1. Meeting Items For October 5, 2012
   Meeting items for October 5, 2012

   Documents: 10052012 AGENDA.PDF, RESOLUTION.PDF, SETTLEMENT AGGREEMENT.PDF, STAFF REPORT.PDF, SUCCESSOR.PDF

OVERSIGHT BOARD AGENDA

City of Monterey Park, California

Oversight Board to the City of Monterey Park SA
Acting on behalf of the Former Redevelopment Agency

Regular Meeting

Friday, October 5, 2012
9:00 a.m.

Monterey Park City Hall, Room 266, Second Floor
320 West Newmark Avenue, Monterey Park, CA 91754

Staff reports, writings, or other materials related to an item on this Agenda, which are distributed to the Monterey Park Oversight Board less than 72 hours before this scheduled meeting shall be available for public inspection in the City Clerk's Office located at 320 West Newmark Avenue, Monterey Park, CA 91754, during normal business hours. Such staff reports, writings, or other materials are also on the City's website subject to staff's ability to post the materials before the meeting. The City's website is located at http://ci.monterey-prk.ca.us/home/index.asp.

PUBLIC COMMENTS ON AGENDA ITEMS
Any member of the public wishing to address the Oversight Board regarding any item on this Agenda will need to fill out a speaker card and then please return it to the City Clerk prior to the announcement of the Agenda Item.
Speakers are afforded five (5) minutes per individual on each published agenda item. The Public will be allowed consolidation with another speaker's time not to exceed two (2) minutes for each speaker wishing to forego his or her opportunity. However in the interest of ensuring that all members of the Public have an equal opportunity to participate, a single speaker cannot speak for more than ten (10) minutes on the individual Agenda item. In the event that there are a large number of speakers on a particular agenda item, the Oversight Board may in the interest of being able to timely conduct business reduce the amount of time allotted to each speaker and/or limit the total amount time allowed for speakers to address the agenda item. At the conclusion of that period of time, the speaker will be asked to please conclude their remarks so that the next speaker may begin their comments.

In accordance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call City Hall, (626) 307-1359. Please notify the City Clerk's Office twenty-four hours prior to the meeting so that reasonable arrangements can be made to ensure availability of audio equipment for the hearing impaired. Conference room 266 is wheelchair accessible.

Copies of staff reports and/or written documents pertaining to any item on the Agenda are on file in the Office of the City Clerk and are available for public inspection during regular business hours.

PLEASE NOTE that this Agenda includes items considered by the Oversight Board as presented by the Successor Agency of the former Monterey Park Redevelopment Agency which dissolved February 1, 2012.

CALL TO ORDER

FLAG SALUTE

ROLL CALL: Jim Basham, Robert Lee Gin, Michael D. Hamner, Cheryl Plotkin, Joseph C. Reichenberger, Clara M. Solis, Paul L. Talbot

1. AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTION

Items on the Consent Calendar are considered to be routine, ongoing business and will be enacted by one motion. There is no separate discussion on consent items unless an Oversight Board Member/Successor Agency Staff Member or citizen so requests, in which event the item is removed from the Consent Calendar and considered separately. Individuals wishing to address the Oversight Board/SA Staff Member on any item must first complete a speaker cared provided by the Oversight Board Secretary and must return it to the Oversight Board Secretary prior to the to the Board's/SA Staff's consideration of the Consent Calendar. The

Oversight Board Secretary will not accept cards after the item has been taken up. Time limit for individual comments is five (5) minutes.

Consent Calendar – Approval by Minute Motion

OVERSIGHT BOARD CONSENT CALENDAR

ADDITION TO CONSENT CALENDAR

The previously posted agenda for the October 5, 2012 regular meeting of the Monterey Park Oversight Board is amended to add Item No. 2 & 3 to the Consent Calendar for the OB.

OVERSIGHT BOARD MINUTES

2. Approval of Minutes from the September 14, 2012 Monterey Park Oversight Board Meeting.

Recommendations: It is recommended that the Oversight Board

(1) Approve the minutes from the Monterey Park Oversight Board meeting of September 14, 2012; and

(2) Take such additional, related, action that may be desirable.

3. RESOLUTION APPROVING SETTLEMENT AGREEMENT WITH ATLANTIC TIMES SQUARE II, LLC SETTLEMENT AGREEMENT

Consideration and possible action to adopt a resolution approving a settlement agreement with Atlantic Times Square II, LLC and announcing action taken during closed session on September 14, 2012.

Recommendations: It is recommended that the OB

(1) Adopt a Resolution approving a final settlement agreement with Atlantic Times Square II, LLC and announcing action taken during closed session on September 14, 2012 authorizing the City Manager to execute a settlement agreement, in a form approved by the City Attorney, with Atlantic Times Square II, LLC;

(2) Recommend that the Oversight Board approve the final settlement agreement at its next scheduled meeting; and

(2) Take such additional, related, action that may be desirable.

4**. ORAL AND WRITTEN COMMUNICATIONS**
Communication by the Public is an important part of the Local Government Process. Per Monterey Park Municipal Code Section 2.04.030, Oral and Written Communications from the public is to take place

immediately following Consent Calendar Business. Any individual wishing to address the Oversight Board under Oral and Written Communications needs to complete a Speaker Card provided by the Oversight Board Secretary and then please return it the Oversight Board Secretary prior to the Oversight Board taking up this item.

The Oversight Board Secretary will call members of the public that have submitted speaker cards. The Oversight Board Secretary will call the public in the same order that the speaker cards are received except that the Oversight Board Secretary may group and present the speaker cards by first calling all persons in favor of an issue and all persons opposed, and finally those with neutral comments.

UNFINISHED BUSINESS: None

NEW BUSINESS

5. PUBLIC COMMENT SESSION AND REVIEW OF RESULTS OF A DUE DILIGENCE REVIEW OF THE LOW AND MODERATE INCOME HOUSING FUND (LMIHF)

Health and Safety Code Section 34179.6(b) requires the Oversight Board to conduct a public meeting to review and receive public comment on the Due Diligence Review of the Low and Moderate Income Housing Fund (LMIHF). The Due Diligence Review was performed by a County approved auditor, the firm of Pun & McGeady, LLP, to determine the unobligated balance of the LMIHF available for transfer to taxing entities. The review conducted by Pun & McGeady, LLP covered fiscal years 2010-2013. The public meeting is to offer the community an opportunity to voice their ideas or concerns regarding the Due Diligence Review prior to the final vote, which must be at least 5 days after the public comment meeting.

Recommendations:

1. It is recommended that the Oversight Board convene a public comment session, receive any comments from the public and

2. Take such additional, related, action that may be desirable.

ADJOURN

RESOLUTION NO. ____

A RESOLUTION APPROVING A SETTLEMENT AGREEMENT WITH ATLANTIC TIMES SQUARE II, LLC AND REAFFIRMING THE SIGNATURE AUTHORITY FOR SUCH AGREEMENT DELEGATED TO THE CITY MANAGER ON SEPTEMBER 14, 2012.

