-01) have also been revised accordingly. The Reissued Report and related re-performed procedures and revised Exhibits, and new procedures were based on two final determination letters received from the California Department of Finance dated December 15, 2012 and December 18, 2012 included at Exhibits A-01 and B-01, respectively.

Oversight Board
City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency)
San Gabriel, California
Page Two

This report is intended solely for the information and use of the City of San Gabriel and applicable State Agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Marcum LLP

Irvine, California
December 14, 2012 (for procedures 1, 2, 3, 4, 5, 6, 7, 8B, 8C, and 8D of Attachment A)
January 3, 2013 (for procedures 8A, 9 and 10, and procedures A and B of Attachment A)

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

CITATION:

Section 34179.5(c)(1)-The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

Procedure 1:

Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of assets transferred to the Successor Agency as of that date.

Results/Findings:

See Exhibit 1-01 for a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. We agreed the amounts on this listing at Exhibit 1-01 to the account balances in the General Ledger noting the following difference:

Account	Transferred per Exhibit 1-01 as of February 1, 2012	Transferred per General Ledger as of February 1, 2012	Difference
Cash	4,174,495	6,132,610	(1,958,115)

Per Successor Agency, the difference is due to \$1,958,087 of Low and Moderate Income Housing Fund cash being included in the General Ledger and a rounding error of \$28, for the total difference of \$1,958,115.

Per Successor Agency the total amount of assets transferred to the Successor Agency on February 1, 2012 was \$5,674,495.

CITATION:

Section 34179.5(c)(2)-The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

Procedure 2:

If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Results/Findings:

Procedure 2A:

Based on the representations of the Successor Agency, there were no transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012.

Procedure 2B:

Based on the representations of the Successor Agency, the transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the basis for the enforceable obligation that required the transfer from February 1, 2012 through June 30, 2012 were \$4,166,992.57 to pay a city loan, as per approved on ROPS I.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

Procedure 2C:

For the item in 2B we were provided the Cooperation Agreement between the City of San Gabriel and the San Gabriel Redevelopment Agency, dated 6/15/93.

CITATION:

Section 34179.5(c)(3)-The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Procedure 3:

If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

- B. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

Results/Findings:

Procedure 3A:

Based on the representations of the Successor Agency, there were no transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012.

Procedure 3B:

Based on the representations of the Successor Agency, there were no transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or to private parties for the period from February 1, 2012 through June 30, 2012.

Procedure 3C:

Not applicable.

Citation:

34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.

Procedure 4:

A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.

B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.

C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Results/Findings:

Procedure 4A

See Exhibit 4-01 for the summary of the financial transactions of the Redevelopment Agency and the Successor Agency for fiscal periods 2010-2012.

Procedure 4B

We ascertained for the periods ended 6/30/2010, 6/30/2011 and 6/30/2012 presented, the total of revenues, expenditures, and transfers accounts for the changes in equity from the previous fiscal period.

We noted that for the period of the 7 months ended 1/31/2012 the total of revenues, expenditures, and transfers does account for the change in equity from the previous fiscal period, with the exception of \$5,451,938 for advances noted in long term debt. We noted that on the RDA financial reports, advances are treated as long term debt and, therefore, not recorded on the Fund financial statements. In the General Ledger and CAFR report, the advances are in the Fund financial statements, so the General Ledger will not tie to the former RDA reports. We noted the reduction of the Beginning Equity amount for the period ended 1/31/2012 of \$5,451,938, which agrees to the advances noted in long term debt.

Procedure 4C

We compared amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the State Controller's report filed for the Redevelopment Agency for that period without exception.

Procedure 4D

We compared amounts in the schedule relevant to the fiscal year ended June 30, 2011 to the Basic Financial Statement and Independent Auditors' Reports for the Redevelopment Agency for the year ending 6/30/2011 without exception.

We compared amounts in the schedule relevant to the seven months ended January 31, 2012 to the General Ledger for the Redevelopment Agency without exception.

We compared amounts in the schedule relevant to the five months ended June 30, 2012 to the accounting records for the Successor Agency for that period without exception.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

CITATION:

Section 34179.5(c)(5)-A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:

(A) A Statement of the total value of each fund as of June 30, 2012.

Procedure 5:

Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will only include those assets of the Low and Moderate Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Results/Findings:

See Exhibit 5-01 for a listing of all assets of all other funds combined (excluding the Low and Moderate Income Housing Fund) as of June 30, 2012. No exceptions noted.

CITATION:

Section 34179.5(c)(5)(B)-An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

Procedure 6:

Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

- A. Unspent bond proceeds:
 - i) Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
 - ii) Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)**
**All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)**
Agreed-Upon Procedures with Respect to AB1484
Attachment A

- iii) Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
- B. Grant proceeds and program income that are restricted by third parties:
- i) Obtain the Successor Agency's computation of the restricted balances (e.g. total proceeds less eligible project expenditures).
 - ii) Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii) Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
- C. Other assets considered to be legally restricted:
- i) Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii) Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii) Obtain from the Successor Agency a copy of the legal agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
- D. Attach the above mentioned Successor Agency prepared schedule (s) as an exhibit to the AUP in report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

Results/Findings:

Procedure 6A

Based on the representation of the Successor Agency, there are no asset balances held on June 30, 2012 that are restricted for unspent bond proceeds.

Procedure 6B:

Based on the representation of the Successor Agency, there are no asset balances held on June 30, 2012 that are restricted because the assets were from grant proceeds or program income that are restricted by third parties.

Procedures 6C and 6D:

See Exhibit 6C-01 for the listing of asset balances held on June 30, 2012 that are restricted for other assets considered by the Successor Agency to be legally restricted. We agreed the individual component of this listing to the related account balance in the accounting records noting no exception.

