

OVERSIGHT BOARD AGENDA

City of Monterey Park, California

Oversight Board to the City of Monterey Park Successor Agency to the Monterey Park Redevelopment Agency

Special Meeting

Thursday, January 21, 2016, 9:00 a.m.

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

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

PUBLIC COMMENTS ON AGENDA ITEMS

Any member of the public wishing to address the Oversight Board regarding any item on this Agenda will need to fill out a speaker card and then return it to the Secretary before the announcement of the Agenda Item.

Speakers are provided five (5) minutes per individual on each published agenda item. Persons may consolidate with another speaker's time not to exceed two (2) minutes for each speaker wishing to forego his or her opportunity. However in the interest of ensuring that all members of the Public have an equal opportunity to participate, a single speaker cannot speak for more than ten (10) minutes on the individual Agenda item. In the event that there are a large number of speakers on a particular agenda item, the Oversight Board may in the interest of being able to timely conduct business reduce the amount of time allotted to each speaker and/or limit the total amount time allowed for speakers to address the agenda item. At the conclusion of that period of time, the speaker will be asked to conclude their remarks so that the next speaker may begin their comments.

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

CALL TO ORDER Chair Person

FLAG SALUTE Chair Person

ROLL CALL Paul Talbot, Robert Lee Gin, Michael D. Hamner, Cheryl Plotkin, Annie Young,
John Leung, Katherine Hennigan

AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS

[1.] PRESENTATIONS: None.

ORAL AND WRITTEN COMMUNICATIONS

CONSENT CALENDAR -- ORAL AND WRITTEN COMMUNICATIONS

Any individual wishing to address the Oversight Board under Oral and Written Communications needs to complete and return a Speaker Card provided by the Secretary before the Oversight Board begins an item.

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

Items on the Consent Calendar are considered to be routine, ongoing business and will be enacted by one motion. There is no separate discussion on consent items unless a Oversight Board Member or citizen so requests, in which event the item is removed from the Consent Calendar and considered separately. Individuals wishing to address the Oversight Board on any item must first complete a speaker card provided by the City Clerk and must return it to the City Clerk before the Oversight Board's consideration of the Consent Calendar. The City Clerk will not accept cards after the item has been taken up. Time limit for individual comments is five minutes.

[2.] MONTEREY PARK OVERSIGHT BOARD

2-A. APPROVAL OF MINUTES FOR THE DECEMBER 17, 2015 SPECIAL MEETING

It is recommended that the Oversight Board

- (1) Approve the Minutes from the special meeting of the Monterey Park Oversight Board of December 17, 2015; and
- (2) Take such additional, related, action that may be desirable.

[3.] NEW BUSINESS

3-A APPROVE OF THE SUCCESSOR AGENCY ENTERING INTO A BOND EXPENDITURE AGREEMENT WITH THE CITY OF MONTEREY PARK

It is recommended that the Oversight Board consider:

- (1) Adopting a resolution approving the Successor Agency to the former Monterey Park Redevelopment Agency ("Successor Agency") entering into a Bond Expenditure Agreement with the City of Monterey Park;
- (2) Directing staff to transmit the Agreement to the appropriate public agencies; or
- (3) Taking such additional related action that may be desirable.

3-B A RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 16-17A & B) AND ADMINISTRATIVE BUDGET FOR JULY 1, 2016 – JUNE 30, 2017

It is recommended that the Oversight Board

- (1) Adopting a resolution approving the Recognized Obligation Payment Schedule 16-17A & B for the period between – July 1, 2016 – June 30, 2017 and approving the Successor Agency Administrative Budget for July 1, 2016 – June 30, 2017;
- (2) Directing staff to transmit the ROPS and Administrative Budget to the appropriate public agencies; or
- (3) Taking such additional related action that may be desirable.

[4.] CLOSED SESSION

None.

[5.] UNFINISHED BUSINESS

None.

ADJOURNED



Oversight Board Staff Report

DATE: January 21, 2016

AGENDA ITEM NO: 2A

TO: Chairperson Talbot
Board Members Yaung, Gin, Hamner, Plotkin, Leung, Hennigan

FROM: Vincent D. Chang, City Clerk

SUBJECT: Approval of Minutes for the December 17, 2015 Special Meeting

RECOMMENDATION:

It is recommended that the Oversight Board:

- (1) Approve the minutes from the special meeting of December 17, 2015; and
- (2) Take such additional, related, action that may be desirable.

EXECUTIVE SUMMARY:

None.

BACKGROUND:


None.

FISCAL IMPACT:

None.

Respectfully submitted,

Prepared by:



Vincent D. Chang
City Clerk



Helena Cho
Secretary

Approved By:



Paul L. Talbot
Chair

Attachments: (Special) December 17, 2015

**MINUTES
OVERSIGHT BOARD TO THE CITY OF MONTEREY PARK
SUCCESSOR AGENCY ACTING ON BEHALF OF THE
FORMER REDEVELOPMENT AGENCY
SPECIAL MEETING
DECEMBER 17, 2015**

The Oversight Board held a Special Meeting of the Board in Room 266, Second Floor of City Hall, located at 320 West Newmark Avenue in the City of Monterey Park, Thursday, December 17, 2015 at 9:00 a.m.