BE IT RESOLVED by the Oversight Board for the Successor Agency of the Monterey Park Redevelopment Agency as follows:

SECTION 1: The Oversight Board finds as follows:

A. On July 6, 2012, the Successor Agency for the Monterey Park Redevelopment Agency ("SA") requested that the Oversight Board ("OB") approve a transfer of $9.9M into an escrow account to allow the SA to mediate a dispute with the developer of the Atlantic Times Square project ("Project"), Atlantic Times Square II, LLC ("ATS");

B. The details of the dispute between the SA and the Project developer, along with other disputes with the Department of Industrial Relations ("DIR") and Division of Labor Enforcement Standards ("DLSE") is sufficient documented in the staff report presented to the Oversight Board at its July 6th meeting;

C. On September 12, 2012, the SA considered a draft settlement agreement between the SA and ATS to resolve the parties' dispute and those with the DIR and DLSE. At that time, the SA authorized the City Manager – upon approval by the OB – to execute a settlement agreement, in a form approved by the City Attorney, with ATS;

D. On September 14, 2012, the OB considered a draft settlement agreement and agreed with the SA that the City Manager could execute a settlement agreement, in a form approved by the City Attorney, with ATS; and

E. A true and correct copy of the final settlement agreement between the SA and ATS is attached as Exhibit "A," and incorporated by reference (the "Agreement").

SECTION 2: The Oversight Board takes the following actions:

A. Approves the Agreement and reaffirms the signature authority delegated to the City Manager on September 14, 2012;

B. The City Manager, or designee, is authorized to forward this Resolution, the Agreement, and any other appropriate documentation to the California Department of Finance in accordance with applicable law.

C. The City Manager, or designee, is authorized to take all reasonable actions needed to implement the Agreement.

SECTION 3: The City Clerk is directed to certify the adoption of this Resolution; record this Resolution in the book of the Oversight Board's original resolutions; and make a minute of the adoption of the Resolution in the Oversight Board's records and the minutes of this meeting.

SECTION 4: This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this ___ day of _____, 2012.

_____
Chairperson

SETTLEMENT AGREEMENT BETWEEN

THE SUCCESSOR AGENCY OF MONTEREY PARK AND

ATLANTIC TIMES SQUARE II, LLC

THIS SETTLEMENT AGREEMENT (this "Agreement") is entered into this 19th day of September 2012 by and between the City of Monterey Park acting on behalf of the Successor Agency to the Monterey Park Redevelopment Agency ("SA") and ATLANTIC TIMES SQUARE II, LLC, a California limited liability company ("ATS"). SA and ATS will be referred to collectively as the "Parties." Each of the undersigned representatives certifies that he or she is fully authorized to enter into the terms and conditions of this Agreement, and to execute and bind to this Agreement the entity which he or she represents. Without limiting the foregoing, SA represents and warrants that it approved this Agreement and complied with all required procedures to render it effective under applicable law including, without limitation, presenting the Agreement to the Oversight Board appointed to oversee the dissolution of the Monterey Park Redevelopment Agency for approval. The Oversight Board approved the Agreement on September 14, 2012. Accordingly, the Successor Agency believes that this Agreement is legally effective as of the date of executing this Agreement.

1. RECITALS. This Agreement is entered into with reference to the following facts and objectives:

A. On or about November 17, 2004, the Monterey Park Redevelopment Agency ("Agency") and Atlantic Times Square, LLC ("Original Developer") entered into a Disposition and Development Agreement ("Original DDA");

B. On or about January 11, 2007, Original Developer and ATS entered into an Assignment and Assumption of Disposition and Development Agreement, with the Agency's consent, whereby the Original Developer transferred all of its interest in and rights under the Original DDA to ATS;

C. On or about January 12, 2007, Agency and ATS entered into a First Amendment to Disposition and Development Agreement ("First Amendment");

D. On or about June 6, 2007, Agency and ATS entered into a Second Amendment to Disposition and Development Agreement ("Second Amendment") (the Original DDA,

as amended by the First Amendment and the Second Amendment, will be referred to, collectively, as the "DDA");

E. On June 15, 2010, the State of California Department of Industrial Relations ("DIR") issued a coverage determination ("Coverage Determination") to the effect that the "Project" (as defined in the Decision) is a "public works" as defined in Chapter 1 of Part 7 of Division 2 of the California Labor Code and, therefore, the requirements of Labor Code §§ 1720, *et seq*. (including, without limitation, the requirement of Labor Code §1771 that prevailing wages be paid by contractors and subcontractors) apply. The Parties timely challenged the Coverage Determination by filing an administrative appeal with the DIR;

F. On August 26, 2011, the DIR issued a Decision on Administrative Appeal ("Decision") to the effect that the "Project" (as defined in the Decision) is a "public works" as defined in Chapter 1 of Part 7 of Division 2 of the California Labor Code and, therefore, the requirements of Labor Code §§ 1720, *et seq*. (including, without limitation, the requirement of Labor Code §1771 that prevailing wages be paid by contractors and subcontractors) apply. The Parties timely challenged the Decision by filing a Petition for Writ of Mandate with the Los Angeles County Superior Court;

G. The Parties acknowledge and agree that the "Reinstatement Event" (as defined in the DDA) conclusively occurred before the "Reinstatement Event Deadline" (as defined in the DDA) as a result of the Decision on August 26, 2011. Despite the fact that "Reinstatement Event" conclusively occurred before the "Reinstatement Event Deadline" in accordance with the terms of the DDA, the Parties acknowledge and agree that "Project" does not constitute a "public works" for the reasons set forth in the Parties' various challenges to the Coverage Determination and Decision and as evidenced by the DIR being likely to vacate the Decision;

H. The Parties dispute certain provisions of the DDA that are triggered if a Reinstatement Event occurs before the Reinstatement Event Deadline including, without limitation, whether or not ATS is entitled to payment of $9.9 million under the DDA (the

"Disputed Amount");

I. The State of California Department of Industrial Relations Division of Labor Standards and Enforcement ("DLSE") issued various Civil Wage and Penalty Assessments ("CWPAs") following the Coverage Determination;

J. ATS and Agency decided to file a petition for writ of mandate ("Petition for Writ of Mandate") further appealing the Decision while also engaging in settlement negotiations with DLSE to resolve the CWPAs, subject to the terms and conditions of any and all tolling agreements entered into between Agency and ATS or between Successor Agency and ATS;

K. On February 1, 2012, the Agency ceased to exist in accordance with AB 1X 26; the City of Monterey Park opted to assume responsibility for operating on behalf of the SA; and the SA may take certain actions, in accordance with AB 1X 26, including, without limitation, settling disputes (whether completely or partially) with DLSE and/or ATS;

L. On July 23, 2012, the Parties entered into an Escrow Agreement pursuant to which on July 26, 2012, the SA deposited the Disputed Amount into Escrow Account number 556377 ("Escrow") held by First American Title Insurance Company ("Escrow Agent");

M. On September 18, 2012 DLSE accepted an offer of $476,650 to settle all CWPAs and judgments thereunder; and

N. Based on DLSE's offer, the Parties wish to resolve their dispute as to DLSE, the disposition of the Disputed Amount, and any other claims or defaults previously alleged by ATS, Agency, or SA under the DDA.