Based on representations of the Successor Agency, item noted in the previous paragraph represents a loan to the City of San Gabriel and the restriction is in effect until sufficient Redevelopment Property Tax Trust Fund (RPTTF) funding is received to satisfy loan payoff. We were provided the *Cooperation Agreement between the City of San Gabriel and the San Gabriel Redevelopment Agency*, dated 6/15/93.

CITATION:

Section 34179.5(c)(5)(C)-An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

Procedure 7:

Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to previously audited financial statements (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Results/Findings:

Procedure 7A

See Exhibit 7-01 for a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution.

Procedure 7B

We agreed the assets listed, which were at purchase cost, to the previously audited financial statements of the San Gabriel Redevelopment Agency for the year ended June 30, 2011. No exceptions were noted.

Procedure 7C-7D

Not applicable. See results findings of procedure 7B.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

CITATION:

Section 34179.5(c)(5)(D)-An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated balances are insufficient to fund future obligations and thus retention of current balance is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the Successor Agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

Procedure 8

Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balance toward payment of that obligation.
 - i) Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii) Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii) Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv) Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i) Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
 - ii) Compare the forecasted annual spending requirements to the legal document supporting each the enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
 - iii) For the forecasted annual revenues:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i) Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii) Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii) Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

- D. If procedures A, B or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i) Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
 - ii) Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
 - iii) Include the calculation in the AUP report.

Results/Findings:

Procedure 8A (Re-performed Procedure – Re-performed as of January 3, 2013):

See Exhibit 8-01 for the itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations.

We compared all current balances (Total Assets \$3,582,104) to the amounts recorded in the accounting records of the Successor Agency and the balance to LMIH Assets to the City's alternate calculation and Department of Finance letters dated 12/15/12 and 12/18/12, located at Exhibits A-01 and B-01, respectively, without exception.

For Items 1 and 7-20 we noted the Description of Item was noted on the referenced Recognized Obligation Payment Schedule approved by the California Department of Finance (ROPS) per Exhibit 8-01.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

For the itemized schedule of asset balances as of June 30, 2012 that are restricted for the funding of enforceable obligations (Exhibit 8-01) we were provided by the Successor Agency the following documents:

Item 1- Cooperation Agreement by and between the City of San Gabriel and the San Gabriel Redevelopment Agency, dated 6/15/93.

Items 2-4- Per Successor Agency these items are administrative costs that are reimbursable up to \$250,000.

Item 5- General Ledger as of 6/30/12 noting Developer Deposits as liabilities.

Item 6- Final Order of Condemnation from the Superior Court of the State of California for the County of Los Angeles-Central District, Case No. BC339748, Assessor's Parcel No. 5387-34-29, dated 6/5/2006.

Item 7- Agreement for the Provision of Affordable Housing San Gabriel Redevelopment Agency Case No. 10-01 CETT Investments Corporation by and between CETT Investments Corporation and San Gabriel Redevelopment Agency, dated 1/6/2011.

Item 8- City of San Gabriel Purchase Order 6676 for Onyx Architects Inc., dated 3/14/2011.

Item 9- Owner Participation Agreement by and between the City of San Gabriel Redevelopment Agency and Lucky Center, LLC, dated 4/13/2011.

Item 10- City of San Gabriel Purchase Order 6854 for Kirby Built Quality Products, dated 6/5/2012.

Item 11- City of San Gabriel Purchase Order 6691 for Bart Doyle & Associates, dated 4/14/2011.

Item 12- City of San Gabriel Purchase Order 6692 for Icon Enterprises Inc. DBA CivicPlus, dated 4/4/2011.

Item 13- City of San Gabriel Purchase Order 6469 for Onyx Architects, Inc., dated 2/16/2010.

Items 14- The City of San Gabriel Purchase Order History Listing noting Purchase Order 6395 with Hunt Design Associates, Inc., dated 7/28/2009.

Item 15- City of San Gabriel Purchase Order 6444 for Katherine Spitz Associates, Inc., dated 7/1/2010 and City of San Gabriel Purchase Order 6755 for Marina Landscape, Inc., dated 8/4/2011.

Item 16- City of San Gabriel Purchase Order 6485 for RKA Consulting Group, Inc., dated 3/7/2010.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

Item 17- Betterment Agreement Between the City of San Gabriel, The San Gabriel Redevelopment Agency and The Alameda Corridor-East Construction Authority of The San Gabriel Valley Council of Governments Regarding Construction of Various Items as Part of the Construction of San Gabriel Trench Grade Separation Project at The Union Pacific Railroad Alhambra Subdivision, dated 3/9/2011.

Item 18- Document from Los Angeles County Metropolitan Transportation Authority Planning and Programming Committee, dated 9/14/2011.

Item 19- City of San Gabriel Purchase Order 6599 for National Construction Rentals, dated 8/3/2012.

Item 20- City of San Gabriel Purchase Order 6908 for Colantuono & Levin, PC, dated 8/3/2012.

Per the Successor Agency, these documents form the enforceable obligation that dedicates the existing asset balance.

Procedure 8B:

See Exhibit 8-01 for the schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements.

See the Findings Section above for Procedure 8A for our comparison of enforceable obligations to the ROPS reports.

For the forecasted annual spending requirements, we were provided the documents noted in the results for Procedure 8A.

The Successor Agency's assumptions for the projected annual spending requirements for each item are noted in the Findings Section above for Procedure 8A.

The Successor Agency's assumptions for forecasted annual revenues are from the County of Los Angeles Estimated Redevelopment Property Tax Trust Fund Allocations & Distributions for October 1, 2012, covering the period 1/1/2013-6/30/2013. We noted the Agency Total, RPTTF Balance, of \$580,210 less Total Pass Through Payments (\$266,025) equal the Increment Payment for FY 12-13 (forecasted annual revenues) of \$314,194 noted on Exhibit 8-01.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

Procedure 8C:

Per the Successor Agency, there are no outstanding bond obligations. Therefore, this procedure is not applicable.

