1. Meeting Items For January 3, 2013.
   Meeting items for January 3, 2013.

   Documents: COPY OF MONTEREY PARK ROPS III IN DOF FORMAT - REV2A.PDF, MONTEREY PARK DDR NON-HOUSING FINAL 12-5-2012 (SECURED) (1).PDF, NON-HOUSING DUE DILIGENCE STAFF REPORT OB FIRST MTG PER ROBERT.PDF, OB AMENDED JAN-JUNE 2013 ROPS RESOLUTION.PDF, ROPS 3 AMENDMENT OB STAFF REPORT FINAL.PDF, ROPS II III BUDGET (3).PDF

Successor Agency Contact Information

Name of Successor Agency:	Monterey Park Successor Agency
County:	Los Angeles
Primary Contact Name:	Donna Ramirez, Acting Econ Spec.
Primary Contact Title:	320 West Newmark Avenue, Monterey
Address	Park, CA 91754
Contact Phone Number:	626-307-1385
Contact E-Mail Address:	dramirez@montereypark.ca.gov
Secondary Contact Name:	Annie Yaung
Secondary Contact Title:	Financial Services Manager
Secondary Contact Phone Number:	626-307-1349
Secondary Contact E-Mail Address:	ayaung@montereypark.ca.gov

Revison 2 (1-3-13)

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the January 1, 2013 to June 30, 2013 Period

Revision: 2

Name of Successor Agency: Monterey Park Successor Agency

		Total Outstanding Debt or Obligation
Outstanding Debt or Obligation		**$ 116,249,864**
Current Period Outstanding Debt or Obligation		**Six-Month Total**
A	Available Revenues Other Than Anticipated RPTTF Funding	**75,000**
B	Anticipated Enforceable Obligations Funded with RPTTF	**1,121,697**
C	Anticipated Administrative Allowance Funded with RPTTF	**125,000**
D	Total RPTTF Funded (B + C = D)	**1,246,697**
	Total Current Period Outstanding Debt or Obligation (A + B + C = E) *Should be same amount as ROPS form six-month total*	**$ 1,321,697**
E	Enter Total Six-Month Anticipated RPTTF Funding *(Obtain from county auditor-controller)*	**1,968,997**
F	Variance (E - D = F) *Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding*	**$ 722,300**
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))		
G	Enter Estimated Obligations Funded by RPTTF *(Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)*	1,992,164
H	Enter Actual Obligations Paid with RPTTF	1,665,078
I	Enter Actual Administrative Expenses Paid with RPTTF	104,167
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	222,919
K	**Adjustment to RPTTF**	**$ 1,023,778**

Certification of Oversight Board Chairman:
Pursuant to Section 34177(m) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name Title

Signature Date

Name of Successor Agency: Monterey Park Successor Agency
County: Los Angeles

Oversight Board Approval Date: August 17, 2012 Approved

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	Total Due During Fiscal Year 2012-13	Funding Source						
									LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total
	Grand Total						$ 116,249,864	$ 3,543,704	$ -	$ -	$ 75,000	$ 125,000	$ 1,121,697	$ -	$ 1,321,697
1	Successor Agency Administration Costs	N/A	7/12/2034	Successor Agency	Successor Agency Administration Costs - labor and overhead	All	5,375,000	250,000	-	-	-	125,000	-	-	125,000
2	Contract For Successor Agency Consulting Services / **DELETED**	2/1/2012	At completion of contract	Chester S Yoshizaki	Consultant services for Successor Agency	All	-	-	-	-	-	-	-	-	-
3	Contract For Successor Agency Attorney Services / **DELETED**	N/A	At completion of contract	Jenkins & Hogin, LLP	Successor Agency Attorney Services	All	-	-	-	-	-	-	-	-	-
4	Oversight Board Attorney Services / **DELETED**	N/A	5/1/2016	Oversight Board Appointed	Costs associated with Oversight Board Meetings	All	-	-	-	-	-	-	-	-	-
5	1998 Tax Allocation Bond	10/1/1998	3/1/2028	BNY Western Trust Company	Bonds issued to fund non-housing projects	Merged Project Area	11,855,067	738,821	-	-	-	-	512,645	-	512,645
6	2002 Tax Allocation Bond	8/15/2002	9/1/2026	Union Bank of California	Bonds issued to fund non-housing projects	Atlantic Garvey Project Area	22,810,037	1,669,893	-	-	-	-	442,062	-	442,062
7	Trustee Fees for 1998 Bonds	10/1/1998	3/1/2028	BNY Western Trust Company	Fees for Trustee of Bond Issuances	Merged Project Area	36,000	2,250	-	-	-	-	2,250	-	2,250
8	Trustee Fees for 2002 Bonds	8/15/2002	9/1/2026	Union Bank of California	Fees for Trustee of Bond Issuances	Atlantic Garvey Project Area	38,360	2,740	-	-	-	-	2,740	-	2,740
9	1998 Bond Arbitrage Rebate Report	10/1/1998	3/1/2028	BLX Group	Bond Arbitrage Rebate Report	Merged Project Area	32,000	2,000	-	-	-	-	2,000	-	2,000
10	2002 Bond Arbitrage Rebate Report	8/15/2002	9/1/2026	BLX Group	Bond Arbitrage Rebate Report	Atlantic Garvey Project Area	28,000	2,000	-	-	-	-	2,000	-	2,000
11	1998 Bond Continuing Disclosure - Fiscal Consultant	10/1/1998	3/1/2028	Fiscal Consultant	Fulfillment of Reporting Requirements outlined in Official Statements of Tax Allocation Bonds	Merged Project Area	80,000	5,000	-	-	-		5,000	-	5,000
12	2002 Bond Continuing Disclosure - Fiscal Consultant	8/15/2002	9/1/2026	Fiscal Consultant	Fulfillment of Reporting Requirements outlined in Official Statements of Tax Allocation Bonds	Atlantic Garvey Project Area	80,000	5,000	-	-	-	-	5,000	-	5,000
13	1998 Bond Continuing Disclosure - Disclosure Counsel	10/1/1998	3/1/2028	Bond Disclosure Counsel	Fulfillment of Reporting Requirements outlined in Official Statements of Tax Allocation Bonds	Merged Project Area	80,000	5,000	-	-	-	-	5,000	-	5,000
14	2002 Bond Continuing Disclosure - Disclosure Counsel	8/15/2002	9/1/2026	Bond Disclosure Counsel	Fulfillment of Reporting Requirements outlined in Official Statements of Tax Allocation Bonds	Atlantic Garvey Project Area	80,000	5,000	-	-	-	-	5,000	-	5,000
15	Pension Override to City's Retirement Fund / **PENDING**	1946 & 1952	As long as tax increment is collected	City of Monterey Park	Voter mandate for Pension Override Funds allocated as tax increment to be paid to City's pension costs	All	31,574,607	490,000	-	-	-	-		-	-
16	Los Angeles County Reimbursement Agreement	8/20/87, 10/18/93, 1/15/85	7/12/2034	County of Los Angeles	Repayment of deferral of prior year pass through payment deferrals	All	39,707,368	-	-	-	-	-	-	-	-
17	Developer Disposition Agreement - Atlantic Times Square / **COMPLETED**	11/21/2005		Atlantic Times Square II, LLC	Assistance for the development of the Atlantic Times Square	Merged Project Area	-	-	-	-	-	-	-	-	-
18	Atlantic Times Square DIR Litigation Costs	7/14/2010	Active as long as Atlantic Times Square DIR is under	Paul Plevins LLP	Costs for continuing litigation of Agency obligations for Atlantic Times Square prevailing wage	Merged Project Area	75,000	75,000	-	-	75,000	-	-	-	75,000
19	City Staff for Administration of Existing Projects	N/A	6/30/2015	City Employees	City Staff overseeing existing projects	All	250,000	60,000	-	-	-	-	30,000	-	30,000
20	Attorney Legal Services to Existing Projects	N/A	6/30/2015	Various Law Firms	Attorney overseeing existing projects	All	250,000	120,000	-	-	-	-	60,000	-	60,000
21	Property Disposition Services	N/A	6/30/2015	Various	Costs associated with the disposition of Agency Property	All	150,000	60,000	-	-	-	-	30,000	-	30,000
22	Common Area CC&R Fees For Corporate Center Property / **PENDING**	5/12/2011	Until sale of property	Various	Maintenance fees for Agency Property until it is sold	Merged Project Area	558,000	36,000	-	-	-	-	18,000	-	18,000
23	Contract For Fiscal Consulting Services for Successor Agency / **DELETED**	1/1/2012	At completion of contract	Rosenow Spevacek Group, Inc.	Professional fiscal consultant services in preparation for the dissolution of the Agency	All	-	-	-	-	-	-	-	-	-
24	Contract For Successor Agency Audit Services	N/A	At completion of contract	County-approved auditor	Successor Agency Audit Services	All	15,000	15,000	-	-	-	-	-	-	-
25	Affordable Housing Compliance Monitoring / **DELETED**	N/A	7/12/2034	Housing Successor Agency	Compliance monitoring of existing affordable housing units	All	-	-	-	-	-	-	-	-	-
26	Affordable Housing Legal Fees / **DELETED**	N/A	7/12/2034	Jenkins & Hogin, LLP	Legal Fees to support action against non-compliant affordable housing covenant holders	All	-	-	-	-	-	-	-	-	-
27	Affordable Housing Adminsitration / **DELETED**	N/A	7/12/2034	Housing Successor Agency	Operation / Reserves of affordable housing units	All	-	-	-	-	-	-	-	-	-
28	Housing Fund Repayment of SERAF Loan	8/4/2010	6/30/2016	Housing Successor Agency	Housing Fund Repayment of SERAF Loan	All	1,989,203	-	-	-	-	-	-	-	-
29	Repayment of Housing Loan Obligation	1997	6/30/2039	Housing Successor Agency	Housing Fund Repayment for Outstanding Loan	All	1,186,222	-	-	-	-	-	-	-	-