2. SPECIFIC TERMS OF AGREEMENTS AND RELEASES. For and in consideration of the above-referenced recitals and the promises and covenants contained in this Agreement, the Parties agree as follows:

A. DLSE Settlement.

i. The Parties agree that the amount paid to DLSE to settle all CWPAs and judgments (the "DLSE Settlement Amount") will be funded from the Disputed Amount in Escrow.

ii. Upon consummation of the settlement with DLSE, the Parties will sign and issue a "Joint Written Direction" (as that term is defined in the Escrow Agreement) directing the Escrow Agent to pay the DLSE Settlement Amount to DLSE.

iii. The Parties acknowledge and agree that after the Escrow Agent pays the DLSE Settlement Amount, the Disputed Amount will be reduced by the DLSE Settlement Amount ("Reduced Amount"). The Reduced Amount will be disbursed from Escrow for disposition in accordance with this Agreement and as reflected in a Joint Written Direction provided by the Parties to the Escrow Agent.

iv. The Parties agree that, as part of their settlement with the DIR and DLSE, they will use their best efforts to have the DIR vacate its original Coverage Determination and Decision and have the DLSE assign all CWPAs and any judgments to ATS.

v. At the time of entering into this Agreement, the Parties anticipate that the Reduced Amount will be approximately $9,370,000.

B. Reinstatement Event.

i. The Parties acknowledge and agree that the "Reinstatement Event" (as defined in the DDA) conclusively, and unconditionally, occurred on August 26, 2011, before the "Reinstatement Event Deadline" (as defined in the DDA). To that end, the Parties further acknowledge and agree that neither DIR's vacation of its Coverage Determination, DIR's vacation of the Decision, DLSE's assignment of all CWPAs and any judgments thereunder to ATS, the Parties' settlement with DLSE and/or DIR, nor the Parties' withdrawal or dismissal of the Petition for Writ of Mandate, have any effect whatsoever on the fact that the "Reinstatement

Event" (as defined in the DDA) conclusively, and unconditionally, occurred on August 26, 2011, before the "Reinstatement Event Deadline" (as defined in the DDA). Consequently, the Parties agree that the market rate loan provided by the Agency to ATS (i.e., the "Mezzanine Loan" as defined in the DDA) was converted, in accordance with the DDA, to a grant and is no longer owed to SA. The Parties further acknowledge and agree that any and all obligations owed under the Mezzanine Loan have been fully discharged.

ii. Although the Reinstatement Event occurred, the Parties agree to completely and conclusively resolve their disputes in accordance with this Agreement, rather than utilizing the rights and remedies set forth in the DDA. The Parties acknowledge and agree that "Project" does not constitute a "public works" for the reasons set forth in the Parties' various challenges to the Coverage Determination and Decision and as evidenced by the DIR being likely to vacate the Decision. Any requirement in the DDA providing any work for the Project to be performed as a "public works" does not apply.

C. Use of Reduced Amount.

i. Within ten (10) business days of the execution of this Agreement by all Parties, the Parties agree to issue a Joint Written Direction directing the Escrow Agent to pay $5,400,000 to ATS, which constitutes a reimbursement of all costs relating to the Second Amendment, Coverage Determination and Decision incurred by ATS including, without limitation, preparation of the Second Amendment and payment of prevailing wages during the term of the Second Amendment (collectively, the "Hard Costs"). The Parties acknowledge and agree that after the Escrow Agent pays the Hard Costs in the amount of $5,400,000 to ATS, the Reduced Amount will be further reduced by the Hard Costs ("Residual Amount").

ii. The Residual Amount remaining in Escrow will be retained in Escrow until November 30, 2014 ("Retention Period").

iii. During the Retention Period, the Parties acknowledge and agree that the Residual Amount may be used for paying any judgment, settlement, or litigation costs that might arise from the Decision or the Parties' settlement with DLSE ("Additional Claims"). Direction for any such payment will be made to the Escrow Agent in accordance with a Joint Written Direction executed by the Parties.

iv. ATS and SA will each continue to pay one-half of the legal fees and costs billed by Paul, Plevin, Sullivan & Connaughton LLP ("Paul Plevin") in connection with the matters concerning the DLSE and DIR. The Parties further acknowledge and agree that the Residual Amount may be used to pay SA's share (i.e., one-half) of the legal fees and costs invoiced by Paul Plevin for any services provided on or after the date of this Agreement. Direction for any such payment (whether directly to Paul Plevin or as reimbursement to SA) will be made to the Escrow Agent in accordance with a Joint Written Direction executed by the Parties.

D. Payment of Additional Claims; Indemnification and Defense; Disposition of the Residual Amount following the Retention Period.

i. Payment for costs related to Additional Claims will be made from the Residual Amount.

ii. In addition to the Hard Costs, and following the Retention Period, ATS will be paid up to $600,000 in settlement of the Parties' dispute (the "ATS Settlement Amount"). If the Residual Amount is less than $600,000 (as a result of costs for Additional Claims), then the ATS Settlement Amount will be the full amount of the then remaining Residual Amount and the SA Settlement Amount (discussed below) will be $0. The Parties agree to provide instruction to the Escrow Agent as to such distribution in accordance with a Joint Written Direction executed by the Parties.

iii. In all circumstances, ATS agrees to defend and indemnify SA to the extent set forth in the DDA notwithstanding whether the costs of such defense and indemnification exceed the Residual Amount.

E. SA Settlement Amount.

i. At the conclusion of the Retention Period, the Parties agree that SA is entitled to distribution of the Residual Amount, less the cost of any Additional Claims and the ATS Settlement Amount ("SA Settlement Amount"). The Parties agree to provide instruction to the Escrow Agent as to such distribution in accordance with a Joint Written Direction executed by the Parties.

ii. At the time of executing this Agreement, the parties anticipate that the SA Settlement Amount will be approximately $3,370,000.

3. TOLLING PERIOD. Upon signing of this Agreement, which provides for immediate mutual releases below, the tolling period under any tolling agreements previously entered into between the ATS, Agency, or SA are deemed terminated (the "Termination Date").

4. MUNICIPAL POWERS; DDA. Nothing in this Agreement is intended to, nor can it, act as a limitation on the City of Monterey Park's present or future exercise of municipal powers in accordance with the California Constitution and applicable law. Nothing in this Agreement is intended to, nor does it, affect any provision of the DDA as to any matter other than the Reinstatement Event or claims or defaults previously alleged by either ATS, Agency, or SA under the DDA.