Procedure 8D:

The calculation of the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations is as follows:

Identified current dedicated or restricted balances	\$ 3,582,104
Forecasted annual revenues	<u>314,194</u>
Total resources available to fund enforceable obligations	3,896,298
Forecasted annual spending requirements	(3,952,975)
Amount of current unrestricted balances necessary for retention	<u>\$ (56,677)</u>

Per the Successor Agency there are no current unrestricted balances and they are underfunded by \$56,677.

CITATION:

Section 34179.5(c)(5)(E)-An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

Procedure 9 (Re-performed Procedure – Re-performed as of January 3, 2013):

If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

Results/Findings:

See Exhibit 9-01 for the schedule of the cash balance as of June 30, 2012 that needs to be retained to satisfy obligations on the Recognized Obligations Payment Schedule (ROPS) for the period of July 1, 2012 – December 31, 2012 and January 1, 2013 - June 30, 2013, as re-performed per the final determination letter from the California Department of Finance to the City of San Gabriel dated December 18, 2012 related to the Recognized Obligation Payment Schedule (ROPS III) for the period of January 1 through June 30, 2013 (located at Exhibit B-01). Also, see Exhibit B-02 for the Recognized Obligation Payment Schedule (ROPS III) for the period of January 1 through June 30, 2013 as Modified per said letter of Department of Finance Letter Dated December 18, 2012.

CITATION:

Section 34179.5(c)(6)-The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing authorities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the Successor Agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

Procedure 10 (Re-performed Procedure – Re-performed as of January 3, 2013):

Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the All other Funds of Successor Agency (excluding Low and Moderate Income Housing Fund).

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

Results/Findings:

See attached Exhibit 10-01 for the schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Per Successor Agency no amounts were paid to the County Auditor-Controller on 7/12/2012, as re-performed per the final determination letter from the California Department of Finance to the City of San Gabriel dated December 18, 2012 related to the Recognized Obligation Payment Schedule (ROPS III) for the period of January 1 through June 30, 2013 (located at Exhibit B-01). Also, see Exhibit B-02 for the Recognized Obligation Payment Schedule (ROPS III) for the period of January 1 through June 30, 2013 as Modified per said letter of Department of Finance Letter Dated December 18, 2012.

Procedure 11:

Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgement that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other period from January 1, 2011 through June 30, 2012 that may not have been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Result/Findings:

Said management representation letter and an update management representation letter was received for our AUP reported dated December 14, 2012 and our re-issued AUP dated January 3, 2013, respectively. No exceptions noted.

Procedure A (New Procedure – Performed as of January 3, 2013):

As a result of the California Department of Finance's (DOF) final determination letter dated December 15, 2012 related to the Successor Agency's Agreed-Upon Procedures Report issued on September 25, 2012 for the Low and Moderate Income Housing Fund (LMIF), validate payment from the Successor Agency in the amount of \$1,954,983 made to the Los Angeles Auditor Controller within 5 working days of the December 15, 2012 DOF letter.

**City of San Gabriel (Successor Agency to the former San Gabriel
Redevelopment Agency)
All other Funds of Successor Agency (excluding Low and Moderate Income
Housing Fund)
Agreed-Upon Procedures with Respect to AB1484
Attachment A**

Result/Findings:

Successor Agency provided a copy of cashed check number 94657, dated December 20, 2012, in the amount of \$1,954,983 to the Los Angeles Auditor Controller. Per the DOF's December 15, 2012 letter the detail of the \$1,954,983 is summarized as follows:

LMIF Balances Available for Distribution to Taxing Entities

Available Balance per DDR	\$ 230,083
DOF Adjustments	
Denied ROPS Item	1,724,900
Requested retained balance not supported	<u>0</u>
Total LMIHF available to be distributed	<u>\$ 1,954,983</u>

Also, see Exhibit A-01 for a copy of said letter from the California Department of Finance to the City of San Gabriel dated December 15, 2012 related to the Low and Moderate Income Housing Fund Due Diligence Review.

Procedure B (New Procedure – Performed as of January 3, 2013):

Provide a copy of the Recognized Obligation Payment Schedule (ROPS III) for the period of January 1 through June 30, 2013 as Modified per the Department of Finance Letter Dated December 18, 2012, for the Successor Agency.

Result/Findings:

See Exhibit B-02 for the Recognized Obligation Payment Schedule (ROPS III) for the period of January 1 through June 30, 2013 as Modified per the Department of Finance Letter Dated December 18, 2012.

See Exhibit B-01 for said letter from the California Department of Finance to the City of San Gabriel dated December 18, 2012 related to the Recognized Obligation Payment Schedule (ROPS III) for the period of January 1 through June 30, 2013.

Exhibit 1-01: Listing of all assets that were transferred from the City of San Gabriel Redevelopment Agency (Dissolved Agency) to the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) on February 1, 2012

**City of San Gabriel
Balance Sheet
Redevelopment Fund**

	1/31/2012 Redevelopment <u>(prior closing)</u>
ASSETS	
Cash and investments	\$ 4,174,495
Receivables:	
Accounts	-
Interest	-
Due from other funds	-
Due from other governments	-
Prepaid costs	-
Advance to other funds	-
Property held for resale	<u>1,500,000</u>
Total assets	<u><u>\$ 5,674,495</u></u>

Exhibit 4-01: Summary of the financial transactions of the San Gabriel Redevelopment Agency (Dissolved Agency) and the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency for the fiscal periods 2010 through 2012