CALL TO ORDER:

Chair Talbot called the meeting to order at 9:09 a.m.

FLAG SALUTE:

Chair Talbot led the flag salute.

ROLL CALL:

Deputy City Clerk Cindy Trang called the roll:

Board Members Present: Paul Talbot, Robert Lee Gin, Cheryl Plotkin, John Leung, Annie Young

Board Members Absent: Michael D. Hamner, Katherine Hennigan

Also Present: Director of Community and Economic Development Michael Huntley and Economic Development Specialist Donna Ramirez

AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTION

None.

1. PRESENTATIONS

None.

ORAL AND WRITTEN COMMUNICATIONS

None.

2. MONTEREY PARK OVERSIGHT BOARD

2A. OVERSIGHT BOARD MINUTES

Approval of Minutes for the September 18, 2015 Special Meeting.

Action Taken: The Oversight Board approved the minutes of September 18, 2015 Special Meeting.

Motion: Moved by Board Member Young and seconded by Board Member Leung, motion carried by the following vote:

Ayes: Board Members: Talbot, Gin, Plotkin, Young, Leung

Noes: Board Members: None

Absent: Board Members: Hamner, Hennigan

Abstain: Board Members: None

3. NEW BUSINESS

3A. A RESOLUTION APPROVING AUTHORIZING THE PAUL TALBOT TO EXECUTE AN AGREEMENT WITH BP INTERNATIONAL, INC. AS REAL PROPERTY AGENT FOR THE SALE OF 540 WEST GARVEY AVENUE

On December 16, 2015 the Successor Agency to the former Redevelopment Agency authorized the City Manager to execute a professional service agreement with BP International, Inc. in a form approved by the City Attorney.

on August 15, 2013 the Oversight Board approved a Long Range Property Management Plan (LRPMP). One of the two remaining properties of the former Redevelopment Agency detailed in the LRPMP was the vacant commercial parcel located at 540 West Garvey Avenue.

As a component of the winding down of the former Redevelopment Agency activities, the City is required to liquidate all real property assets. Staff was directed to market the property located at 540 W. Garvey Avenue for sale on the open market. Subsequent to marketing the property on Loop Net and posting the property for sale, staff only received one viable offer. There had been a dozen or more inquiries but no additional offer transpired.

Staff had presented the offer to the Successor Agency at which time staff was directed to solicit for services of a commercial real estate broker to assist in the marketing and sale of the property. Staff conducted an RFP and is recommending that the Successor Agency retain the services of BP International, Inc.

Action Taken: The Oversight Board (1) adopted **Resolution No. OBR-26** approving the Successor Agency to the former Redevelopment Agency enter into a professional services agreement with BP International, Inc. for disposition of real property located at 540 West Garvey Avenue, in a form approved by the City Attorney; and (2) directed staff to transmit the agreement to the appropriate public agencies.

Motion: Moved by Board Member Plotkin and seconded by Board Member Gin, motion carried by the following vote:

Ayes: Board Members: Talbot, Gin, Plotkin, Yaung, Leung

Noes: Board Members: None

Absent: Board Members: Hamner, Hennigan

Abstain: Board Members: None

Resolution No. OBR-26, entitled:

RESOLUTION APPROVING OF THE MONTEREY PARK SUCESSOR AGENCY ENTERING INTO A PROFESSIONAL SERVICES AGREEMENT WITH BP INTERNATIONAL, INC., FOR DISPOSITION OF REAL PROPERTY LOCATED AT 540 WEST GARVEY AVENUE

5. **CLOSED SESSION**

None.

6. **UNFINISHED BUSINESS**

None.

ADJOURNMENT

There being no further business for consideration, the meeting was adjourned at 9:14 a.m.

Vincent D. Chang
Secretary

Staff Report *Monterey Park Oversight Board*

DATE: January 21, 2016

AGENDA ITEM NO: 3A

TO: Chairperson Talbot
Board Members Yaung, Gin, Hamner, Plotkin, Leung, Hennigan

FROM: Donna M. Ramirez, Economic Development Specialist

SUBJECT: Approve of the Successor Agency entering into a Bond Expenditure Agreement with the City of Monterey Park

RECOMMENDATION:

It is recommended that the Oversight Board consider:

1. Adopting a resolution approving the Successor Agency to the former Monterey Park Redevelopment Agency ("Successor Agency") entering into a Bond Expenditure Agreement with the City of Monterey Park;
2. Directing staff to transmit the Agreement to the appropriate public agencies; or
3. Taking such additional related action that may be desirable.