County: Los Angeles

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

Item #	Notes/Comments
-	A total of $215,875.85 will be paid to affected taxing entities during the ROPS II (July - December 2012) time period.
-	In general, items with no specific contract date such as Administrative Costs were labeled N/A under Contract Execution Date
15	Pension Override. The Successor Agency and City would like DOF and County of Los Angeles confirmation in writing that future Pension Override funds will be sent directly to the City and not to the Successor Agency. If this is true, then this line item would be removed from future ROPS.
16	The former Redevelopment Agency/Successor Agency owes the County of Los Angeles approximately $37 million in deferred tax increment revenue pass throughs payments. However, the repayment schedule calls for the repayment to start in Fiscal Year 2013-14.
28	SERAF Loans are now considered enforceable obligations under AB 1484. Repayment will not begin until FY 2013-14.
29	Under AB 1484, loans owed the former Housing Fund are enforceable obligations. This obligation relates to $1.2 million of deferred housing set aside contributions. Repayment does not begin until FY 2013-14

Name of Successor Agency: Monterey Park Successor Agency
County: Los Angeles

Pursuant to Health and Safety Code section 34186 (a)
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
January 1, 2012 through June 30, 2012

						LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
		Grand Total				$ -	$ -	$ -	$ -	$ 491,888	$ 9,000	$ 125,000	$ 104,167	$ 2,177,497	$ 1,665,078	$ -	$ -
1	1	Successor Agency Administration Costs	Successor Agency	Successor Agency Administration Costs - labor and overhead	All							125,000	104,167				
1	2	Contract For Successor Agency Consulting Services	Chester S Yoshizaki	Consultant services for Successor Agency	All									50,000	34,663		
1	3	Contract For Successor Agency Attorney Services	Jenkins & Hogin, LLP	Successor Agency Attorney Services	All									50,000	50,000		
1	4	Oversight Board Attorney Services	Unknown	Costs associated with Oversight Board Meetings	All									60,000	-		
1	5	1998 Tax Allocation Bond	BNY Western Trust Company	Bonds issued to fund non-housing projects	Merged Project Area									551,176	551,176		
1	6	2002 Tax Allocation Bond	Union Bank of California	Bonds issued to fund non-housing projects	Atlantic Garvey Project Area									407,831	407,831		
1	7	Trustee Fees for 1998 Bonds	BNY Western Trust Company	Fees for Trustee of Bond Issuances	Merged Project Area									2,250	-		
1	8	Trustee Fees for 2002 Bonds	Union Bank of California	Fees for Trustee of Bond Issuances	Atlantic Garvey Project Area									2,740	-		
1	9	1998 Bond Arbitrage Rebate Report	BLX Group	Bond Arbitrage Rebate Report	Merged Project Area									2,000	2,250		
1	10	2002 Bond Arbitrage Rebate Report	BLX Group	Bond Arbitrage Rebate Report	Atlantic Garvey Project Area									2,000	-		
1	11	1998 Bond Continuing Disclosure - Fiscal Consultant	Fiscal Consultant	Fulfillment of Reporting Requirements outlined in Official Statements of Tax Allocation Bonds	Merged Project Area									5,000	-		
1	12	2002 Bond Continuing Disclosure - Fiscal Consultant	Fiscal Consultant	Fulfillment of Reporting Requirements outlined in Official Statements of Tax Allocation Bonds	Atlantic Garvey Project Area									5,000	-		
1	13	1998 Bond Continuing Disclosure - Disclosure Counsel	Bond Disclosure Counsel	Fulfillment of Reporting Requirements outlined in Official Statements of Tax Allocation Bonds	Merged Project Area									5,000	-		
1	14	2002 Bond Continuing Disclosure - Disclosure Counsel	Bond Disclosure Counsel	Fulfillment of Reporting Requirements outlined in Official Statements of Tax Allocation Bonds	Atlantic Garvey Project Area									5,000	-		
1	15	Pension Override to City's Retirement Fund	City of Monterey Park	Voter mandate for Pension Override Funds allocated as tax increment to be paid to City's pension costs	All									490,000	490,000		
1	16	Los Angeles County Reimbursement Agreement [1]	County of Los Angeles	Repayment of deferral of prior year pass through payment deferrals	All									-	-		
1	17	Developer Disposition Agreement - Atlantic Times Square	Atlantic Times Square II, LLC	Assistance for the development of the Atlantic Times Square	Merged Project Area									-	-		
1	18	Atlantic Times Square DIR Litigation Costs	Paul Plevins LLP	Costs for continuing litigation of Agency obligations for Atlantic Times Square prevailing wage	Merged Project Area									75,000	12,926		
1	19	China Town Service Center Contract	China Town Service Center	Contract to provide funding assistance for business support services	All									2,500	-		
2	20	Chamber of Commerce Contract [2]	Monterey Park Chamber of Commerce	Contract to provide funding assistance for business support services and outreach	All					9,000	9,000			-	-		
2	21	City Staff for Administration of Existing Projects [4]	City Employees	City Staff overseeing existing projects	All									120,000	38,000		
2	22	Attorney Legal Services to Existing Projects [4]	Various Law Firms	Attorney overseeing existing projects	All									120,000	50,000		
2	23	Property Disposition Services	Various	Costs associated with the disposition of Agency Property	All									60,000	-		
2	24	Common Area CC&R Fees For Corporate Center	Various	Maintenance fees for Agency Property until it is sold	Merged Project Area									36,000	13,239		
2	25	Contract For Fiscal Consulting Services for Successor Agency	Rosenow Spevacek Group, Inc.	Professional fiscal consultant services for the Successor Agency	All									15,000	14,993		
2	26	Audit of Former Redevelopment Agency	Caporicci & Larson, Inc	An audit of the former redevelopment agency	All									15,000	-		
2	27	Affordable Housing Compliance Monitoring	Housing Successor Agency	Compliance monitoring of existing affordable housing units	All									36,000	-		
2	28	Affordable Housing Legal Fees	Jenkins & Hogin, LLP	Legal Fees to support action against non-compliant affordable housing covenant holders	All									36,000	-		
2	29	Affordable Housing Adminsitration	Housing Successor Agency	Operation / Reserves of affordable housing units	All									24,000	-		
2	30	Housing Fund Repayment of SERAF Loan	Housing Successor Agency	Housing Fund Repayment of SERAF Loan	All					-	-						
2	31	RDA Operating Cost [5]	RDA staff and various third party vendors	Staff, overhead, and expenses of RDA	All					298,514	-						
2	32	Atlantic/Garvey CAP Projects [5]	Various contractors and other third parties	Various blight remediation projects and programs	Atlantic Garvey Project Area					51,141	-						
2	33	Housing Costs [5]	Various contractors and other third parties	Housing related costs and expenditures of the RDA	All					48,983	-						
2	34	Merged Project CAP Project [5]	Various contractors and other third parties	Various blight remediation projects and programs	Merged Project Area					84,250	-						