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
Assets (modified accrual basis)				
Cash	\$ 6,918,497	\$ 6,784,942	\$ 6,120,639	\$ 3,940,187
Due from other governments	34,501	16,824	-	-
Property held for resals	1,500,000	1,500,000	1,500,000	1,500,000
ACE Trench Funds	-	-	-	100,000
Total Assets	<u>8,452,998</u>	<u>8,301,766</u>	<u>7,620,639</u>	<u>5,540,187</u>
Liabilities (modified accrual basis)				
Accounts payable	2,444,486	4,027,060	3,342,085	3,452,007
Accrued payroll	6,777	10,677	7,502	7,897
Due to other fund	-	-	5,767,441	4,277,578
Advance fm general fund	-	-	-	-
Total Liabilities	<u>2,451,263</u>	<u>4,037,737</u>	<u>9,117,028</u>	<u>7,737,482</u>
Equity (Deficit)	<u>6,001,735</u>	<u>4,264,029</u>	<u>(1,496,389)</u>	<u>(2,197,294)</u>
Total Liabilities + Equity	<u><u>8,452,998</u></u>	<u><u>8,301,766</u></u>	<u><u>7,620,639</u></u>	<u><u>5,540,187</u></u>
Total Revenues:	<u>1,748,366</u>	<u>2,095,175</u>	<u>581,742</u>	<u>269,317</u>
Total Expenditures:	<u>2,024,790</u>	<u>4,333,567</u>	<u>632,172</u>	<u>326,429</u>
Total Transfers:(Extraordinary gain(loss))	<u>1,192,370</u>	<u>500,686</u>	<u>(258,051)</u>	<u>(2,140,182)</u>
Net change in equity	<u>915,946</u>	<u>(1,737,706)</u>	<u>(308,481)</u>	<u>(2,197,294)</u>
Beginning Equity:	<u>5,085,789</u>	<u>6,001,735</u>	<u>(1,187,909)</u>	<u>-</u>
Ending Equity:	<u><u>\$ 6,001,735</u></u>	<u><u>\$ 4,264,029</u></u>	<u><u>\$ (1,496,390)</u></u>	<u><u>\$ (2,197,294)</u></u>
Other Information (show year end balances for all three years presented):				
Capital assets as of end of year	\$ -	\$ -	\$ -	\$ -
Long-term debt as of end of year (advance fm City)	\$ 4,951,252	\$ 5,451,938	\$ 5,767,442	\$ 4,277,578

Exhibit 7-01: Listing of Assets of the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) as of June 30, 2012 that are Not Liquid or Otherwise Available for Distribution

LAND HELD FOR RESALE LIST

Physical address	1266 East Las Tunas Dr. San Gabriel, CA 91776
Assessors Parcel Number	5387-034-029
Purchase Cost	\$1,500,000 (per court judgement)

Revised Exhibit 8-01: Itemized Schedule of the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) Asset Balances (Resources) as of June 30, 2012 that are Dedicated or Restricted for the Funding of Enforceable Obligations with Projection of Annual Spending Requirements to Satisfy Each Obligation and Projection of Revenues to Fund those Requirements.

Item	Asset Balance		Description	Enforceable Obligation Type	ROPS reference	Amount of Enf. Oblig	Amount paid by 06/30/2012	Amount including in G/L payable	Outstanding Balance	G/L Acct. #	Funding source	Basis of Enf. Oblig.
1	Cash	3,940,187.33	Reserved for paying back city loan	City Loan	ROPS I-item (1)	\$ 8,444,570.67	\$ 4,166,992.57	\$ 4,277,578.10	\$ -	193-308	RPTTF	City & RDA coop. agreement
2			Accrued payroll	Admin. Cost		7,896.60		7,896.60		193-*	RPTTF	Administration cost
3			Electric, telephone, office supplies	Admin. Cost		4,322.49		4,322.49		193-*	RPTTF	Administration cost
4			Oversite board			54.38		54.38		193-*	RPTTF	Administration cost
5			payable to other developers	Liabilities to developers		94,036.59		94,036.59			reserve	Developer deposit
6	Real property held for resale	1,500,000.00	Property paid by developer	Amounts due to other parties		1,500,000.00		1,500,000.00			reserve	Developer deposit
7			Subsidy for low-mod housing	Amounts due to other parties	ROP II-item (17)	1,668,900.00		1,668,900.00			RPTTF	Agreement
8			Master plan concept for upgraded facility	SGV Humane Society	ROPS I- item (8)	1,517.00			1,517.00	122-946-48-96-132	RPTTF	Purchase order 6676
9			Loan(subsidy) for the construction of site	Lucky center loan	ROP I , ROP II,-item (19)	400,000.00	217,442.72	151,557.01	31,000.27	122-946-48-96-519	RPTTF	Lucky center LLP loan agreement
10			Project design, management support and legal services	Lucky center other cost	ROP I, ROP II, ROP III-item (19)	47,443.00		6,383.50	41,059.50	122-946-48-96-520	RPTTF	Purchase order 6854 and other
11			Business Friendly Action Plan and other project management support services	Business Friendly	ROP I-item (20)	43,993.00			43,993.00	122-946-48-96-500	RPTTF	Purchase order 6691
12			Website re-design and development and other project management support service	Website design	ROP I-item (21)	28,011.00			28,011.00	122-946-48-96-544	RPTTF	Purchase order 6692
13			Image and branding upgrades to comply with new dealership standards	O'Donnel Chevrolet	ROP I - item (22)	3,951.00			3,951.00		RPTTF	Purchase order 6469
14			Design services for visual identify and wayfinding. I-10 Gateway/Monument Sign	Visual identify and wayfinding	ROP I, ROP II, ROP III-item (23)	14,075.00			14,075.00	122-946-48-96-513	RPTTF	Purchase order 6395
15			Pilot Area 2 on SG Bl (Elm to Central Ave)	San Gabriel Streetscape	ROP I and ROP III-item (25)	1,210,074.00			1,210,074.00	122-946-48-97-725	RPTTF	Purchase order 6444 and 6755
16			Street services SG Bl - Custcatel	Las Tunas rehab	ROP I and ROP II-item (26)	50,304.00		24,509.22	25,794.78	122-946-48-97-785	RPTTF	Purchase order 6485
17	ACE Trench Funds	100,000.00	Bridge enhancements related Trench project	Street Haul Route	ROP I and ROP III-item (28)	200,000.00			200,000.00	122-946-48-97-543	RPTTF	Reimbursement Agreement
18			SG Bl Gateway Corridor improvement (Fairview to Grand)	San Gabriel Bl. Gateway	ROP III-item (29)	458,558.00			458,558.00		RPTTF	MTA Grant agreement
19			Project management and legal services	Workout related to New Century	ROP I, ROP II, ROP III-item (30)	76,182.00		2,244.00	73,938.00	122-946-48-96-541	RPTTF	Purchase order 6599
20			Legal service for Oversight Board	Independent legal services	ROP III-item (31)	30,000.00			30,000.00	193-810-26-22-000	RPTTF	Agreement
		\$5,540,187				\$ 14,283,888.73	\$ 4,384,435.29	\$ 7,737,481.89	\$ 2,161,971.55			
	Less: LMIH Assets	(1,958,083.00)										
	Non-Housing Assets	\$3,582,104.3										
							Less LMIH Liabilities	(1,668,900.00)				
							Less restricted for other assets noted in Exhibit 6C-01	(4,277,578.10)				
								\$1,791,003.79				