EXECUTIVE SUMMARY:

In June 2011, ABx1 26 dissolved California redevelopment agencies and prohibited the spending of any outstanding unspent bond proceeds ("Dissolution Law"). AB 1484 subsequently amended the Dissolution Law and provided a mechanism to allow successor agencies to spend unspent bond proceeds from bonds issued prior to January 1, 2011. Upon obtaining a Finding of Completion ("FOC"), successor agencies are allowed to spend unspent bond proceeds from pre-2011 bonds. An FOC is required to be issued upon California Department of Finance ("DOF") acceptance of required reports and payment of available cash balances. The Successor Agency completed all required steps and received its FOC on March 29, 2013.

Currently, the Successor Agency may only pay obligations approved on a Recognized Obligation Payment Schedule ("ROPS") which, as of January 1, 2016, is to be submitted to the Oversight Board and DOF once a year. The ROPS are required to be submitted several months prior to the effective date which creates timing problems in terms of entering into obligations related to projects funded by unspent bond proceeds.

As a result, the DOF has advised the Successor Agency and City may enter into an agreement to transfer unspent bond proceeds to the City to complete projects and

activities consistent with the original bond requirements, including spending the proceeds within the project areas. The proposed agreement was drafted based on information from DOF staff and is modeled upon similar agreements DOF has approved. Under the agreement, only the initial transfer of the excess bond proceeds is required to be included on an approved ROPS.

The 2002 Tax Allocation Bonds for the Atlantic-Garvey Redevelopment Project No. 1 (“Bonds”) were issued for the purpose of financing improvements within the Atlantic-Garvey Redevelopment Project No. 1 area (Project Area), refinancing certain outstanding obligations of the former Redevelopment Agency, funding a Reserve Account for the Bonds, and paying the costs of issuing the Bonds. The specific area of the Atlantic-Garvey Redevelopment Project area where the bonds were intended to be used is along Potrero Grande, in close proximity to the Market Place project.

The development of the Market Place power center creates the need to improve the streets leading into the project, both the infrastructure and the aesthetics. Proceeds of the Bonds must be used to finance various improvements within the Project Area, including acquisition of property and rights-of-way, street improvements, landscaping, parking facilities, retaining walls, utility improvements and general public infrastructure.

DISCUSSION:

The current amount of excess bond proceeds available is approximately \$5,637,766.61. The bond proceeds are held by Bank of the West, the Agency’s fiscal agent. These funds would be drawn down from the fiscal agent, to be held by the City in a separate capital projects account. The agreement obligates the Successor Agency to contribute the bond proceeds and the City to spend the proceeds according to the bond requirements, allowing the item to be listed as an obligation of the Successor Agency on ROPS 16-17A.

The excess bond proceeds amount listed in the agreement as “Current Excess Bond Proceeds” is \$5,637,766.61, the current amount as of January 5, 2016.

The Oversight Board may approve agreements between the Successor Agency and the City, provided the agreement effectuates the continued work of winding down the former redevelopment agency pursuant to Health and Safety Code § 34177.3(b). Further, the Agreement does not (1) create an enforceable obligation between the Successor Agency and the City to repay loans entered into between the former Redevelopment Agency and the City, or (2) restore funding for any item that was previously denied or reduced by the Department of Finance. Thus, the Oversight Board may approve the Agreement pursuant to Health and Safety Code § 34178(c).

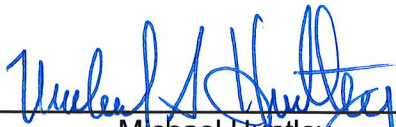
If approved by the Oversight Board, City staff will forward the Agreement to DOF for final approval. Upon DOF approval, the City will then have the authority to enter into contracts to carry out the projects and activities authorized in the bond documents.

FISCAL IMPACT:

The \$5,637,766.61 amount is funded by the proceeds from the Bonds.


Respectfully submitted,

By




Michael Huntley
Community and Economic
Development Director

Prepared by:



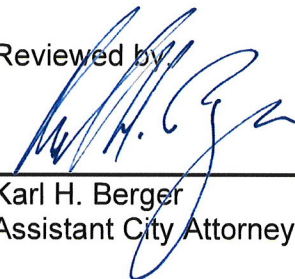
Donna Ramirez
Economic Development
Specialist

Approved by:



Paul L. Talbot
City Manager

Reviewed by:



Karl H. Berger
Assistant City Attorney

Attachment No. 1: Map of the area.