5. COMPROMISE, SETTLEMENT, AND RELEASE. In consideration of the mutual terms and conditions set forth in this Agreement, the Parties compromise and settle any and all past, present, or future claims, demands, obligations, or causes of action for compensatory or punitive damages, costs, losses, expenses, and compensation, whether based on tort, contract, or other theories of recovery, that the Parties have or might accrue arising from the Reinstatement Event (including, without limitation, any claim for "Agency Participation" arising from the Reinstatement Event) or any other claims or defaults previously alleged by either ATS, Agency, or SA under the DDA (collectively, the "Dispute"). Further, the Parties, on their respective behalves and those of their heirs, executors, administrators, and assigns fully release the other Party, its elected and appointed officials, employees, agents, and all other persons

and associations, known or unknown, from any obligation or liability arising from the Dispute. The Parties agree that this compromise, settlement, and release constitute a bar to any claim involving the Dispute.

6. GENERAL RELEASE OF ALL KNOWN OR UNKNOWN CLAIMS. The Parties acknowledge and agree that this Agreement applies to all claims that the Parties may have against each other arising out of the Dispute for injuries, damages, or losses to person and property, real or personal, whether those injuries, damages, or losses are known or unknown, foreseen or unforeseen, or patent or latent.

7. CIVIL CODE § 1542. The Parties, or their representatives, certify that he or she read Civil Code § 1542, set forth below, and indicates that fact by initialing here: _____[SA] _____[ATS].

> **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."**

8. WAIVER OF § 1542 PROTECTIONS. After reading and understanding Civil Code § 1542, SA and ATS voluntarily waive their application to this Agreement. SA and ATS understand and acknowledge that the significance and consequence of this waiver is that even if SA or ATS should eventually suffer additional damages arising out of the Dispute, SA and ATS will not be permitted to make any claim against the other Party for those damages. Furthermore, SA and ATS acknowledge that SA and ATS intend these consequences even as to claims for damages that may exist, and which, if known, would materially affect SA's and ATS's decision to execute this Agreement, regardless of whether SA's or ATS's lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

9. LEGAL ADVICE. Each Party warrants and represents that in executing this Agreement, each Party sought legal advice from the attorney of their choice, that the terms of this Agreement and its consequences were completely read and explained to each Party by that attorney, and that each Party fully understands the terms of this Agreement.

10. FULL DISCLOSURE. Each Party acknowledges and represents that each Party was apprised of all relevant information and data relevant to the Dispute and this Agreement, including, without limitation, future risks, complications, and costs. Each Party further acknowledges and represents that, in executing

this Agreement, the Party has not relied on any inducements, promises, or representations made by the other Party or any representative of the other Party.

11. WAIVER. Neither ATS's nor SA's acceptance of payment under this Agreement will be construed to operate as a waiver of any rights the Parties may have under this Agreement or of any cause of action arising from their performance. A waiver by either Party of any breach of any term, covenant, or condition contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement, whether of the same or different character.

12. NOTICES. All communications to either Party by the other Party will be deemed made when received by such Party at its respective name and address as follows:

SA	ATS
Copy to: Karl H. Berger Jenkins & Hogin, LLP 1230 Rosecrans Avenue, Suite 110 Manhattan Beach, California 90266	Copy to: Henry H. Oh Shumener, Odson & Oh LLP 550 South Hope Street, Suite 1050 Los Angeles, California 90071

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this Section.

13. ATTORNEYS' FEES AND COSTS. Except as otherwise provided in this Agreement, the Parties each agree to waive any entitlement of attorneys' fees and costs incurred with respect to the Dispute. All Parties will bear their own attorneys' fees and costs as to the Dispute.

14. NO ADMISSION OF LIABILITY. It is understood and agreed that this settlement is a compromise of the Dispute, and that entry into this Agreement cannot be construed as an admission of liability on SA's behalf or ATS's behalf.

15. BINDING EFFECT. This Agreement is binding upon and inure to the benefit of the successors and assigns of the respective Parties.

16. INTERPRETATION. This Agreement was drafted in and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this Agreement will be in Los Angeles County.

17. ENTIRE AGREEMENT. This Agreement sets forth the entire understanding of the Parties. There are no other understandings, terms or other agreements, expressed or implied, oral or written.

18. RULES OF CONSTRUCTION. Each Party had the opportunity to independently review this Agreement with legal counsel. Accordingly, this Agreement will be construed simply, as a whole, and in accordance with its fair meaning; it will not be interpreted strictly for or against either Party.

19. SEVERABILITY. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

20. CAPTIONS. The captions of the Sections of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

21. TIME IS OF ESSENCE. Time is of the essence for each and every provision of this Agreement.

22. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which will be deemed an original.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement the day and year first hereinabove written.

Successor Agency

Dated: _____

Mitchell Ing,
Mayor

Approved as to form:

Dated: _____

Karl H. Berger,
Deputy City Attorney

Atlantic Times Square II, LLC

By Kam Sang Company, Inc., its manager

Dated: By:_____

Ronnie Lam
President

Approved as to form:

Dated: _____

Henry Oh, Esq.

Staff Report Monterey Park Oversight Board

CONSENT ITEM
Item No. 3

DATE: October 5, 2012

TO: **MEMBERS OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY**

FROM: **KARL H. BERGER, DEPUTY CITY ATTORNEY**

SUBJECT: **ATLANTIC TIMES SQUARE PROJECT – FINAL SETTLEMENT AGREEMENT**

BACKGROUND

This report is provided pursuant to Government Code § 54957.1(a)(3)(B). On September 14, 2012, the Oversight Board (the "OB") unanimously authorized the City Manager and City Attorney to settle a dispute with Atlantic Times Square II, LLC ("ATS") and resolve the litigation filed on October 20, 2011 against the California Department of Industrial Relations (*Atlantic Times Square, LLC v. California Department Of Industrial Relations*, LASC Case No. BC134212). The dispute with ATS, the Department of Industrial Relations ("DIR"), and the Division of Labor Standards Enforcement ("DLSE") are well documented within the public record.

In sum, the parties disputed the disposition of $9.9M that was placed into escrow (the "Escrowed Amount") this summer at the direction of the SA and OB. As set forth in the Agreement, the parties agreed that the Escrowed Amount will be used to (1) pay the settlement amount to resolve an enforcement action brought by the Division of Labor Standards Enforcement ("DLSE") at the direction of the Department of Industrial Relations ("DIR") – approximately $500,000; (2) pay ATS for prevailing wages and legal costs arising from the Project after 2007 (approximately $5.4M); (3) pay for settling any residual claims that might arise from the Project (unknown at this time); and (4) pay ATS (approximately $600,000) and the SA (approximately $3.4M) for settling the matter. Once the Escrowed Amount is distributed in accordance with the Agreement, this matter will be fully resolved.

The City Council acting on behalf of the Successor Agency ("SA") approved the Agreement, subject to OB approval, on September 19, 2012.

FISCAL IMPACT

Upon implementation of the Agreement, the SA will receive payment from the Escrowed Amount up to $3,400,000.

RECOMMENDATION

It is recommended that the Oversight Board adopt the draft resolution which approves the Agreement and reaffirm the City Manager's previously delegated authority to execute the Agreement.