Summary:	
Non Housing Assets as of June 30, 2012.....	\$3,582,104
Anticipated RPTTF Payment for Fiscal Year 2012-13	314,194.00
Non Housing Liabilities as of June 30, 2012.....	(1,791,003.79)
Future ROPS Liabilities.....	(2,161,971.55)
Non-Housing Funds Available/(Unavailable)	(\$56,677)

To Exhibit 10-01

Revised Exhibit 9-01: Schedule of the City of San Gabriel (Successor Agency to the former San Gabriel Redevelopment Agency) Cash Balances as of June 30, 2012 that Need to be Retained to Satisfy Obligations on the Recognized Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013.

Cash balance retained to satisfy obligation

ROP item #	Project Name	Not on ROPS	Obligation ROP I	ROP II	ROP III
1)	City Loan		\$4,642,832		
17)	Affordable Housing Covenant Purchase				\$1,668,900
18)	SGV Humane Society		1,517.00		
19)	Lucky center loan		300,000.00	\$100,000.00	
	Lucky center other cost		26,113.00	12,330.00	4,000.00
20)	Business Friendly		43,993.00		
21)	Website design		28,011.00		
22)	O'Donnell Chevrolet		3,951.00		
23)	Visual identify and wayfinding		3,075.00	5,500.00	
25)	San Gabriel Streetscape		656,204.00		
26)	Las Tunas rehab		37,804.00	12,500.00	
28)	Street Haul Route		100,000.00		100,000.00
29)	San Gabriel Bl. Gateway				
30)	Workout related to New Century		10,482.00	21,900.00	21,900.00
31)	Independent legal services				15,000.00
			<u>\$5,853,982</u>	\$152,230.00	\$1,809,800.00
Successor Agency Operating Oversight Board Administration				31,500.00	91,982.00
				93,482.00	18,018.00
				<u>\$277,212.00</u> (a)	<u>\$1,919,800.00</u> (b)
	(Jacobsen Family)	\$22,789			
	(Grand Mission)	165.02			
	(San Gabriel Center Development)	48,676.73	(c)		
	(New Century Lincoln Mercury)	23,877.31			
	Developers deposit	<u>\$95,507.89</u>			

To Exhibit B-02

Per Successor Agency Amount of Cash Balance as of June 30, 2012 that needs to be retained to satisfy obligations on the ROPS for the period of July 1, 2012-June 30, 2013 is:

(a)	\$ 277,212.00	
(b)	1,919,800.00	
(c)	95,507.89	
	<u>\$ 2,292,519.89</u>	To Exhibit 10-01

Revised Exhibit 10-01: SUMMARY OF THE CITY OF SAN GABRIEL BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Non-LMIH Funds

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	Exhibit 5-01	\$3,582,104
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)		-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	Exhibit 6C-01	(4,277,578)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	Exhibit 7-01	(1,500,000)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations)	Exhibit 8-01	(\$56,677)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9 - *reperformed)	Exhibit 9-01	(2,292,520)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		N/A
Amount to be remitted to county for disbursement to taxing entities		<u>\$ (4,544,671)</u>

Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.

See Exhibit 8-01

***See related Independent Accountants' Report on Applying Agreed Upon Procedures and Attachment A.**



Exhibit A-01 - Letter from the California Department of Finance to the
City of San Gabriel dated December 15, 2012 related to the Low and
Moderate Income Housing Fund Due Diligence Review

**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. - GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

December 15, 2012

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

Dear Mr. Marston:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

This letter supersedes Finance's original LMIHF DDR determination letter dated November 9, 2012. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the San Gabriel Successor Agency (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund (LMIHF) Due Diligence Review (DDR) to the California Department of Finance (Finance) on October 15, 2012. Finance issued a LMIHF DDR determination letter on November 9, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer Session was held on November 28, 2012.

Based on a review of additional or clarifying information provided to Finance during the Meet and Confer process, Finance is revising some of the adjustments made in our previous DDR determination letter. Specifically, we are revising the following adjustment.

- Restricted LMIHF totaling \$3,100 for funding a Homeless Count project was originally denied because the Agency did not provide a projection of annual revenues and spending requirements to prove retention of these balances is necessary. During the Meet and Confer process, the Agency provided additional information. Upon review of the additional information, Finance determined the Homeless Count LMIHF funds were approved on ROPS I but not expended until the ROPS II period. Therefore, the variance is due to a timing issue and the balances available for distribution to the taxing entities will be revised by \$3,100.