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

For the year ended June 30, 2012

PUN & McGEADY LLP
Certified Public Accountants and Business Advisors

Successor Agency to the
Monterey Park Redevelopment Agency

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EXHIBITS

Exhibit A
All assets transferred from the former redevelopment agency to the Successor Agency on February 1, 2012

Exhibit B
Summary of Financial Transactions

Exhibit C
Assets of all other funds of the Successor Agency as of June 30, 2012

Exhibit D
Asset balances held on June 30, 2012 restricted for various purposes

Exhibit E
Assets as of June 30, 2012 not liquid or otherwise available for distribution

Exhibit F
Summary of Balances Available for Allocation

Exhibit G
Management Representation Letter

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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 applied to all other remaining fund of the Successor Agency and not to the Successor Agency as a whole. The procedures applied to the Low and Moderate Income Housing Fund were completed and have issued our report thereon dated September 28, 2012.

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
December 5, 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:
Reviewed balance sheet reports, general ledger trial balance reports, audited financial statements and journal vouchers and noted most, but not all assets were transferred from the former redevelopment agency to the Successor Agency effective February 1, 2012. Capital assets, consisting of equipment and improvements, totaling $63,578 were transferred directly to the City of Monterey Park effective February 1, 2102. The journal entries accounting for the transfer were posted February 15, 2012 and made retroactive to February 1, 2012. Also noted new funds were created to account for assets and liabilities of the Successor Agency upon redevelopment agency dissolution.

See Exhibit A for the listing obtained from the Successor Agency of all assets that were transferred from the former redevelopment agency to the Successor Agency on 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:
Consulted with Annie Yaung, Financial Services Manager and Shirley Tung, Accountant, both with the City of Monterey Park, reviewed audited financial statements for the fiscal year ended June 30, 2011 and general ledger detail reports for the period July 1, 2011 through January 1, 2012 and noted asset transfers from the former redevelopment agency to the City of Monterey Park for the period January 1, 2011 through January 31, 2012.

The majority of the transfers from the former redevelopment agency to the City of Monterey were voter mandated transfers of pension override funds allocated as tax increment to the City's Pension Liability Special Revenue Fund collected for the purpose of paying the City's pension costs. Reviewed County of Los Angeles Auditor-Controller Tax Division monthly Remittance Advices and Remittance Advice Summaries for Monterey Park and summary/calculation of redevelopment agency debt service tax increment and pension override revenue transfers for the fiscal year ended June 30, 2011 and confirmed pension override revenues for the fiscal year ended June 30, 2011. Also reviewed supporting documentation and calculations of catch-up pension override revenue for fiscal year 1983-1984 through fiscal year 2007-2008, which were required to be remitted in fiscal year 2010-2011. These catch up payments were required for pension override revenues of the former redevelopment agency which

were not set-aside and/or remitted to the City. Reviewed journal voucher and summary/calculation of redevelopment agency debt service tax increment and pension override revenue transfer for January 2012. See Exhibit B for detail regarding pension override revenues.

Upon dissolution, the former redevelopment agency transferred capital assets totaling of $63,578 directly to the City of Monterey Park effective February 1, 2012. No other transfers were made from the former redevelopment agency to the city or county for the period January 1, 2011 through January 31, 2012.

With respect to the period February 1, 2012 through June 30, 2012, the Successor Agency made pension override payments to the City of Monterey Park's retirement fund comparable to those discussed above. Consulted with Annie Yaung , Financial Services Manager and Shirley Tung, Accountant, both with the City of Monterey Park, examined copy of pension override check, authorization for payment form and ROPS II schedule and confirmed transfer of monies to the City's pension override retirement fund. See Exhibit B.

The Successor Agency also transferred capital assets, land and land held for resale to the City of Monterey Park effective June 30, 2012. These asset transfers were made pursuant to Resolution No. OBR-3A, adopted June 15, 2012, wherein the Oversight Board to the Successor Agency approved a property disposition plan for the properties held by the former redevelopment agency.

In summary, the property disposition plan is approved by SA, OB, and DOF. The Successor Agency transferred the following to the City prior to 6/30/2012:

Land	$	351,410
Improvements - net		216,438
Lincoln Garvey Parking Lot		1,026,300
Edison Land (aka Market Place Project)		1,850,000
	$	3,444,148

No other transfers were made from the Successor Agency to the city or county for the period February 1, 2012 through June 30, 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:
There were no transfers 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, nor were there any asset transfers from the Successor Agency to any other public agency of private parties for the period February 1, 2012 through June 30, 2012. Therefore, these procedures are 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.

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:
See Exhibit B for the summary obtained from the Successor Agency 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.

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 C for the listing obtained from the Successor Agency of all assets of all other funds of the Successor Agency as of June 30, 2012, excluding previously reported assets of the Low and Moderate Income Housing Fund.

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:
The listing of asset balances held on June 30, 2012 that are restricted as unspent bond proceeds included cash totaling $5,598,786, reported in the Atlantic/Garvey Capital Projects Fund (Fund 860). Unspent bond proceeds consisted of principal in the amount of $4,517,000 and earned interest of $1,081,786.

Reviewed LAIF bond statements from September 2002 through January 2012, including interest accruals and withdrawals, Official Bond Statements for 2002 Tax Allocation Bonds for the Atlantic/ Garvey Project Area and 1998 Tax Allocation Bonds for the Merged Project area, audited financial statements for the fiscal years ended June 30, 2010 and June 30, 2011, Bank of America bank statement for City of Monterey Park acting as Successor Agency to the former Redevelopment Agency 2002 Bonds for the Period May 31, 2012 through June 29, 2012 and bank reconciliation prepared by City of Monterey Park finance personnel and confirmed existence and amount of unspent bond proceeds.