_____
Paul Talbot, City Manager

Attachments: 1. Draft Resolution Approving a Settlement Agreement
2. Final Settlement Agreement with ATS

Successor Agency to the Monterey Park Redevelopment Agency

Monterey Park, California

Independent Accountant's Report on Applying Agreed-Upon Procedures relating to the Due Diligence Review in accordance with AB 1484 applied to Low and Moderate Income Housing Fund

For the year ended June 30, 2012

PUN & McGEADY LLP
Certified Public Accountants and Business Advisors

Successor Agency to the
Monterey Park Redevelopment Agency

Table of Contents

Page

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES 1

ATTACHMENT A – AGREED-UPON PROCEDURES AND RESULTS 2-16

EXHIBITS

Exhibit A – Successor Agency Asset Listing as of February 1, 2012

Exhibit B – Housing Assets Transfer Form

Exhibit C – Housing Successor Agency Listing as of February 1, 2012

Exhibit D – Successor Agency Asset Listing as of June 30, 2012

Exhibit E – Summary of Balances Available for Allocation

Exhibit F – Management Representation Letter

PUN & McGEADY LLP
Certified Public Accountants and Business Advisors

9 Corporate Park
Suite 130
Irvine, California 92606

Phone: (949) 777-8800
Fax: (949) 777-8850
www.pm-llp.com

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Oversight Board of the
Successor Agency to the Monterey Park Redevelopment Agency
Monterey Park, California

We have performed the required agreed-upon procedures ("AUP") enumerated in Attachment A, which were agreed to by the California State Controller's Office and the California State Department of Finance, solely to the Oversight Board of the Successor Agency to the Monterey Park Redevelopment Agency ("Successor Agency") that the dissolved Monterey Park Redevelopment Agency ("Agency") of the City of Monterey Park, California ("City") is complying with its statutory requirements with respect to Assembly Bill ("AB") 1484. Management of the City is responsible for the accounting records pertaining to statutory compliance pursuant to California Health and Safety Code section 34179.5(c)(1) through 34179.5(c)(6).

These procedures only applied to the Low and Moderate Income Housing Fund, not the Successor Agency to the Monterey Park Redevelopment Agency as a whole.

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 described below either for the purpose for which this report has been requested or for any other purpose.

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 financial information summarized in Exhibits, as listed in the table of contents. 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.

This report is intended solely for the information and use of the Successor Agency, the Agency, the City California State Controller's Office and the California State Department of Finance, 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.

Pun & McGeady LLP

Irvine, California
September 28, 2012

ATTACHMENT A – AGREED-UPON PROCEDURES AND RESULTS

Citation:

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.

Procedures Performed:

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 the assets transferred to the Successor Agency as of that date.

Results:

See Exhibit A for the Successor Agency Asset Listing as of February 1, 2012.

Citation:

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.

Procedures Performed:

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:

The State Controller's Office has not completed its review of transfers required under California Health and Safety Code Sections 34167.5 and 34178.8.

Inquired of Annie Yaung, Financial Services Manager for the City of Monterey Park, on September 25, 2012 as to any asset transfers from the Low and Moderate Income Housing Fund to the City or County between January 1, 2011 and January 31, 2012 and confirmed no transfers of assets from the Low and Moderate Income Housing Fund to the City or County.

Reviewed the Housing Assets Transfer Form (Exhibit B) prepared by Jim Basham, Community Development Director for the City of Monterey Park and Donna Ramirez, Acting Economic Development Specialist for the City of Monterey Park, prepared July 25, 2012 and revised September 11, 2012, for the period February 1, 2012 through June 30, 2012. The Department of Finance (DOF) has not yet provided a response regarding the Housing Assets Transfer Form.

Reviewed General Ledger Report for the period February 1, 2012 through June 30, 2012, audited financial statement for the fiscal year ended June 30, 2011, February 29, 2012 Bank of America Bank statement for new account in the name of City of Monterey Park Acting as Housing Successor Agency, and Journal Voucher JV02-45, the purpose of which was to close out the Low and Moderate Income Fund and establish Housing Successor Agency Fund and noted that the amounts reported for Fixed Assets on the Housing Assets Transfer Form had a minor discrepancy of $774 ($703,852 was reflected in the accounting record verus $703,078 report on the Housing Assets Transfer Form). Reconciled journal voucher JV 06-201 and Schedule of the Acquisition Cost Funded by the Low and Moderate Income Housing Fund, prepared by Annie Yaung, Financial Services Manager, to the amounts reported on the Housing Assets Transfers Form and noted no exceptions.

Reviewed the general ledger reports for the Low and Moderate Income Housing Fund for the period July 1, 2011 through January 31, 2012 and for the Housing Successor Agency for the period February 1, 2012 through June 30, 2012 and noted that land of $131,491 was reported as an asset in the former Redevelopment Agency's Fixed Assets Account (#0899) as of January 31, 2012, this housing asset of $131,491 was transferred to the City's Fixed Assets Account as of June 30, 2012. The difference was related to land purchases partially funded by the former RDA Low and Moderate Income Housing Fund but included in and accounted for in the former Agency's Fixed Assets Account (#0899). Land in the amount of $131,491 related to acquisition costs partially funded by the Low and Moderate Income Housing Fund are now included in the accounting records of the City's Fixed Assets Account.

Reviewed Resolution No. 11456 adopted by the Monterey Park City Council on January 1, 2012 and noted an election was made by the City to retain the housing assets and functions of the former Redevelopment Agency and serve as the Successor Housing Agency. Reviewed Resolution No. OBR-5, dated August 17, 2012, a resolution of the Oversight Board for the Successor Agency to the Monterey Park Redevelopment Agency which authorized the transfer of housing assets and functions of the former Redevelopment Agency to the City and noted that the City accepted, without limitation, all rights, powers, duties, obligations and housing assets of the Low and Moderate Income Housing Fund, including real property, personal property, low and moderate income encumbrances, loans or grants receivable, funds derived from rents or operation of low and moderate income housing, repayments of loans or deferrals, indebtedness proceeds and any other housing asset authorized for transfer to the City (as the Housing Successor Agency) pursuant to Section 34176.

Reviewed the AUP Report prepared pursuant to ABX1 26 and noted that the amount of each asset reported as transferred from the Low and Moderate Income Housing Fund to the Housing Successor Agency is equal to the amount of each asset reported in the Housing Successor Agency's accounting records. All asset transfers from the Low and Moderate Income Housing Fund to the Housing Successor Agency were made pursuant to and as a direct result of California Assembly Bill x1 26 ("ABx1 26"). See Exhibit C for Housing Successor Agency List as of February 1, 2012.

Citation:

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.

Procedures Performed:

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.
    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:

The State Controller's Office has not completed its review of transfers required under California Health and Safety Code Sections 34167.5 and 34178.8 as the Successor Agency reported no assets transferred from the Low and Moderate Income Housing Fund to any other public agency or to private parties.

Inquired of Annie Yaung, Financial Services Manager for the City of Monterey Park, on September 11, 2012 and reviewed general ledger reports verified no assets were transferred from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through June 30, 2012.

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.