However, Finance continues to believe some of the adjustments made to the DDR's stated balance of LMIHF available for distribution to the taxing entities is appropriate. HSC section 34179.6 (d) authorizes Finance to make these adjustments. We maintain the adjustments continue to be necessary for the following reason(s):

- Through the ROPS III Meet and Confer process, Finance maintains the Affordable Housing Monitoring and Administrative Costs totaling \$1.7 million is not an enforceable. Finance denied the item as HSC section 34176 (a) (1) states if a city, county, or city and county elects to retain the authority to perform housing functions previously performed by a RDA, all rights, powers, duties, obligations and housing assets shall be transferred

to the city, county, or city and county. The administrative costs associated with the housing functions are the responsibility of the housing successor.

The Agency contends the item is an enforceable obligation because the affordable housing agreement for financial assistance is an enforceable obligation as it was executed prior to June 27, 2011. However, the encumbrance for the agreement was listed on the Housing Asset Transfer Form, Exhibit C – Low/Mod Encumbrances and Finance did not object to the transfer. Obligations associated with the former RDA's previous housing obligations are not enforceable obligations. Upon the transfer of the former RDA's housing functions to the new housing entity, HSC section 34176 requires that "all rights, powers, duties, obligations and housing assets...shall be transferred" to the new housing entity. To conclude that such costs should be on-going enforceable obligations of the successor agency could require a transfer of tax increment for life – directly contrary to the wind down directive in ABx1-26/AB1484. Therefore, this item is not an enforceable obligation and not eligible for Low and Moderate Income Housing Funds.

The Agency's LMIHF balance available for distribution to the affected taxing entities has been revised to \$1,954,883 (see table below).

LMIHF Balances Available For Distribution To Taxing Entities	
Available Balance per DDR:	\$ 230,083
Finance Adjustments	
Denied ROPS item:	1,724,900
Requested retained balance not supported:	0
Total LMIHF available to be distributed:	\$ 1,954,983

This is Finance's final determination of the LMIHF balances available for distribution to the taxing entities. HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, the successor agency is required to take diligent efforts to recover such funds. A failure to recover and remit those funds may result in offsets to the other taxing entity's sales and use tax allocation or to its property tax allocation. If funds identified for transmission are in the possession of a private entity, HSC 34179.6 (h) (1) (B) states that any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the

Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated September 5, 2012 do not in any way eliminate the Controller's authority.

Please direct inquiries to Kylie Le, Supervisor or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Robin Scherr, Economic Development Manager, City of San Gabriel
Ms. Kristina Burns, Manager, Los Angeles County Auditor-Controller's Office
California State Controller's Office



Exhibit B-01 - Letter from the California Department of Finance to the City of San Gabriel dated December 18, 2012 related to the Recognized Obligation Payment Schedule (ROPS III) for the period of January 1 through June 30, 2013

**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

December 18, 2012

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

Dear Mr. Marston:

Subject: Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated October 15, 2012. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of San Gabriel Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 31, 2012 for the period of January 1 through June 30, 2013. Finance issued its determination related to those enforceable obligations on October 15, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on November 27, 2012.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific items being disputed.

- Item No. 1 – Cooperative Agreement between the City of San Gabriel (City) and the Agency in the amount of \$4 million. Finance continues to deny the item. Finance denied the item as the agreement dated June 1993 states the Agency will reimburse the City for costs and expenses incurred on behalf of the Agency; however no loan documents and repayment schedules were provided. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency (RDA) and the former RDA are not enforceable obligations. The Agency contends the item is an enforceable obligation because the City/RDA Cooperation Agreement dated June 15, 1993 was provided and it is the loan document. Under the Cooperation Agreement, the City continued to loan funds to the Agency under the Agreement to pay for enforceable obligations approved on ROPS I (January 2012 through June 2012 period). Per HSC section 34173 (h), the city, county, or city and county that authorized the creation of a redevelopment agency may loan or grant funds to a successor agency for administrative costs, enforceable obligations, or project-related expenses at the city's discretion. An enforceable obligation shall be deemed to be created for the repayment of those loans. However, the Agency does not have a loan agreement with the City. Once the Agency has entered into a loan with the City for purposes specified in HSC section 34173 (h) and subject to the oversight

board's separate and distinct approval, the use and receipt of the loan funds should be reflected on a subsequent ROPS. Therefore, this item is not an enforceable obligation.

- Items Nos. 17 (a) through (d) – Affordable Housing Monitoring and Administrative Costs totaling \$1,694,400. As further discussed below, for Items 17 (a) through (c), Finance continues to deny these items. For Item 17 (d), Finance no longer objects to this item; however, we are approving disbursement out of RPTTF rather than from the Low and Moderate Income Housing Fund (LMIHF) as requested on the ROPS. Finance originally denied the items as HSC section 34176 (a) (1) states if a city, county, or city and county elects to retain the authority to perform housing functions previously performed by a RDA, all rights, powers, duties, obligations and housing assets shall be transferred to the city, county, or city and county. The administrative costs associated with the housing functions are the responsibility of the housing successor.

For Items 17 (a) through (c), obligations associated with the former RDA's previous housing obligations are not enforceable obligations. Upon the transfer of the former RDA's housing functions to the new housing entity, HSC section 34176 requires that "all rights, powers, duties, obligations and housing assets...shall be transferred" to the new housing entity. To conclude that such costs should be on-going enforceable obligations of the successor agency could require a transfer of tax increment for life – directly contrary to the wind down directive in ABx1-26/AB1484. Therefore, the items are not enforceable obligations.

For Item 17 (d), the Agency contends these items are enforceable obligations because the affordable housing agreement for financial assistance is an enforceable obligation as it was executed prior to June 27, 2011. The item is an enforceable obligation as the agreement was entered into on January 6, 2011.