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:
The listing also included cash held with fiscal agent of $2,470,950 related to monies required to be reserved for at least one year of bond payments. Reviewed (1) Official Bond Statements for 2002 Tax Allocation Bonds for the Atlantic/ Garvey Project Area and 1998 Tax Allocation Bonds for the Merged Project Area, (2) balance sheet and general ledger trial balance reports as of June 30, 2012 and (3) audited financial statements for the fiscal years ended June 30, 2010 and June 30, 2011 and confirmed reserve amount. Reviewed the documents set forth the restriction pertaining to these balances.

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:
See Exhibit D for the listing obtained from the Successor Agency of asset balances held on June 30, 2012 that are restricted for the purposes specified above.

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:
    The listing included loans receivable of $5,850,000 and land held for sale of $5,646,937 reported in the Successor Agency Merged Capital Projects Fund (Fund 870). Reviewed (1) general ledger trial balance and balance sheet reports as of June 30, 2012, (2) audited financial statements for the fiscal year ended June 30, 2011, (3) Successor Agency draft audited financial statements for the five months ended June 30, 2012, dated November 14, 2012, (4) Promissory Note/Mezzanine Loan by and between the former redevelopment agency and Atlantic Times Square II, LLC, (5) Oversight Board resolution No. OBR-3A, approving a property disposition plan for former redevelopment agency properties, (6) CRA Capital Asset rollforward schedule prepared by Monterey Park finance department personnel, and noted these assets are not available for distribution as they are not due within a reasonable period of time, and, therefore, not deemed liquid within the meaning of California Health and Safety Code section 34179.5(c)(5)(C).

    Confirmed with City of Monterey finance department personnel that loan receivable and land held for sale are listed in the accounting records at purchase cost.

    See Exhibit E for the listing obtained from the Successor Agency of assets as of June 30, 2012 that are not liquid or otherwise available for distribution.

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 believes asset balances need to be retained to satisfy enforceable obligations. See Exhibit E for asset balances not available for distribution as of June 30, 2012.

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.
   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:
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 believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedules (ROPS) for the period of July 1, 2012 through June 30, 2013. See Exhibit E for asset balances not available for distribution as of June 30, 2012.

ROPS for the period of January 1, 2013 to June 30, 2013 included enforceable obligations disqualified by the Department of Finance (DOF). The Meet and Confer with DOF took place on November 19, 2012. DOF has stated that it will provide a new determination letter regarding the disputed items by December 15, 2012.

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:
The Successor Agency received a payment of $3,083,008 in June 2012 from the Los Angeles County Auditor-Controller's Office for the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 to December 31, 2012.

See Exhibit F 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 G for Management Representation Letter.

EXHITBITS

Exhibit A
All assets transferred from the former redevelopment agency to the Successor Agency on February 1, 2012

Exhibit B
Summary of Financial Transactions

Exhibit C
Assets of all other funds of the Successor Agency as of June 30, 2012

Exhibit D
Asset balances held on June 30, 2012 restricted for various purposes

Exhibit E
Assets as of June 30, 2012 not liquid or otherwise available for distribution

Exhibit F
Summary of Balances Available for Allocation

Exhibit G
Management Representation Letter

Successor Agency to the Monterey Park Redevelopment Agency
All Other Funds of the Successor Agency
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012

EXHIBIT A
All assets transferred from the former redevelopment agency to the Successor Agency on February 1, 2012

	Debt Service Funds		Capital Projects Funds			
	Merged Project Fund No. 825	Atlantic/Garvey No. 1 Fund No. 815	Merged Project Fund No. 820	Atlantic/Garvey No. 1 Fund No. 810	Capital Assets	Total
ASSETS						
Cash and investments	$ 2,559,087	$ 1,401,109	$ 4,509,046	$ 8,232,507	$ -	$ 16,701,749
Cash and investments held by fiscal agent	778,115	1,692,089	-	-	-	2,470,204
Notes receivable, net	-	-	8,903,530	-	-	8,903,530
Land	-	-	8,523,237	-	-	8,523,237
Capital assets	-	-	-	-	567,848	567,848
Total assets	$ 3,337,202	$ 3,093,198	$ 21,935,813	$ 8,232,507	$ 567,848	$ 37,166,568

NOTES RECEIVABLE	
Mezzanine Loan, net	$ 5,850,000
Bridge loan - Towne Centre, net	3,053,530
Total notes receivable, net	$ 8,903,530

Land	
Hotel Site	$ 4,233,000
Lincoln Garvey Parking Lot	1,026,300
540 W. Garvy Avenue (aka Garvey Site)	1,413,937
Edison Land (aka Market Place Project)	1,850,000
Total land	$ 8,523,237

CAPITAL ASSETS	
Land	$ 351,410
Improvements - net	216,438
Total capital assets	$ 567,848

Successor Agency to the Monterey Park Redevelopment Agency
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For the year ended June 30, 2012

Exhibit B
Summary of Financial Transactions

	Redevelopment Agency			Successor Agency
	12 Months Ended 6/30/2010	12 Months Ended 6/30/2011	7 Months Ended 1/31/2012	5 Months Ended 6/30/2012
Assets (modified accrual basis)				
Cash and investments	$ 26,837,415	$ 22,324,587	$ 23,204,117	$ 22,134,809
Cash and investments held by fiscal agents	2,474,892	2,472,362	2,470,204	2,470,950
Accounts receivable	900,938	801,919	-	1,504
Interest receivable	-	37,150	-	-
Note receivable	10,677,554	8,903,530	8,903,530	5,850,000
Advances to other funds	2,601,898	2,617,203	2,617,203	-
Land Held for resale	10,815,327	10,815,327	10,815,327	5,646,937
Total Assets	$ 54,308,024	$ 47,972,078	$ 48,010,381	$ 36,104,200
Liabilities (modified accrual basis)				
Accounts payable	$ 457,838	$ 512,819	$ -	$ 2,067,891
Deposits and advances	4,933	8,805	8,805	3,083,007
Advances from other funds	2,601,898	2,617,203	2,617,203	-
Advances from the City	-	-	-	2,617,203
Deferred revenue	1,614,574	-	-	-
Total Liabilities	$ 4,679,243	$ 3,138,827	$ 2,626,008	$ 7,768,101
Equity	$ 49,628,781	$ 44,833,251	$ 45,384,373	$ 28,336,099
Total Liabilities + Equity	$ 54,308,024	$ 47,972,078	$ 48,010,381	$ 36,104,200
Total Revenues	$ 10,889,088	$ 10,856,344	$ 4,836,746	$ 413,877
Total Expenditures	14,082,086	10,769,982	3,859,478	6,059,294
Transfers and Other Financing Sources (Uses)				
Transfers out to City of Monterey Park	(1,538,517)	(8,657,616)	(426,146)	-
Proceeds from tax increment deferred loan	3,705,856	3,775,724	-	-
Transfer to Housing SA	-	-	-	(11,402,857)
Total Transfers	2,167,339	(4,881,892)	(426,146)	(11,402,857)
Net change in equity	(1,025,659)	(4,795,530)	551,122	(17,048,274)
Beginning Equity:	50,654,440	49,628,781	44,833,251	45,384,373
Ending Equity:	$ 49,628,781	$ 44,833,251	$ 45,384,373	$ 28,336,099
Other Information (show year end balances for all four periods presented):				
Capital assets as of end of year	$ 861,344	$ 853,452	$ 567,848	$ -
Long-term debt as of end of year	$ 59,112,783	$ 61,794,542	$ 60,745,799	$ 61,607,021