Procedures Performed:

4. Perform the following procedures:

    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.
    D. 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:

Because these procedures required by Section 34179.5(c)(4) pertain to the Successor Agency as a whole, these procedures will be addressed in the report that is due on December 15, 2012.

Citation:

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

Procedures Performed:

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 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income 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:

See Exhibit D for the Successor Agency Asset Listing as of June 30, 2012.

Citation:

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.

Procedures Performed:

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:
        1. 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.)
        2. 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).
        3. 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.

Results:

There were no unspent bond proceeds at June 30, 2012. Therefore, these procedures are not applicable.

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.

Results:

There were no grant proceeds and program income that are restricted by third parties at June 30, 2012. Therefore, these procedures are not applicable.

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 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 Successor the Agency as restricted.

Results:

There were no other assets considered to be legally restricted at June 30, 2012. Therefore, these procedures are not applicable.

D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP 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.

Results:

There were no unspent bond proceeds, no grant proceeds and no program income that are restricted by third parties and no other legally restricted assets at June 30, 2012. Therefore this procedure is not applicable.

Citation:

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.

Procedures Performed:

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.

      Results:
      As of June 30, 2012, the Successor Agency does not have any assets that are not liquid or otherwise available for distribution. Therefore, this procedures is not applicable.

   B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

      Results:
      Not Applicable.

   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.

      Results:
      Not Applicable.

   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:
      Not Applicable.

Citation:

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 or restricted balances are insufficient to fund future obligations and thus retention of current balances 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.

Procedures Performed:

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 balances 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. Attached 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.

      Results:

      The Successor Agency does not believe asset balances need to be retained to satisfy enforceable obligations, thus retention of asset balances is not required.

      Reviewed ROPS for the period of January 1, 2012 through June 30, 2012 and July 1, 2012 through December 31, 2012 and noted enforceable obligations to be satisfied by tax increments. Reviewed May 25, 2012 DOF Recognized Obligation Payment Schedule Approval letter and noted that ROPS for the periods of January through June 2012 and July through December 2012 were approved by the DOF.

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 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.

Results:

The Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are sufficient to fund future obligation payments and thus retention of current balances is not required.

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.

Results:
The Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are sufficient to pay bond debt service payments.

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.

iv. 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.
v. 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.
vi. Include the calculation in the AUP report.

Results:

Since procedures A, B, or C were not performed, this procedure is not applicable.

Citation:

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.

Procedures Performed:

9. 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.

Results:

The Successor Agency does not believe that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payments Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013.

Reviewed ROPS for the period of July 1, 2012 through December 31, 2012 and January 1, 2013 through June 2013 and noted enforceable obligations to be satisfied by tax increments. Reviewed May 25, 2012 DOF Recognized Obligation Payment Schedule Approval letter and noted that ROPS for the July through December 2012 were approved by the DOF.

Citation:

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 entities 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.

Procedures Performed:

10. 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 Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Results:

No exceptions were noted.

See Exhibit E for schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities.

***

Management Representation Letter

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 acknowledgment 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 parties for the period from January 1, 2011 through June 30, 2012 that have not 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.

Results:
See Exhibit F for Management Representation Letter.

EXHIBITS

Exhibit A – Successor Agency Asset Listing as of February 1, 2012

Exhibit C – Housing Assets Transfer Form

Exhibit B – Housing Successor Agency Asset Listing as of February 1, 2012

Exhibit D – Successor Agency Asset Listing as of June 30, 2012

Exhibit E – Summary of Balances Available for Allocation

Exhibit F – Management Representation Letter

Successor Agency to the Monterey Park Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012

EXHIBIT A
Successor Agency Asset Listing as of February 1, 2012

	Redevelopment Obligation Retirement Fund
ASSETS	
Cash and investments	$ 6,502,369
Total assets	$ 6,502,369

Successor Agency to the Monterey Park Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012

EXHIBIT B
Housing Assets Transfer Form

DEPARTMENT OF FINANCE
HOUSING ASSETS LIST
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
(Health and Safety Code Section 34176)

Revision 3

Former Redevelopment Agency: Community Redevelopment Agency of City of Monterey Park

Successor Agency to the Former Redevelopment Agency: City of Monterey Park Acting as the Successor Agency to the Former Redevelopment Agency

Entity Assuming the Housing Functions of the former Redevelopment Agency: City of Monterey Park Acting as the Housing Successor Agency

Entity Assuming the Housing Functions Contact Name: Jim Basham Title: Community Development Director Phone (626) 307-1315 E-Mail Address: jbasham@montereypark.ca.gov

Entity Assuming the Housing Functions Contact Name: Donna Ramirez Title: Acting Econ. Development Specailist Phone (626) 307-1385 E-Mail Address: dramirez@montereypark.ca.gov

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list.
The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	X
Exhibit B- Personal Property	X
Exhibit C - Low-Mod Encumbrances	X
Exhibit D - Loans/Grants Receivables	X
Exhibit E - Rents/Operations	X
Exhibit F- Rents	X
Exhibit G - Deferrals revised	X

"The Successor Agency has provided the following information using the form provided by the Department of Finance to comply with the August 1, 2012 deadline to submit such information. The filing of this form is not intended to waive any right the Successor Agency may have to challenge the legality of all or any portion of this form or the use of the information contained herein by the Department of Finance or other state agencies."

Prepared By: Jim Basham and Donna Ramirez

Date Prepared: 7/25/2012 Revised: 9/17/12

Exhibit A - Real Property

City of Monterey Park Acting as the Housing Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset a/	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low-mod housing	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Date of transfer to Housing Successor Agency	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	Low/Mod Housing	APN 5265-015-007	$816,433.04	4,112	4,112	Yes	HOME & 20% Set-aside	1/11/2012	$81,491.04 Acquisition	$0.00	$734,942.00 HOME-Acquisition	12/4/2006	n/a
		321 E. Pomona Bl.							$304,601 rehab				
2	Low/Mod Housing	APN 5265-015-008	$703,078.33	4,112	4,112	Yes	HOME & 20% Set-aside	1/11/2012	$703,078.33 Acquisition	$0.00	$479,226.00 HOME-Rehab	4/2/2009	n/a
		325 E. Pomona Bl.											
3	Low/Mod Housing	APN 5265-015-011	$769,848.12	4,112	4,112	Yes	HOME	1/11/2012		0.00	$769,848.12 HOME-Acquisition	9/30/2009	n/a
		341 E. Pomona Bl.											
4	Low/Mod Housing	APN 5265-015-043	$769,848.12	4,112	4,112	Yes	HOME & 20% Set-aside	1/11/2012	$50,000.00 Acquisition	$0.00	$721,078.33 HOME-Acquisition	7/14/2009	n/a
		371 E. Pomona Bl.											
5	Low/Mod Housing	APN 5256-008-029	$1,588,238.23	7,902	7,902	Yes	HOME & 20% Set-aside	1/11/2012	$1,588,238.23 Acquisition	$0.00	$423,320.00 HOME-Rehab	2/19/2010	n/a
6		534 N. Chandler Av.											
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													

a/ Asset types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit B - Personal Property