- Items Nos. 25 and 29 – Construction and Improvement Projects totaling \$1 million. As further discussed below, Finance continues to deny the items. For Item 25, Finance originally denied the item as it is our understanding the contract with Marina Landscape was entered into on July 19, 2011. For Item 29, Finance denied the item as it is our understanding the grant agreement was signed after June 27, 2011. HSC section 34163 (b) prohibits a RDA from entering into a contract with any entity after June 27, 2011.

The Agency contends Item 25 is an enforceable obligation because pursuant to Resolution OB 12-06, the Oversight Board acted to approve the item as an enforceable obligation and the City is authorized to retain these improvements. However, the Oversight Board had no legal basis to approve an action that directly conflicts with and violates the definition of an enforceable obligation. In addition, the contract with Marina Landscape was entered into on July 19, 2011. HSC section 34163 (b) prohibits a RDA from entering into a contract with any entity after June 27, 2011. Therefore, this line item is not an enforceable obligation and not eligible for RPTTF funding.

The Agency contends Item 29 is an enforceable obligation because the City Council approved redevelopment funds as matching grant funds on January 18, 2011 as reflected in the San Gabriel City Council and Redevelopment Agency Minutes; the grant was approved by the Los Angeles County Metropolitan Transportation Authority and a funding agreement will be executed in 2014. While the matching funds were approved for use prior to June 27, 2011, no grant agreement has been executed and HSC section

34163 (b) continues to apply. Therefore, no obligation exists and the item is not an enforceable obligation.

The Agency's maximum approved RPTTF distribution for the reporting period is: \$1,919,800 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 2,593,920
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item 1	230,250
Item 25	553,870
Item 29*	0
Total approved RPTTF for enforceable obligations	<u>\$ 1,809,800</u>
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	<u>110,000</u>
Total RPTTF approved:	\$ 1,919,800

* No RPTTF funding requested for the reporting period

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. 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 successor agency in the RPTTF.

Except for items disallowed as noted above, Finance is not objecting to the remaining items listed in your ROPS III. Obligations deemed not to be enforceable shall be removed from your ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not questioned on this ROPS or a preceding ROPS.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,


STEVE SZALAY
Local Government Consultant

cc: On following page

Mr. Thomas Marston
December 18, 2012
Page 4

cc: Ms. Robin Scherr, Economic Development Manager, City of San Gabriel
Ms. Kristina Burns, Manager, Los Angeles County Auditor-Controller's Office
California State Controller's Office

Exhibit B-02: Modified ROPS III

Name of Successor Agency: City of San Gabriel
 County: Los Angeles

Oversight Board Approval Date: N/A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation After 6/30/2013	Total Due During Fiscal Year 2012-13	Funding Source						
									LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF (Project)	Other	From Exhibit 9-01 - Six-Month Total
Grand Total							\$ 4,761,433	\$ 4,694,360	\$ -	\$ -	\$ -	\$ 110,000	\$ 1,809,800	\$ -	\$ 1,919,800
NON-OPERATING															
1	City Loan (City-Agency Cooperation Agreement)	6/15/1993	On-going	City of San Gabriel	City loan to the Agency including interest.	East San Gabriel Commercial Development Project	4,277,578	4,277,578					-		-
2	REMOVED BY ACTION OF THE OVERSIGHT BOARD - SEE NOTE 2														
3	REMOVED BY ACTION OF THE OVERSIGHT BOARD - SEE NOTE 3														
4	REMOVED BY ACTION OF THE OVERSIGHT BOARD - SEE NOTE 4														
PROJECTS															
17	Agreement for the Provision of Affordable Housing between the Agency and CETT Investments	3/8/2011	N/A	Staff (R. Scherr)	Project Management-Support		0	-	-						-
			On-going	Wallin, Kress, Reisman & Kranitz	Legal Services		0	-	-						-
			On-going	KMA	Housing Consulting Services		0	-	-						
		1/6/2011	22 months for construction	CETT Investments Corporation	Financial assistance		0	-	-			1,668,900			1,668,900
19	Lucky Center Loan (Subsidy) for the construction of site improvements and facade/signage upgrades to attract new market operator that will make major tenant improvements		N/A	Staff (R. Scherr)	Loan Compliance Monitoring		On-going	4,000					2,000		2,000
			On-going	Wallin, Kress, Reisman & Kranitz	Legal Services		On-going	5,000					2,000		2,000
23	Visual Identity and Wayfinding	7/21/2009	On-going	Hunt Design (PO 6395)	Design Services including I-10 Gateway Monument Sign			5,500					-		-
25	San Gabriel Blvd. Streetscape Improvement Project		Closed	Marina Landscape (PO 6755)	Construction Project		-	-					-		-
28	Street Haul Route Rehab / San Gabriel Blvd. Streetscape Bridge Enhancements for Trench	3/9/2011		ACE	Reimbursement		483,855	100,000					100,000		100,000
29	San Gabriel Blvd. Gateway Corridor Improvements Project (Fairview to Grand)	Metro Grant Award: 9/14/2011		MTA	Agency approved MTA grant application and committed local match on January 18, 2011. MTA awarded grant on 9/14/2011		-	-					-		-
30	Workout related to New Century OPA/DDA		N/A	Staff (R. Scherr)	Project Management		TBD	8,800					4,400		4,400
			On-going	Wallin, Kress, Reisman & Kranitz	Legal Services		TBD	11,000					5,500		5,500
			TBD	Real Estate Services	Sale of 1266-88 E. Las Tunas Drive		TBD	20,000					10,000		10,000
			10/6/2010	On-going	National Construction (PO 6599)	Fence rental		TBD	4,000				2,000		2,000
31	Independent Legal Services	7/23/2012	On-going	Colantuono & Levin, PC	Independent Legal Services		On-going	30,000				15,000		15,000	