Attachment No. 2: Resolution approving the Bond Expenditure Agreement
Exhibit "A": Bond Expenditure Agreement

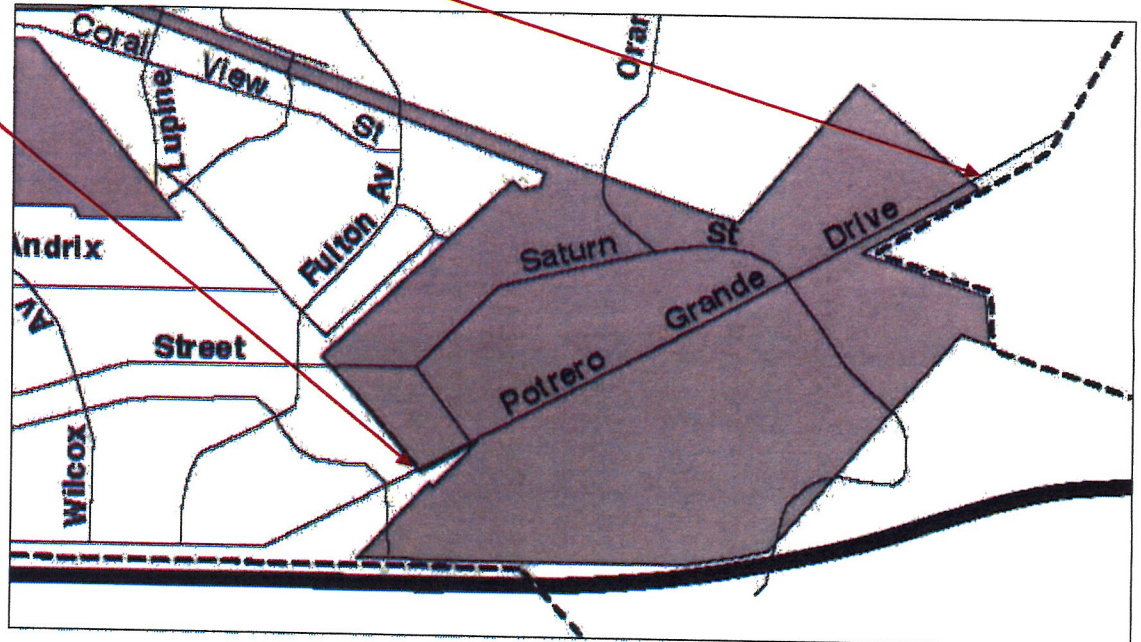
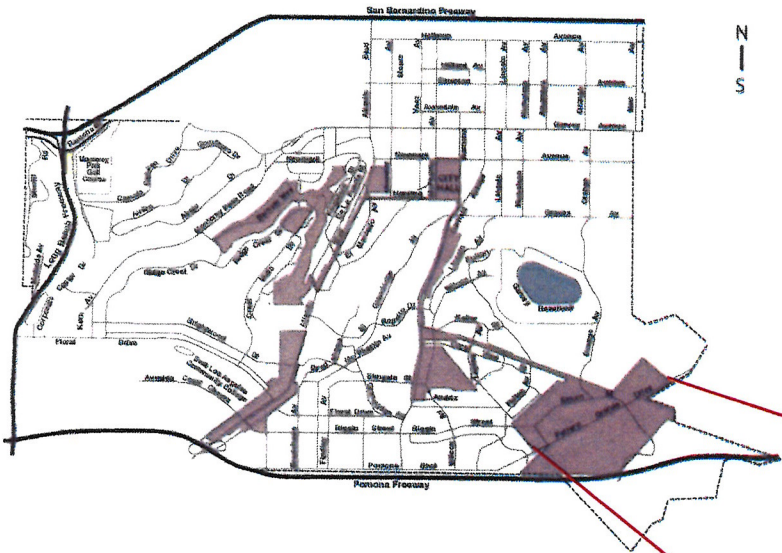
ATTACHMENT 1

MAP OF THE AREA

Atlantic-Garvey Redevelopment Project No. 1

(Area along Potrero Grande Boulevard)

ATLANTIC/GARVEY PROJECT AREA



ATTACHMENT 2

RESOLUTION APPROVING THE BOND EXPENDITURE AGREEMENT

RESOLUTION NO. OBR- _____

A RESOLUTION OF THE OVERSIGHT BOARD APPROVING OF THE MONTEREY PARK SUCCESSOR AGENCY ENTERING INTO A BOND EXPENDITURE AGREEMENT WITH THE CITY OF MONTEREY PARK

The Oversight Board to the Successor Agency to the former Monterey Park Redevelopment Agency does resolve as follows:

SECTION 1. *Approval.* Pursuant to applicable law, the Oversight Board approves of the Successor Agency to the former Monterey Park Redevelopment Agency entering into a Bond Expenditure Agreement with the City of Monterey Park, a copy of which is attached as Exhibit "A."

SECTION 2. *Authorization.* The officers and staff of the Oversight Board or Successor Agency are authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including submitting Amendment No. 1 to the Department of Finance for approval.

SECTION 3. *Environmental Assessment.* This action is exempt from the requirements of CEQA because it can be seen with certainty that there is no possibility that the activity in question may have a significant impact on the environment (CEQA Guidelines § 15061(b)(3)). This action pertains to approval of an agreement and there is no possibility that adopting the Amendment or the transfer of the property will have a significant impact on the environment.