City of Monterey Park Acting as the Housing Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset a/	Description	Carrying Value of Asset	Date of transfer to Housing Successor Agency	Acquisition cost funded with Low-Mod Housing Fund monies	Acquisition costs funded with other RDA funds	Acquisition costs funded with non-RDA funds	Date of acquisition by the former RDA
1	a/ Appliance	321 E. Pomona (4 units): 18.1 cu ft 28" refrigerator	$1,650.00	1/11/2012	$1,650.00	$0	$0	*12/20/11
2	a/ Appliance	321 E. Pomona: 30" gas range	$1,200.00	1/11/2012	$1,200.00	$0	$0	*12/20/11
3	a/ Appliance	321 E. Pomona: Washers & dryers	$2,800.00	1/11/2012	$2,800.00	$0	$0	*1/03/12
4	a/ Appliance	325 E. Pomona (4 units): Washers & Dryers	$1,400.00	1/11/2012	$1,400.00	$0	$0	*4/01/09
5	a/ Appliance	341 E. Pomona (4 units): Washers & Dryers	$1,400.00	1/11/2012	$1,400.00	$0	$0	*9/01/09
6	a/ Appliance	371 E. Pomona (4 units): 18.1 cu ft 28" refrigerator	$1,650.00	1/11/2012	$1,650.00	$0	$0	*12/20/12
7	a/ Appliance	371 E. Pomona: 30" gas range	$1,200.00	1/11/2012	$1,200.00	$0	$0	*12/20/12
8	a/ Appliance	371 E. Pomona: Washers & Dryers	$1,400.00	1/11/2012	$1,400.00	$0	$0	*9/01/11
9	a/ Appliance	534 N. Chandler (9 units): Washers & Dryers	$2,800.00	1/11/2012	$2,800.00	$0	$0	*8/01/12
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								

*Purchase date to the best of our knowledge

a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

Exhibit C - Low-Mod Encumbrances

City of Monterey Park Acting as the Housing Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of housing built or acquired with enforceably obligated funds a/	Date contract for Enforceable Obligation was executed	Contractual counterparty	Total amount currently owed for the Enforceable Obligation	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Current owner of the property	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition of the property
1	None										
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											

a/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit D - Loans/Grants Receivables

City of Monterey Park Acting as the Housing Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
1	Loan-30 yr foregivable	$35,000.00	3/10/1997	Frederick & Sookie Tam-351 Bloom Drive	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$53,152.00
2	Loan-30 yr foregivable	32,000.00	3/27/1997	Anthony Zuniga-300 W. Floral Drive	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$48,522.00
3	Loan-30 yr foregivable	$32,960.00	6/25/1997	Thomas Keung & Patsy Ip-636 W. Gleason Street	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$49,571.00
4	Loan-30 yr foregivable	$24,400.00	6/26/1997	Carlos & Doris Valencia427 Avondale Avenue	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$36,694.00
5	Loan-30 yr foregivable	$35,000.00	9/3/1997	David Ly-528 W. Gleason Street	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$52,303.00
6	Loan-30 yr foregivable	$25,000.00	11/20/1998	Andres Diosado III-2001 Clover Drive	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$35,842.00
7	Loan-30 yr foregivable	$17,750.00	1/5/1999	Du & Trinh Ho-645 S. Garfield Avenue	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$25,336.00
8	Loan-30 yr foregivable	$20,000.00	9/8/1999	Yu Jun Guo & Zeng Xin Cai-123 S. Ramona Ave. D	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$27,874.00
9	Loan-30 yr foregivable	$20,000.00	12/2/1999	Mao Yin Wi & Keiko Wei-1393 Terbush Drive	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$27,641.00
10	Loan-30 yr foregivable	$20,000.00	1/11/2000	Chi-Ying Guan-601 S. Lincoln Avenue	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$27,532.00
11	Loan-30 yr foregivable	$20,000.00	7/5/2001	Joey & Tammy Tang-2213 Findlay Avenue	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$26,049.00
12	Loan-30 yr foregivable	$20,000.00	8/12/2001	Tri Ly Gi & Menh Diep-210 Everett Avenue	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$25,945.00
13	Loan-30 yr foregivable	$35,000.00	6/12/2003	Haydee Murga-153 Casuda Canyon #B	First-time Homebuyer Program	Yes	*30-yr foregivable loan/principal & Interest	5% after 6th yr	$24,112.00
14	Deferred Loan	$11,435.00	5/22/1998	Evangelina Carrillo1706 Whitehurst Drive	Critical Maintenance	Yes	Payable upon transfer of ownership	5%	$19,538.00
15	Deferred Loan	$9,650.00	6/30/2000	Moisen-2120 Graylock Avenue	Critical Maintenance	Yes	Payable upon transfer of ownership	5%	$15,470.00
16	Deferred Loan	$15,758.00	3/20/2002	Benjamin Gee-1820 Sunrise Drive	Critical Maintenance	Yes	Payable upon transfer of ownership	5%	$23,907.00
17*	Deferred Loan	$14,000.00	8/16/2006	Nai & Yan Chan-1218 Mabel Ave	Critical Maintenance	Yes	Payable upon transfer of ownership	3%	$16,491.00
18*	Deferred Loan	$2,790.00	1/2/2008	David Castellanos-1912 Palm Ave	Critical Maintenance	Yes	Payable upon transfer of ownership	2.7%	$3,133.00
19*	Deferred Loan	$2,450.00	6/18/2009	Betty Moreno Chu-104 E. Floral	Critical Maintenance	Yes	Payable upon transfer of ownership	2.65%	$2,651.00
20*	Deferred Loan	$10,270.00	4/29/2010	Christopher Philpott-1601 Bradshawe Ave	Critical Maintenance	Yes	Payable upon transfer of ownership	3%	$10,956.00
21	Deferred Loan	$570.00	6/30/2010	Christopher Philpott-same	Critical Maintenance	Yes	Payable upon transfer of ownership	3%	$605.00
22	Deferred Loan	$11,000.00	5/19/2010	David Abajian-1571 Lunar Drive	Critical Maintenance	Yes	Payable upon transfer of ownership	3%	$11,717.00
23	Deferred Loan	$4,565.00	1/19/2011	Florence Randall-430 Brightwood	Critical Maintenance	Yes	Payable upon transfer of ownership	3%	$4,771.00
24	Deferred Loan	$5,750.00	3/16/2011	Celia Fink-206 Ransom Way	Critical Maintenance	Yes	Payable upon transfer of ownership	3%	$5,983.00
	*Payable upon change of ownership.								