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation After 6/30/2013	Total Due During Fiscal Year 2012-13	Funding Source							
									LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF (Project)	Other	From Exhibit 9-01 - Six-Month Total	
SUCCESSOR AGENCY OPERATING																
5	Administration		N/A	Robin Scherr (20% FTE)	Full Time Employees		On-going	20,000				10,000			10,000	
			N/A	Camille Paton (50% FTE per person)	Limited Service Employees to answer phones, scan and file documents, maintain contact with project team members, developers, preparing invoices, maintain and update website		On-going	18,000				9,000			9,000	
			N/A	R. Scherr	Health Insurance		On-going	3,600				1,800			1,800	
			N/A	R. Scherr	Retirement		On-going	6,600				3,300			3,300	
6	22-000 Contractual	1/5/2011	1/5/2016	Canon (PO 6645)	Multi-functional copier lease		TBD	3,720				1,860			1,860	
		1/5/2011	1/5/2016	Copy Free (PO 6646)	Multi-functional copier maintenance agreement		TBD	5,388				2,694			2,694	
		10/13/2010	10/13/2015	SDS (PO 6607)	Fire, access, and security services for office facility		TBD	1,584				792			792	
			N/A	Turbo Chilled Inc.	HVAC Maintenance		TBD	720				360			360	
7	Professional Services		On-going	Wallin, Kress, Reisman & Kranitz	Legal Services (General Counsel)		On-going	26,000				13,000			13,000	
8	31-000 Office Operating		On-going	Office Depot, Cobra, Amazon & other vendors	Office equipment & supplies		On-going	5,500				2,750			2,750	
			On-going	Harold's Key	Keys & Lock Services		TBD	300				150			150	
			On-going	Daily Maintenance	Office cleaning services		TBD	3,900				1,950			1,950	
9	40-003 Electricity		On-going	So Cal Edison	Electrical utility costs		TBD	3,000				1,500			1,500	
10	40-005 Telephone		On-going	AT&T and Verizon Wireless	Telephone, Fax, cellular, DSL, and Alarm Services		On-going	2,100				1,050			1,050	
11	40-006 Water		On-going	SG County Water District	Water utility costs		TBD	552				276			276	
14	55-000 Lease Payments		On-going	City of San Gabriel	Rent for 410 McGroarty St. Office		TBD	63,000				31,500			31,500	
15	64-007 Auditing Services			Marcum LLP dba Caporicci & Larson	Due Dilligence Review Pursuant to AB 1484			15,000				10,000			10,000	
OVERSIGHT BOARD																
16	Administration		On-going	Robin Scherr (20% FTE)	Coordination		On-going	23,000				11,000			11,000	
			On-going	Camille Paton (50% FTE per person)	Meeting Agendas, Minutes, Public Notices, Mailings, File Management, and Logistics		On-going	19,800				6,300			6,300	
			TBD	TBD	Other Direct Expenses		On-going	6,718				718			718	

ATTACHMENT NO. 4

Staff prepared cash flow dated January 4, 2013

Attachment 4
San Gabriel Successor Agency
Funding RPTTF Expenditures

Description	Source Document	As Approved Jan 2, 2013	Cash Flow Re Accumulating Funds for Approved Project - CETT Affordable Housing (1)							
			ROPS III	ROPS IV	ROPS V	ROPS VI	ROPS VII	ROPS VIII	ROPS IX	ROPS X
			Jan 2, 2013	June 1, 2013	Jan 2, 2014	June 1, 2014	Jan 2, 2015	June 1, 2015	Jan 2, 2016	Jan 2, 2017
RPTTF Due (2)	Actual 1/2/13 Pmt	622,692	622,692	591,557	635,146	603,389	647,849	615,456	660,806	627,765
Less:										
County Admin Fee	Est Deduction	(31,135)	(31,135)	(2,958)	(31,757)	(3,017)	(32,392)	(3,077)	(33,040)	(3,139)
Pass Through Payments	Est Deduction	(276,115)	(276,115)	(260,285)	(279,464)	(265,491)	(285,053)	(270,801)	(290,755)	(276,217)
Amount Paid to SA @ 1.02%	Actual 1/2/13 Pmt	315,442	315,442	321,751	328,186	334,750	341,445	348,273	355,239	362,344
Approved ROPS III Expenditures										
Affordable Housing CETT Investments	ROPS 3,line 17	1,668,900	Note (1)							
Lucky Center Loan	ROPS 3,line 19	4,000	4,000	72,060						
Street Haul Route Rehab/San Gabriel Blvd.	ROPS 3, line 28	100,000	100,000	100,000						
Street Services SG BI Mustcatel	ROPS 2, line 26			25,795						
Workout related to New Century OPA	ROPS 3, line 30	21,900	21,900	52,038						
Independent Legal Svcs	ROPS 3, line 31	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Subtotal		1,809,800	140,900	264,893	15,000	15,000	15,000	15,000	15,000	15,000
Administrative Cost Allowance	ROPS 3	110,000	110,000							
Total Costs		1,919,800	250,900	264,893	15,000	15,000	15,000	15,000	15,000	15,000
Surplus/Shortage		(1,604,358)								
Amount Available for CETT Investments	ROPS 3, line 17	N/A	64,542	56,858	313,186	319,750	326,445	333,273	340,239	347,344
Cumulative funding for CETT	\$1,668,900 Total		64,542	121,400	434,586	754,335	1,080,780	1,414,053	1,754,292	2,101,636

(1) Cash Flow prepared to estimate when monies would be available to fund approved Affordable Housing Project, CETT Investments. The funds are due at the completion of construction, which is estimated to occur in September 2014. As shown above, only slightly over \$750,000 is estimated as available in time to meet the contractual deadline (June 2013).

(2) Based on the actual payment to be received for January 2, 2013, with revenue and offsets both estimated to increase by 2.0% per year in future fiscal years.