SECTION 4. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The Oversight Board declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

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

SECTION 5. This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED, APPROVED, AND ADOPTED this 21st day of January, 2016.

Chair

ATTEST:

Secretary

I HEREBY CERTIFY that the above and foregoing Resolution was duly passed and adopted by the Oversight Board to the Successor Agency to the former Monterey Park Redevelopment Agency at its regular meeting held on the 21st day of January 20, 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

APPROVED AS TO FORM:

MARK D. HENSLEY, City Attorney

By: _____
Karl H. Berger, Assistant City Attorney

Exhibit "A": Bond Expenditure Agreement

EXHIBIT "A"

BOND EXPENDITURE AGREEMENT

**BOND EXPENDITURE AGREEMENT BY AND BETWEEN
THE CITY OF MONTEREY PARK AND THE SUCCESSOR AGENCY TO THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF MONTEREY PARK**

This Bond Expenditure Agreement (“Agreement”) is entered into on January 20, 2016, by and between the City of Monterey Park, a municipal corporation and general law city (“City”), and the Successor Agency to the former Redevelopment Agency of the City of Monterey Park (“Successor Agency”).

Recitals

A. The Successor Agency received its Finding of Completion under Health and Safety Code §34179.7 from the California Department of Finance on March 29, 2013.

B. Health and Safety Code §34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations must be expended in a manner consistent with the original bond covenants, and further provides that such expenditures must constitute “excess bond proceeds obligations” that are be listed separately on the successor agency’s Recognized Obligation Payment Schedule (“ROPS”).

C. The Successor Agency has and will have “excess bond proceeds,” and wishes to use such proceeds for redevelopment purposes consistent with applicable bond covenants.

D. The California Community Redevelopment Law (Health and Safety Code §§ 33000, *et seq.*) provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies, under Health and Safety Code § 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. Health and Safety Code §33220(e) specifically authorizes a city to enter into an agreement with its redevelopment agency or any other public entity to further redevelopment purposes. Health and Safety Code §34178 allows a successor agency and its sponsoring city to enter into agreements with the approval of the oversight board.

E. The Successor Agency desires to provide excess bond proceeds to the City to enable the City to use such funds, in a manner consistent with the original bond covenants; to undertake projects and programs that were not previously funded and obligated by the Successor Agency or the City. The City Council has found that the use of excess bond proceeds to fund projects that involve City-owned public buildings, facilities, structures, or other improvements is in accordance with Health and Safety Code §§33445, 33445.1, and 33679, and other applicable law.

F. In order to facilitate the use of excess bond proceeds consistent with the bond covenants, the Successor Agency and the City have negotiated this Agreement requiring the transfer of current and future excess bond proceeds from the Successor Agency to the City, and the City's use of such proceeds consistent with applicable bond covenants and all applicable laws. The parties intend that this Agreement constitutes an excess bond proceeds obligation within the meaning of the Health and Safety Code §34191.4(c)(2)(A) to be paid from excess bond proceeds. With Oversight Board approval, the Successor Agency has listed this Agreement, and the requirement to transfer excess bond proceeds herein, on its Recognized Obligation Payment Schedule ("ROPS") for July 1, 2016 through December 31, 2016 ("ROPS 16-17A") as an obligation to be funded with excess bond proceeds.

NOW, THEREFORE, the parties mutually agree as follows:

1. RECITALS

The recitals above are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement.

2. DEFINITIONS

For purposes of this Agreement, the following terms have the indicated meaning:

2.1 "Dissolution Law" means Parts 1.8 and 1.85 of Division 24 of the Health and Safety Code, commencing with Section 34170, and other statutes governing the dissolution of redevelopment agencies and the wind-down of redevelopment activities.

2.2 "Bond Proceeds" mean (1) proceeds from tax allocation bonds issued on or before December 31, 2010, (2) rents, sale proceeds and other revenues generated by properties acquired and/or improved with proceeds from tax allocation bonds issued on or before December 31, 2010, (3) interest and principal paid on loans funded by proceeds from tax allocation bonds issued on or before December 31, 2010, and (4) other income or revenues generated from assets acquired or funded with proceeds from tax allocation bonds issued on or before December 31, 2010.

2.3 "Excess Bond Proceeds" mean Bond Proceeds that are not needed to satisfy Enforceable Obligations approved on the ROPS.

2.4 "Enforceable Obligations" mean enforceable obligations, other than Excess Bond Proceeds obligations, as defined under the Dissolution Law.

3. THE SUCCESSOR AGENCY'S OBLIGATIONS

The Successor Agency has the following obligations under this Agreement:

3.1 CURRENT EXCESS BOND PROCEEDS. The Successor Agency must transfer to the City, upon oversight board and Department of Finance approval, Excess Bond Proceeds in the amount of \$5,637,766.61, plus all interest accrued thereon up to the date of such transfer. Said transfer must include Excess Bond Proceeds from the Monterey Park Redevelopment Agency 2002 Tax Allocation Bonds.