Exhibit E - Rents/Operations

City of Monterey Park Acting as the Housing Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which they payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent/operation is associated with (if applicable)
1	a/ $1,640.75*	low/mod hsg	RDA	Ramona Properties	Housing Successor	Maintenance/Operation	Yes	Set-aside/HOME	1
2	a/ $2,112.55*	low/mod hsg	RDA	Ramona Properties	Housing Successor	Maintenance/Operation	Yes	Set-aside/HOME	2
3	a/ $2,487.41*	low/mod hsg	RDA	Ramona Properties	Housing Successor	Maintenance/Operation	Yes	Set-aside/HOME	3
4	a/ $4,165.52*	low/mod hsg	RDA	Ramona Properties	Housing Successor	Maintenance/Operation	Yes	Set-aside/HOME	4
5	a/ $3,919.12*	low/mod hsg	RDA	Ramona Properties	Housing Successor	Maintenance/Operation	Yes	Set-aside/HOME	5
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

*****This item is the revenue from the coin operated laundry machines.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit F - Rents

City of Monterey Park Acting as the Housing Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent is associated with (if applicable)
1	a/ $14,828.50	low/mod hsg	RDA	Ramona Properties	Housing Successor	Maintenance/Operation	Yes	Set-aside/HOME	1
2	a/ $9,650.20	low/mod hsg	RDA	Ramona Properties	Housing Successor	Maintenance/Operation	Yes	Set-aside/HOME	2
3	a/ $16,110.59	low/mod hsg	RDA	Ramona Properties	Housing Successor	Maintenance/Operation	Yes	Set-aside/HOME	3
4	a/ $14,460.24	low/mod hsg	RDA	Ramona Properties	Housing Successor	Maintenance/Operation	Yes	Set-aside/HOME	4
5	a/ $17,376.88	low/mod hsg	RDA	Ramona Properties	Housing Successor	Maintenance/Operation	Yes	Set-aside/HOME	5
6	a/ $*38,470.99	low/mod hsg	RDA	Ramona Properties	Housing Successor	Maintenance/Operation	Yes	Set-aside/HOME	Existing Balance
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

***Current cash balance in H S A**

a/ May include rents or home loan payments.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit G - Deferrals

City of Monterey Park Acting as the Housing Successor Agency
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
1	Housing Deferral Repayment Agreement	1997	$1,814,222	non interest bearing	$1,186,222	2024-2039
2	Housing Fund Repayment of SERAF Loan	2009-10	2,601,898	0	$1,561,138	2015-2016
3	Housing Fund Repayment of SERAF Loan	2010-11	$535,685	Varied (LAIF)	$428,548	2016-2017
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

Successor Agency to the Monterey Park Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012

EXHIBIT C
Housing Successor Agency Asset Listing as of February 1, 2012

		Housing Successor Agency Fund
ASSETS		
Loans receivable	$	306,303
Less: Allowance for Uncollectible		(192,202)
Advances to other funds		2,617,203
Land and property		2,292,090
Total assets	$	5,023,394
Loans Receivable		
Critical Maintenance Loans	$	87,865
First Time Homebuyers Loans		218,438
Total loans receivable		306,303
Less: Allowance for Uncollectible		(192,202)
Total loans receivable, net	$	114,101
Advances to Other Funds		
Merged Project Area	$	1,149,361
Atlantic Garvey Project Area		1,467,842
Total advances to other funds	$	2,617,203
Land and property		
325 E. Pamona Boulevard	$	703,852
534 Chandler Avenue		1,588,238
Total land and property	$	2,292,090

Successor Agency to the Monterey Park Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012

EXHIBIT D
Successor Agency Asset Listing as of June 30, 2012

	Redevelopment Obligation Retirement Fund
ASSETS	
Cash and investments	$ 6,502,369
Total assets	$ 6,502,369

Successor Agency to the Monterey Park Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012

EXHBIT E
Summary of Balances Available for Allocation

Total amount of assets held by the Successor Agency as of June 30, 2012	$	6,502,369
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments.		-
Less assets that are not cash or cash equivalents (i.e. physical assets)		-
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations)		-
Less balances needed to satisfy ROPS for the current fiscal year		-
Less the amount of any assets transferred to the city for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist		(8,805)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		(957,914)
Amount to be remitted to county for disbursement to taxing entities	$	5,535,650

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 is 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.

Successor Agency to the Monterey Park Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012

EXHIBIT F
Management Representation Letter

CITY OF MONTEREY PARK

320 West Newmark Avenue • Monterey Park • California 91754-2896
www.ci.monterey-park.ca.us

City Council
Mitchell Ing
David T. Lau
Teresa Real Sebastian
Anthony Wong

City Clerk
David Barron

City Treasurer
Joseph Leon

September 28, 2012

Pun & McGeady LLP
9 Corporate Park, Suite 130
Irvine, California 92606

In connection with your engagement to apply agreed-upon procedures relating to the Low and Moderate Income Housing Fund Due Diligence Review as of June 30, 2012, which were agreed to by the California State Controller's Office and the California State Department of Finance, solely to assist the Oversight Board of the Successor Agency to the Monterey Park Redevelopment Agency ("Successor Agency") that our dissolved redevelopment agency is complying with its statutory requirements with respect to Assembly Bill ("AB") 1484 and we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. The City of Monterey Park is responsible for compliance with California Health and Safety Code (HSC) Section 34179.5.

2. We are responsible for adherence to the requirements of AB 1484 as applicable to the successor agency and the sponsoring organization of the dissolved redevelopment agency.

3. We are responsible for the presentation of the exhibits in the Low and Moderate Income Housing Fund Due Diligence agreed-upon procedures report in accordance with the California Health and Safety Code (HSC) Section 34179.5

4. As of June 30, 2012, we are not aware of any modifications that need to be made to the Low and Moderate Income Housing Fund Due Diligence Review exhibits for them to be presented in accordance with California Health and Safety Code Sections 34179.5(c)(1) through 34179.5(c)(3) and Sections 34179.5(c)(5) through 34179.5(c)(6).

5. The City of Monterey Park approves the acceptability of the procedures that have been developed by the California Department of Finance in accordance with California Health and Safety Code (HSC) Section 34179.5.

6. We have disclosed to you any known matters contradicting the information contained in the Low and Moderate Income Housing Fund Due Diligence Review AUP report.

7. There have been no communications from regulatory agencies, internal auditors, and other independent practitioners or consultants relating to Low and Moderate Income Housing Fund Due Diligence Review, including communications received between June 30, 2012 and September 28, 2012.

8. We have made available to you all information that we believe is relevant to Low and Moderate Income Housing Fund Due Diligence Review.
9. We have responded fully to all inquiries made to us by you during the engagement.
10. No events have occurred subsequent to June 30, 2012 that would require adjustment to or modification of the information contained in the Low and Moderate Income Housing Fund Due Diligence Review AUP report and its related exhibits.
11. 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 parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits.
12. Your report is intended solely for the information and use of the City of Monterey Park, the California Department of Finance, the California State Controller's Office, and the County of Los Angeles' Auditor-Controller's Office and is not intended to be and should not be used by anyone other than those specified parties.

To the best of our knowledge and belief, no events have occurred subsequent to the date of your report that would have a significant impact upon the agreed upon procedures that you performed.

City of Monterey Park, as the sponsoring organization and as representatives of the Successor Agency to the Monterey Park Redevelopment Agency:

Paul Talbot, City Manager — 9/28/12 Date

Annie Yaung, Financial Services Manager — 9/28/2012 Date