Successor Agency to the Monterey Park Redevelopment Agency
All Other Funds of the Successor Agency
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For the year ended June 30, 2012

Exhibit B
Summary of Financial Transactions
(continued)

	Merged Capital Projects Fund No. 0870	Atlantic/Garvey Capital Projects Fund No. 0860	Redevelopment Obligation Retirement Fund Fund No. 0850	Total
ACCOUNTS PAYABLE				
Jenkins & Hogin	$ 8,025	$ -	$ -	$ 8,025
County of Los Angeles	588,648	803,602	-	1,392,250
City of Monterey Park	245,000	245,000	-	490,000
LA Corp Center Owners Assoc	2,565	-	-	2,565
National Construction Rental	207	-	-	207
Paul, Plevin, Sullivan & Connaught	748	-	-	748
Rosenow Sepevacek Group	4,938	5,693	-	10,630
Urban Futures Inc	900	900	-	1,800
City/SA Receivable & Payable	7,912	7,912	-	15,824
City/SA Receivable & Payable	117,284	19,481	-	136,765
C Yoshizaki June Invoice	1,288	1,288	-	2,575
Chinatown Svcs Center		2,500	-	2,500
Accrued Payroll	2,001	2,001	-	4,002
Total accounts payable	$ 979,515	$ 1,088,376	$ -	$ 2,067,892
ADVANCES PAYABLE				
Advances from City of Monterey Park	$ 1,149,361	$ 1,467,842	$ -	$ 2,617,203
Total advances payable	$ 1,149,361	$ 1,467,842	$ -	$ 2,617,203
BONDS PAYABLE				
2002 and 1998 TAB 2012-2013 Principal	$ 340,000	$ 870,000	$ -	$ 1,210,000
Total bonds payable	$ 340,000	$ 870,000	$ -	$ 1,210,000

Successor Agency to the Monterey Park Redevelopment Agency
All Other Funds of the Successor Agency
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Exhibit C
Assets of all other funds of the Successor Agency as of June 30, 2012

	Merged Capital Projects Fund No. 870	Atlantic/Garvey Capital Projects Fund No. 860	Redevelopment Obligation Retirement Fund Fund No. 850	Total
ASSETS				
Cash and investments	$ 9,888,735	$ 9,163,067	$ 3,083,007	$ 22,134,809
Cash and investments held by fiscal agent	778,115	1,692,835	-	2,470,950
Interest receivable	-	1,504	-	1,504
Notes receivable, net	5,850,000	-	-	5,850,000
Land	5,646,937	-	-	5,646,937
Total assets	$ 22,163,787	$ 10,857,406	$ 3,083,007	$ 36,104,200

NOTES RECEIVABLE	
Mezzanine Loan, net	$ 5,850,000
Total notes receivable, net	$ 5,850,000

LAND	
Hotel Site	$ 4,233,000
540 W. Garvy Avenue (aka Garvey Site)	1,413,937
Total land	$ 5,646,937

Successor Agency to the Monterey Park Redevelopment Agency
All Other Funds of the Successor Agency
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012

Exhibit D
Asset balances held on June 30, 2012 restricted for various purposes

	Description		Amount
RESTRICTED ASSETS			
Cash and investments			
Atlantic/Garvey Capital Projects Fund 860	Unspent 2002 TAB proceeds	$	5,598,786
Atlantic/Garvey Capital Projects Fund 860	2002 TAB reserve		1,692,835
Atlantic/Garvey Capital Projects Fund 860	ATS DIR Litigation Cost (1)		75,000
Merged Capital Projects Fund 870	1998 TAB reserve		778,115
Merged Capital Projects Fund 870	Litigation Trust Fund (2)		9,900,000
Total restricted assets		$	18,044,736

(1) Per discussion with Annie Yaung, Financial Services Manager, for the City of Monterey Park, as of June 30, 2012, approximately $9.9 million was set aside for potential future obligations associated with the Atlantic Times Square project. Reviewed (1) Promissory Note/Mezzanine Loan (Agreement) by and between the Monterey Park Redevelopment Agency and Atlantic Times Square II, LLC dated as of November 21, 2005, (2) Tolling Agreement by and between the Monterey Park Redevelopment Agency and Atlantic Times Square II, LLC, (3) August 2, 2012 letter from Kam Sang Company to Annie Yaung regarding confirmation of Mezzanine Loan balance as of June 30, 2012, and (4) audited financial statements for the fiscal years ended June 30, 2010 and June 30, 2011, and noted that uncertainty existed as to the Agency's liability under the Agreement regarding millions of dollars in subsidies as a result of a 2010 Department of Industrial Relations (DIR) determination and a 2011 DIR appeal which, as of June 30, 2012, were still being contested at the Superior Court level.

(2) There are provisions within the agreement with the developer suggesting that the Agency may be obligated to provide millions of dollars of subsidies to the Atlantic Times Square development. Uncertainty regarding whether the Agency is actually obligated to provide subsidies, and how much, arises from a determination issued by the Department of Industrial Relations (DIR) in June 2010. That determination was appealed by the Agency. On August 26, 2011, the DIR upheld its previous 2010 determination and denied the Agency's appeal. The Agency filed a lawsuit in Superior Court to overturn the DIR's determination on October 19, 2011. The Agency was also subject to enforcement action from the Division of Labor Standards Enforcement (DLSE) for unpaid prevailing wages on the development project. On July 23, 2012, the parties entered into escrow agreement, and then on July 26, 2012 the Successor Agency deposited $9,900,000 to the escrow account. On September 18 and 19, 2012, the Successor Agency entered into a settlement agreement with the DLSE and the developer, respectively, which resolved all outstanding issues. Pursuant to the settlement agreement, 1) the Mezzanine Loan in the amount of $5,800,000 is converted to a grant and is no longer owed to the Successor Agency and 2) the Successor Agency will pay $476,650 to DLSE, $5,400,000 to the developer for costs related to the Atlantic Times Square project, and up to $600,000 to the developer for settlement of the dispute from the escrow account. The remaining settlement to the Successor Agency is estimated to be $3,370,000 and will be retained in escrow until November 30, 2014 upon expiration of the applicable statue of limitations for others to file a claim regarding the project, less any claims filed before such expiration. The Department of Finance approved the settlement agreement on November 21, 2012 and agreed that up to $3,370,000 will be available for distribution to the taxing entities after the retention period ends in November 2014. The estimated settlement in the amount of $6,530,000 is reported as settlement payable at June 30, 2012.

Successor Agency to the Monterey Park Redevelopment Agency
All Other Funds of the Successor Agency
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Exhibit E
Assets as of June 30, 2012 not liquid or otherwise available for distribution

	Description		Amount
NON-LIQUID ASSETS			
Notes receivable			
Merged Capital Projects Fund 870	Mezzanine Loan - Atlantic Times Square Project	$	5,850,000
Land held for sale			
Merged Capital Projects Fund 870	Hotel Site		4,233,000
	540 W. Garvy Avenue (aka Garvey Site)		1,413,937
Total non-liquid assets		$	11,496,937

Successor Agency to the Monterey Park Redevelopment Agency
All Other Funds of the Successor Agency
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012

Exhibit F
Summary of Balances Available for Allocation

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)	$	36,104,200
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 D)		(18,044,736)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7) (Exhibit E)		(11,496,937)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)		-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year Payment received for ROPS II in June 2012 (Exhibit B)		(3,083,008)
Less outstanding payables approved by DOF in ROPS I @ June 30, 2012 (Exhibit B)		(2,067,891)
Amount to be remitted to county for disbursement to taxing entities	$	1,411,629

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.