3.2 FUTURE EXCESS BOND PROCEEDS. The Successor Agency must transfer to the City all future Excess Bond Proceeds held or received by the Successor Agency. Such future Excess Bond Proceeds must include, without limitation: (1) Bond Proceeds previously obligated to a project or other Enforceable Obligation that become unobligated for any reason, (2) Bond Proceeds that become available in the form of rents, sale proceeds, loan repayments, or other revenues that are generated by properties or other assets acquired and/or improved with Bond Proceeds and that are not otherwise obligated to a project or other Enforceable Obligation, and (3) any other funds held by the Successor Agency that qualify as Excess Bond proceeds under this Agreement.

The parties intend that payments of future Excess Bond Proceeds be made to the City as soon as possible after such Excess Bond proceeds become available. The transfer of future Excess Bond Proceeds must be made pursuant to an approved ROPS within 30 days of the commencement of the relevant ROPS period. The Successor Agency is responsible for ensuring that payments of future Excess Bond Proceeds, as such funds become available, are included on the next possible ROPS.

3.3 PROJECTS FUNDED BY EXCESS BOND PROCEEDS. The Successor Agency assigns to the City all responsibilities and contracts, if any, related to the administration of any projects or programs funded by Excess Bond proceeds.

4. THE CITY'S OBLIGATIONS

The City has the following obligations under this Agreement:

4.1. RETENTION OF EXCESS BOND PROCEEDS. The City must accept, hold, and disburse Excess Bond proceeds transferred to the City pursuant to this Agreement, including current Excess Bond Proceeds and future Excess Bond Proceeds. The City must retain any Excess Bond Proceeds that it receives, such as revenue generated from properties acquired or improved with Excess Bond Proceeds or payments on loans funded from Excess Bond Proceeds, without any obligation to return such funds to the Successor Agency, and must use such funds for uses consistent with applicable bond covenants.

4.2. USE OF EXCESS BOND PROCEEDS. The City may spend Excess Bond proceeds received or retained under this Agreement on any project, program, or activity authorized by the City Council of the City. However, the City must spend Excess Bond Proceeds consistent with the original bond covenants applicable to the particular Excess Bond Proceeds, and must

comply with all requirements of federal tax law and all applicable requirements of the California community Redevelopment Law as to the use of such funds.

The City must be solely responsible for ensuring that Excess Bond Proceeds are maintained and spent in accordance with bond covenants and other applicable laws. The City may transfer funds between approved projects, programs and activities, as long as the transfer is within a single project area if applicable bond covenants restrict such funds to a particular project area.

The City agrees to indemnify and defend the Successor Agency, and its officers and agents, against, and hold the Successor Agency, and its officers and agents, harmless from, any claims, causes of action, or liabilities arising from the misuse of Excess Bond Proceeds by the City or the failure of the City to ensure that Excess Bond Proceeds are used in accordance with bond covenants, federal tax law, and the California Community Redevelopment Law.

The City assumes all contracts, if any, entered into by the Successor Agency or the former Redevelopment Agency related to activities to be funded by Excess Bond Proceeds, with the exception of those contracts retained by the Successor Agency relating to Enforceable Obligations. The City will perform its obligations hereunder, and under such assumed contract, in accordance with the applicable provisions of federal, state and local laws, including the obligation comply with environmental laws such as CEQA, and will timely complete the work required for each project.

5. ENTIRE AGREEMENT; WAIVERS; AND AMENDMENTS

5.1. This Agreement constitutes the entire understanding and agreement of the parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all of the terms and conditions mentioned herein or incidentals hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

5.2. This Agreement is intended solely for the benefit of the City and the Successor Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Successor Agency, there are no third party beneficiaries under this Agreement.

5.3. All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

6. SEVERABILITY

If any term, provisions, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions will continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability. In addition, the parties must cooperate in good faith in an effort to amend or modify this Agreement in a manner such that

the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

7. DEFAULT

If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform will be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract or to seek specific performance. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and must not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party.

8. BINDING ON SUCCESSORS

This Agreement is binding on and inures to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

9. FURTHER ASSURANCES

Each party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of this Agreement.

10. EFFECTIVE DATE

This Agreement is not effective unless and until it is approved by the Successor Agency's Oversight Board and the State Department of Finance.

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first above written.