Successor Agency to the Monterey Park Redevelopment Agency
All Other Funds of the Successor Agency
Agreed Upon Procedures – AB 1484
For the year ended June 30, 2012

EXHIBIT G
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

December 5, 2012

Pun & McGeady LLP
9 Corporate Park, Suite 130
Irvine, California 92606
San Diego, California 92122

In connection with your engagement to apply agreed-upon procedures relating to the All Other Funds of the Successor Agency 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 us in ensuring 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 Successor Agency to the Monterey Park Redevelopment Agency ("Successor Agency") 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 for the dissolved redevelopment agency.

3. We are responsible for the presentation of the exhibits in the All Other Funds of the Successor Agency 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 All Other Funds of the Successor Agency 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 Successor Agency acknowledges that procedures that have been developed by the California Department of Finance in accordance with California Health and Safety Code (HSC) Section 34179.5 and that we will follows these procedures unless we conclude that they are inconsistent with law.

6. We have disclosed to you any known matters contradicting the information contained in the All Other Funds of the Successor Agency Due Diligence Review AUP report.

7. There have been no communications from regulatory agencies, internal auditors, and other independent practitioners or consultants relating to the All Other Funds of the Successor Agency Fund Due Diligence Review, including communications received between June 30, 2012 and December 5, 2012.

8. We have made available to you all information that we believe is relevant to the All Other Funds of the Successor Agency 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 All Other Funds of the Successor Agency 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 Successor Agency, the California Department of Finance, the California State Controller's Office, and the Los Angeles County Auditor-Controller 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.

Successor Agency to the Monterey Park Redevelopment Agency:

Signed:		Signed:	
Print Name:	Annie Yaung, CPFO	Print Name:	Paul Talbot
Title:	Financial Services Manager	Title:	City Manager

Staff Report Monterey Park Oversight Board

Item No. 5

DATE: January 3, 2013

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

FROM: **DONNA RAMIREZ, ACTING ECONOMIC DEVELOPMENT SPECIALIST ON BEHALF OF THE SUCCESSOR AGENCY**

SUBJECT: **PUBLIC COMMENT HEARING FOR A DUE DILIGENCE REVIEW OF THE NON-HOUSING ASSETS OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY**

SUMMARY

With the passing of AB 1484, the Legislature established new requirements for successor agencies to conduct a Due Diligence Review, by a County approved Auditor, to determine the unobligated balances available for transfer to taxing entities. The Due Diligence Review must include:

1. A valuation of all cash assets transferred from the former redevelopment to the Successor Agency on February 1, 2012;
2. The value of all cash assets transferred from the redevelopment agency or Successor Agency to the City between January 1, 2011 and June 30, 2012; and
3. The dollar value of any cash transferred from the redevelopment agency or Successor Agency to any other public agency or private party between January 1, 2011 and June 30, 2012.

The audit must include the purpose of each transfer and documentation for the enforceable obligation which required the transfer, and reconcile any transfers with the report made to the State Controller for FY 2009-10. Deductions may be made for (1) assets obligated for a legally restricted purpose, such as grants or bonds; (2) non-cash assets, such as property or equipment; (3) assets restricted or obligated to fund an enforceable obligation; and (4) assets required to pay the Successor Agency's current year ROPS obligation.

There are separate due diligence reviews for the amount available for distribution from the Successor Agency's Low and Moderate Income Housing Fund (LMIHF) and all other Successor Agency funds. On October 12, 2012, the Successor Agency's Oversight Board approved the LMIHF Due Diligence Review. After a meet and confer with the Successor Agency, the Department of Finance (DOF) approved the LMIHF Due Diligence Review in its entirety on December 4, 2012. The due diligence review submitted for consideration involves all other funds and assets held by the Successor Agency.

On December 11, 2012, the Successor Agency passed a resolution approving a draft of the Due Diligence Review of the non-housing assets and directed staff to present the draft to the Oversight Board. In addition, they directed staff to distribute the draft document to the Oversight Board and the County Auditor-Controller, State Controller, and the Department of Finance (DOF) by December 15, 2012.

AB 1484 requires the Oversight Board to hold a Public Meeting within a minimum of five (5) days prior to voting on approval. The purpose of the public meeting is to provide an opportunity for public comment prior to the approval vote. To meet the required deadlines the Oversight Board will meet again on January 10, 2013 for its final approval. The Oversight Board must review and transmit an approved Due Diligence Review to the DOF by January 15, 2013.

DOF will have until April 1, 2013, to review the Due Diligence Review and provide its determination to the Successor Agency. Within five days after DOF's determination the Successor Agency must transmit any unobligated funds to the County Auditor-Controller. If the Successor Agency does not agree with DOF's determination, it can submit a request to meet and confer. As outlined in AB 1484, the meet and confer process would take no longer than 30 days. During this period the requirement to transmit funds to the County Auditor-Controller would be suspended until the meet and confer process is completed.

If the Oversight Board misses its respective deadline of January 15, 2013, it may cause DOF to delay its determination, which could result in an offset of sales and use tax or property tax against both the Successor Agency and City.

DISCUSSION

The due diligence review was performed by the firm of Pun & McGeady, LLP, a licensed county-approved auditor for the City of Monterey Park. The review covered periods of fiscal years 2010-2013 and included the following agreed-upon procedures to determine the unobligated cash and cash equivalents available for disbursement to taxing entities. These procedures were agreed to by the California State Controller's Office and the California State Department of Finance.

1) Reviewed and identified the amount of the assets transferred from the former redevelopment agency to the Successor Agency on February 1, 2012.

   Results: Exhibit A of the due diligence review displays total assets of $37,166,568 being transferred to the Successor Agency on 2/1/2012.

2) Reviewed and obtained the legal document for transfers from the former redevelopment agency or the Successor Agency to the City or County for the period January 1, 2011 through June 30, 2012.

   Results: There are two key categories of transfers shown in Exhibit B of the due diligence review:

   (a) Capital Assets and Land. The transfer was done according to the Property Disposition Plan which was approved by the Successor Agency, Oversight Board, and Department of Finance.

   (b) Catch-up Pension Override Payments. These pension override amounts were not set aside or remitted to the City for fiscal years 1983-84 through 2007-08.

   Exhibit B also displays total assets, liabilities, and equity for the Successor Agency as of June 30, 2012.

3) Reviewed and ascertained any other transfers from the former redevelopment agency or the Successor Agency to any other public agency or to private parties for the period from January 1, 2011 through June 30, 2012.

   Results: There were no such transfer occurrences.

4) Obtained and listed all assets of the Successor Agency as of June 30, 2012, excluding the LMIHF.

Results: Exhibit C of the due diligence review displays all assets of the Successor Agency as of June 30, 2012. The total assets of $36,104,200 include cash, cash held by fiscal agent, bond interest receivables, ATS Mezzanine loan, and land.

5) Obtained, reviewed, and complied the listing of restricted assets as of June 30, 2012.

Results: Exhibit D displays the asset balances which are restricted for various purposes as of June 30, 2012. Total restricted assets of $18,044,736 include: *Unspent 2002 Tax Increment Bonds $5,598,786, 2022 Tax Increment Bonds Reserve $1,692,835, 1998 Tax Increment Bonds Reserve $778,115, Atlantic Times Square DIR litigation costs $75,000; and Atlantic Times Square litigation escrow fund $9.9 million.* While the Atlantic Times Square matter has been settled (and certain funds identified spent pursuant to the Settlement Agreement), the matter was settled after the applicable review period of the due diligence review.

6) Obtained and verified non-liquidated assets as of June 30, 2012, which are not available for distribution.

Results: Exhibit E of the due diligence review lists non-liquidated assets for a total amount of $11,496,937, which is not available for distribution. These include Atlantic Times Square Mezzanine Loan, $5,850,000, Hotel site, $4,233,000, and W Garvey lot, $1,413,937.

7) Prepared and computed a schedule detailing the *Balance Available for Allocation to Affected Taxing Entities.*

Results: Exhibit F of the due diligence review displays the computation of the available amount to be remitted by the Successor Agency to the County for disbursement to various taxing entities. The amount is ***$1,411,629.***

FISCAL IMPACT

The Successor Agency will pay the unencumbered balance of the Successor Agency Fund, totaling ***$1,411,629*** to the taxing entities, as required pursuant to AB 1x26 and AB 1484.

RECOMMENDATION

It is recommended that the Oversight Board:

1. Review the Due Diligence Review of the non-housing assets of the Successor Agency;
2. Hear public comments; and
3. Set the meeting for January 10, 2013 for the final consideration of the Due Diligence Review.

Approved:

_____ _____

Donna M. Ramirez
Economic Development Specialist

Paul Talbot
City Manager

Attachments:

1. Due Diligence Review of the Successor Agency's non-housing assets

ATTACHMENT 2

RESOLUTION NO. ____

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE MONTEREY PARK REDEVELOPMENT AGENCY AMENDING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR JANUARY THROUGH JUNE 2013 AND ADMINISTRATIVE BUDGET FOR JULY THROUGH DECEMBER 2012

The Oversight Board for the Successor Agency to the Monterey Park Redevelopment Agency ("Oversight Board") does resolve as follows:

Section 1. The Board finds and declares that:

A. Pursuant to Health & Safety Code § 34180, on May 4, 2012, the Oversight Board approved an Initial Recognized Obligation Payment Schedule for the period from February 1, 2012 through June 30, 2012 and a Recognized Obligation Payment Schedule for the period from July 1, 2012 through December 31, 2012, and submitted the Recognized Obligation Payment Schedules to the Department of Finance ("DOF") and State Controller;

B. On May 16, 2012, DOF notified the Successor Agency that one line item on the Recognized Obligation Payment Schedules would not be approved: the deferred payments paid by the Redevelopment Agency to the low and moderate income housing set aside fund ("LMI Fund"), included as line 17 on the January – June ROPS 2012 and line 19 on the July – December ROPS 2012 approved by the Oversight Board. Upon deletion of the one line item, DOF indicated that no further clarification on the ROPS was necessary and approved the ROPS;

C. On June 15, 2012, the Oversight Board ratified the 2012 ROPS as approved by DOF;

D. On August 17, 2012, the Oversight Board approved the Recognized Obligation Payment Schedule and administrative budget for the period from January 1, 2013 through June 30, 2013 (the "Third ROPS"), and submitted the Third ROPS to the DOF and State Controller;

E. On October 11, 2012, DOF issued a letter of determination on the Third ROPS, objecting to certain items as either (i) obligations that should be included in the Successor Agency's administrative budget; (ii) obligations that should be performed and funded by the City of Monterey Park, as the Housing Successor Agency; or (iii) an obligation arising from an agreement between the Successor Agency and City invalidated by AB x1 26;

F. On October 17, 2012, the Successor Agency requested a meet and confer with DOF to further discuss two disputed items on the Third ROPS: Item No. 15,

regarding payments due to the City's retirement fund established by voter initiative, and Item No. 22, concerning property maintenance fees for properties to be sold by the Successor Agency;

G. On November 21, 2012, the Successor Agency approved a revised Third ROPS and revised administrative budget for July through December 2012, consistent with DOF's determination, other than the two disputed items still being discussed with DOF;

H. On December 19, 2012, after meeting with the Successor Agency, DOF issued its final determination concerning the Third ROPS, withdrawing its objection to Item No. 22 and acknowledging that it may be included on the ROPS; and

I. The Oversight Board desires to amend the Third ROPS and administrative budget for January through June 2013, and the administrative budget for July through December 2012, consistent with DOF's final determination.

Section 2. *Amended Recognized Obligation Payment Schedule and Administrative Budget for January through June 2013*. The Oversight Board hereby amends the Recognized Obligation Payment Schedule for the period from January 1, 2013 through June 30, 2013, attached as Exhibit A to this Resolution, and Successor Agency Administrative Budget for the period from January 1, 2013 through June 30, 2013, attached as Exhibit B to this Resolution.

Section 3. *Amended Administrative Budget for July through December 2012*. The Oversight Board hereby amends the Successor Agency Administrative Budget for the period from July 1, 2012 through December 31, 2012, attached as Exhibit B to this Resolution.

Section 4. *Reservation of Rights*. This Resolution is adopted to comply with the requirements of Health & Safety Code §§ 34177 and 34180 and ensure distribution of tax increment to the Successor Agency so that it may satisfy its enforceable obligations. Neither the adoption of this Resolution nor the performance of actions under or pursuant to this Resolution is intended by to waive any right of the Oversight Board or Successor Agency to challenge DOF's final determination or any future ROPS determinations, through administrative or judicial proceedings.

Section 5. *Authorization*. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including but not limited to submitting the amended ROPS and administrative budgets to the county auditor-controller and DOF.

Section 6. *Amendment*. The ROPS and administrative budgets may be amended from time to time at upon approval by the Oversight Board.

Section 7. *Environmental Determination*. This Resolution is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 2100, et seq., "CEQA") and CEQA regulations (14 California Code of Regulations §§ 15000, et seq.) because

it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Resolution does not constitute a "project" that requires environmental review (see specifically 14 CCR § 15378(b)(4-5)).

Section 8. *Reliance on Record*. Each and every one of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the Oversight Board and applicable law. The findings and determinations constitute the independent findings and determinations of the Oversight Board in all respects and are fully and completely supported by substantial evidence in the record as a whole.

Section 9. *Summaries of Information*. All summaries of information in the findings, which precede this Section, are based on the substantial evidence in the record including, without limitation, verbal and documentary evidence submitted to the Oversight Board. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

Section 10. The Secretary 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 11. This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED, APPROVED, AND ADOPTED this 3rd day of January, 2013.

_____
Paul Talbot, Chairperson

ATTEST:

_____
David Barron
Oversight Board Secretary

I HEREBY CERTIFY that the above and foregoing ordinance was duly passed and adopted by the Oversight Board of the Successor Agency to the Monterey Park Redevelopment Agency at its regular meeting held on the 3rd day of January, 2013, by the following vote, to wit:

AYES;
NOES;
ABSENT:

Staff Report Monterey Park Oversight Board

Item No. 6

DATE: January 3, 2013

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

FROM: **DONNA RAMIREZ, ACTING ECONOMIC DEVELOPMENT SPECIALIST ON BEHALF OF THE SUCCESSOR AGENCY**

SUBJECT: **RESOLUTION APPROVING THE AMENDED THIRD RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR JANUARY-DECEMBER 2013 AND ADMINISTRATIVE BUDGET FOR JULY-DECEMBER 2012**

SUMMARY

Staff requests that the Oversight Board consider amending the Third Recognized Obligation Payment Schedule (ROPS) and administrative budget for the period covering January-June 2013 and administrative budget covering July-December 2012 to comply with certain changes requested by the State Department of Finance (DOF).