THE CITY OF MONTEREY PARK,
a general law city and municipal corporation

By: _____
Paul Talbot, City Manager

APPROVED AS TO FORM:

By: _____
Mark D. Hensley, City Attorney

THE SUCCESSOR AGENCY TO THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF MONTEREY PARK

By: _____
Peter Chan, Mayor

Staff Report Monterey Park Oversight Board

DATE: January 21, 2016

AGENDA ITEM NO: 3B

TO: Chairperson Talbot
Board Members Yaung, Gin, Hamner, Plotkin, Leung, Hennigan

FROM: Donna M. Ramirez, Economic Development Specialist

SUBJECT: Resolution approving the Recognized Obligation Payment Schedule (ROPS 16-17A & B) and Administrative Budget for July 1, 2016 – June 30, 2017

RECOMMENDATION:

It is recommended that the Oversight Board consider:

- 1) Adopting a resolution approving the Recognized Obligation Payment Schedule 16-17A & B for the period between – July 1, 2016 – June 30, 2017 and approving the Successor Agency Administrative Budget for July 1, 2016 – June 30, 2017;
- 2) Directing staff to transmit the ROPS and Administrative Budget to the appropriate public agencies; or
- 3) Taking such additional related action that may be desirable.

EXECUTIVE SUMMARY:

AB X1 26 requires the Monterey Park Successor Agency (“SA”) to formulate Recognized Obligation Payment Schedules (“ROPS”) under which the SA makes payments for eligible obligations of the former Redevelopment Agency. The ROPS are considered by the Successor Agency Board, presented to the Oversight Board (“OB”) and, if approved by the OB, submitted to the California Department of Finance (“DOF”) for its review and approval.

Effective January 1, 2016, the ROPS is to be submitted on an annual basis. As a result, staff requests that the Oversight Board consider and adopt a resolution approving the ROPS 16-17A & B and Administrative Budget for the period covering July 1, 2016 – June 30, 2017.

DISCUSSION:

ROPS 16-17A & B includes a new line item, No. 38, for Excess Bond Proceeds. Prior to using bond proceeds the amount must be placed on the ROPS. The approximate amount of Excess Bond Proceeds is \$5,637,767.

ROPS 16-17A & B requests an amount of \$8,201,638 for the 12 month period of July 1, 2016 through June 30, 2017.

Included in ROPS 16-17A & B is the Administrative Budget for an amount of \$250,000.

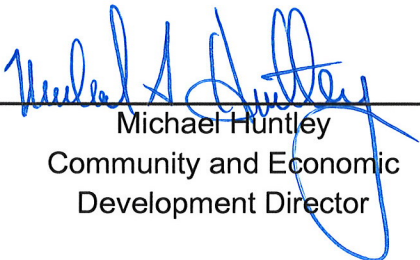
To meet the deadlines for disbursement of funds from the County of Los Angeles, both the SA and the OB must approve of the ROPS and submit the same to the DOF by February 1, 2016.

FISCAL IMPACT:

There is no fiscal impact to the City's General Fund. All monies received from the request included on the ROPS are deposited into the SA's account for obligations of the former redevelopment agency.

Respectfully submitted,

By



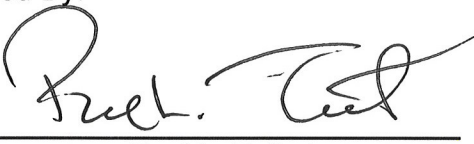
Michael Huntley
Community and Economic
Development Director

Prepared by:



Donna Ramirez
Economic Development
Specialist

Approved By:



Paul L. Talbot
City Manager

Reviewed by:



Karl H. Berger
Assistant City Attorney

Exhibit "A": Proposed Resolution
Attachment 1 – ROPS 16-17A & B for the period of July 1, 2016 through
June 30, 2017
Attachment 2 – Administrative Budget for July 1, 2016 through June 30, 2017

EXHIBIT "A"

RESOLUTION ADOPTING ROPS 16-17 A & B

RESOLUTION NO. OBR- ____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE MONTEREY PARK REDEVELOPMENT AGENCY ADOPTING RECOGNIZED OBLIGATION PAYMENT SCHEDULES AND ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE § 34177.

The Oversight Board, to the Successor Agency to the Monterey Park Redevelopment Agency, does resolve as follows:

SECTION 1: The Oversight Board finds and declares that:

- A. On June 29, 2011, AB 1X 26 and AB 1 X 27 became effective, generally requiring that each redevelopment agency within California be dissolved;
- B. On December 29, 2011, the California Supreme Court issued a decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal. 4th 231 largely upholding AB 1 X 26, invalidating AB 1X 27 as unconstitutional, and holding that AB 1X 26 may be severed from AB 1X 27 and enforced independently;
- C. As a result of the Supreme Court's decision, the Monterey Park Redevelopment Agency (the "Redevelopment Agency") created pursuant to the Community Redevelopment Law, was dissolved pursuant to AB 1X 26 on February 1, 2012;
- D. By Resolution No. 11455 adopted on January 11, 2012, the City Council of the City of Monterey Park elected to serve as the successor agency for the Redevelopment Agency (the "Successor Agency");
- E. On January 20, 2016 the City Council, acting on behalf of the Successor Agency, adopted a Resolution approving a Recognized Obligation Payment Schedule (designated as ROPS 16-17A&B by the California Department of Finance) and Administrative Budget for the period from July 1, 2016 through June 30, 2017; and
- F. The Oversight Board reviewed the Recognized Obligation Payment Schedule (designated as ROPS 16-17A&B by the California Department of Finance) and Administrative Budget for the period from July 1, 2016 through June 30, 2017.