BACKGROUND

As you will recall, ABx1 26 and AB 1484, the dissolution legislation, requires all successor agencies to formulate Recognized Obligation Payment Schedules under which the SA would make payments for eligible obligations of the former redevelopment agency. The Recognized Obligation Payment Schedules shall be reviewed and approved by the Oversight Board and subsequently by DOF.

The SA, on February 15, 2012, approved the First ROPS for the period of January-June 2012 and the Second ROPS for the period of July-December 2012. The SA approved the Third ROPS for the period of January-June 2013 on July 18, 2012 and the amended ROPS3 on November 21, 2012. All of the ROPS, with the exception of the revision to the ROPS3, have been approved by the Oversight Board and forwarded to the appropriate agencies, including DOF. On May 25, 2012, DOF raised one issue regarding the first two ROPS concerning repayments to the Low and Moderate Income Housing Fund, which was resolved after AB 1484 clarified that such funds could be included on the ROPS. DOF did not object to any other items.

On October 11, 2012, DOF issued its findings upon review of the Third ROPS. DOF objected to the following items (the total dollar amount of the obligation in parenthesis):

- Item No. 2 – Chet Yoshizaki Consultant Services for Successor Agency ($60,000)
- Item No. 3 – Jenkins & Hogin Successor Agency Attorney Services ($60,000)
- Item No. 4 – Costs Associated with Oversight Board Attorney Services ($155,000)
- Item No. 15 – Pension Override to the City of Monterey Park's Retirement Fund ($31,574,607)
- Item No. 22 – Maintenance Fees for Successor Agency Properties to be Sold ($558,000)

- Item No. 23 – RSG Financial Consultant Services for Successor Agency ($15,000)
- Item No. 25 – Compliance Monitoring of Existing Affordable Housing Units ($558,000)
- Item No. 26 – Legal Fees to Support Actions to Enforce Affordable Housing Regulations ($558,000)
- Item No. 27 – Operating Costs of Affordable Housing Units ($372,000)

Regarding Items 2, 3, 4, 22, and 23, DOF claimed that the costs should be paid for out of the Successor Agency's administrative budget rather than ROPS tax increment. DOF objected to Item No. 15 because "this line item relates to a joint resolution between the City and the Agency adopted on March 14, 2011," which DOF claims was invalidated by the dissolution legislation. DOF objected to Items 25 through 27 as obligations of the City, as the Housing Successor Agency. None of the items objected to by DOF in its October 11 letter were identified by DOF as a concern in the prior two ROPS. On November 19, 2012, the Successor Agency met with DOF to discuss its objections. On December 18, 2012, DOF issued its final determination concerning the Third ROPS, withdrawing its objection to Item No. 22 and acknowledging that the item may be properly included on the ROPS. The ROPS and administrative budgets have been amended to comply with the DOF final determination.

DISCUSSION

As a result of the DOF determination the following changes are proposed in the Amended Third ROPS and administrative budget for January-June 2013 and administrative budget for July-December 2012:

ITEM NO.	DESCRIPTION	STATUS
1	Successor Agency Administrative Cost	Modified and Expanded but retains Maximum allowable funding
2	Contract for Successor Agency Consulting Services	Deleted. Added to Administrative Budget
3	Contract for Successor Agency Attorney Services	Deleted. Added to Administrative Budget
4	Oversight Board Attorney Services	Deleted
15	Pension Override to the City's Retirement Fund	Deleted.
23	Contract for Fiscal Consulting Services for SA	Deleted. Added to Administrative Budget
25	Affordable Housing Compliance Monitoring	Deleted. Not SA Responsibility
26	Affordable Housing Legal fees	Deleted. Not SA Responsibility

27	Affordable Housing Administration	Deleted. Not SA Responsibility

The Successor Agency is permitted an administrative budget of $250,000. While this amount may be augmented with other revenues received by the Successor Agency (i.e. rents, revenues from property sales, etc.), there are no such revenues available for use during this 6 month period. Based on these limitations, staff is proposing a revised administrative budget with reduced amounts for certain line items. Any administrative costs incurred by the Successor Agency exceeding $250,000 must be paid from another source, such as the City's General Fund.

FISCAL IMPACT

Pursuant to the recommended changes, the City (as the Housing Successor Agency) will be responsible for Items Nos. 25 – 27, related to affordable housing monitoring and compliance. These costs were estimated on the ROPS as approximately $96,000 per year. Other costs totaling $15,900 have been deleted from the Successor Agency Administrative Budget, which will be paid by the City after November 9, 2012. Further, in the event that the Successor Agency administrative costs exceed $250,000, any excess may need to be paid out of the City's General Fund.

RECOMMENDATION

It is recommended that the Oversight Board:

(1) Approve a resolution approving the Amended Third Recognized Obligation Payment Schedule for the period between January-June 2013;

(2) Approve the Amended Successor Agency Administrative Budget for January-June 2013;

(3) Approve the Amended Successor Agency Administrative Budget for July-December 2012; and

(4) Direct staff to post and transmit the amended ROPS and administrative budget to the appropriate public agencies.

_____ Approved _____

Donna Ramirez
Acting Economic Development Specialist

Paul Talbot
City Manager

ATTACHMENTS

1) Amended Third Recognized Obligation Payment Schedule for January-June 2013 (including revised Administrative Budget) and Amended Administrative Budget for July-December 2012

2) Resolution Amending the Recognized Obligation Payment Schedule for January-June 2013 and Administrative Budget for July-December 2012 and January –June 2013.

City of Monterey Park
Recognized Obligation Payment Schedule - 2012.2013 Budget Detail

Object	ROPS 3 Item #	Name	ROPS II 1/2 Year SA Total	ROPS III 1/2 Year SA Total	City SA Budget
		Successor Agency (Activity 1203)			
11200/		Salaries & Benefits			
		Donna Ramirez (50%)	20,000	20,000	40,000
		Annie Yaung (20%)	17,747	17,747	35,494
		Shirley Tung (10%)	4,400	4,400	8,800
		Paul Talbot (20%)	20,771	20,771	41,542
11300 / 12...		P.T. Clerk - Salaries & Benefits	7,000	7,000	14,000
11500		Separation Benefits / OPEB	0	0	0
21250		Office Paper	0	0	0
21350		Toners & Imaging Units	0	0	0
32050		Telephone	0	0	0
32200		Postage / Messenger Service	200	200	400
33200		Oversight Board Meetings -SA	0	0	0
34050		Legal Noticing	200	200	400
37500		Office Copy Machine Rental & Support Services	1,000	1,000	2,000
37600		Building Rental			0
38400		Website-Network, IT Support	0	0	0
39250		Printing & Duplicating, Check Stocks	0	0	0
39400		SA Education/Training/ Meeting	0	0	0
31600		Atlantic Times Square DIR Litigation Costs - Paul Plevins LLP (Appeal)		0	0
		Sub-Total (Original Admin Budget)	**71,318**	**71,318**	**142,636**
31600	3	Attorney Services - Jenkins & Hogin, LLP	20,000	20,000	40,000
31600	4	Oversight Board Attorney Services	0	0	0
31950	2	Consulting Services - Chester Yoshizaki	30,000	30,000	60,000
31950	23	Consulting Services for SA - Rosenow Spevacek Group. Inc.	3,682	3,682	7,364
		Sub-Total (Per DOF Letter)	**53,682**	**53,682**	**107,364**
		Administration Budget - Total	***125,000***	***125,000***	***250,000***