SECTION 2: *Recognized Obligation Payment Schedules.* The Oversight Board adopts ROPS 16-17A&B attached as **Attachment 1** to this Resolution and incorporated by reference. The Oversight Board also adopts the Administrative Budget attached as **Attachment 2** to this Resolution and incorporated by reference.

SECTION 3: Authorization. The City Manager, or designee, acting on behalf of the Successor Agency is authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including providing documents associated with the ROPS 16-17 A&B and the Administrative Budget to the Department of Finance, County Controller and (if applicable) State Controller. The City Manager, or designee, is the official whom the Department of Finance may make requests for review in connection with the ROPS 16-17 A&B.

SECTION 4: Amendment. The ROPS may be amended from time-to-time at any public meeting of the City Council acting on behalf of the Successor Agency, as confirmed by the Oversight Board.

SECTION 5: 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 14 CCR § 15378(b)(4-5)).

SECTION 6: 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 Successor Agency 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 7: 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 8: The City Clerk is directed to certify the adoption of this Resolution; record this Resolution in the book of the Oversight Board's original resolutions; and make a minute of the adoption of the resolution in the Oversight Board's records and the minutes of this meeting.

SECTION 9: Effective Date. This Resolution will become effective five (5) business days after submission to the DOF, or, if DOF requests a review of the action, upon DOF's approval of the action pursuant to Health and Safety Code § 34179(h).

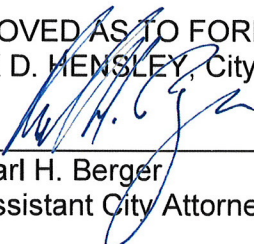
PASSED, APPROVED, AND ADOPTED this 21st day of January, 2016.

Paul Talbot, Chairperson

ATTEST:

Vincent D. Chang, City Clerk

APPROVED AS TO FORM:
MARK D. HENSLEY, City Attorney

By: 

Karl H. Berger
Assistant City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF MONTEREY PARK)

I, Vincent D. Chang, hereby certify that the above foregoing Resolution No. OBR - ____ was duly passed and adopted by the Oversight Board at a regular meeting held on the 21st day of January, 2016, by the following vote:

AYES:	Oversight Board Member:
NOES:	Oversight Board Member:
ABSTAIN:	Oversight Board Member:
ABSENT:	Oversight Board Member:

Dated this 21st day of January, 2016

Vincent D. Chang, City Clerk

Attachments:

ROPS 16-17A&B
January 21, 2016
Page 4 of 4

No. 1: ROPS 16-17 A&B
No. 2: Administrative Budget

ATTACHMENT 1

ROPS 16-17 A & B

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Monterey Park
County: Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		16-17A Total	16-17B Total	ROPS 16-17 Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding				
A	Sources (B+C+D):	\$ 5,637,767	\$ -	\$ 5,637,767
B	Bond Proceeds Funding	5,637,767	-	5,637,767
C	Reserve Balance Funding	-	-	-
D	Other Funding	-	-	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 1,278,373	\$ 1,285,498	\$ 2,563,871
F	Non-Administrative Costs	1,153,373	1,160,498	2,313,871
G	Administrative Costs	125,000	125,000	250,000
H	Current Period Enforceable Obligations (A+E):	\$ 6,916,140	\$ 1,285,498	\$ 8,201,638

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

Name Title

/s/ _____
Signature Date

Monterey Park Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K ROPS 16-17 Total	16-17A					Q 16-17A Total	16-17B					W 16-17B Total										
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)						RPTTF						Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)					RPTTF				
											Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin					
1	Successor Agency Administration	Admin Costs	1/1/2014	7/12/2034	Successor Agency	Successor Agency Administration	All	\$ 111,091,304	N	\$ 8,201,638	\$ 5,637,767	\$ -	\$ -	\$ 1,153,373	\$ 125,000	\$ 6,916,140	\$ -	\$ -	\$ -	\$ -	\$ 1,160,498	\$ 125,000	\$ 1,285,498									
15	Pension Override to City's Retirement Fund	Miscellaneous	8/20/1946	12/31/2039	City of Monterey Park	Voter mandate for Pension Override Funds allocated as tax increment to be paid to City's pension costs		37,346,622	N	250,000					125,000	125,000						125,000	125,000									
16	Los Angeles County Reimbursement Agreement	City/County Loans On or Before 6/27/11	8/27/1987	7/12/2034	County of Los Angeles	Repayment of deferral of prior year pass through payment deferrals	All	46,184,609	N	-						-							-									
21	Property Disposition Services	Property Dispositions	7/1/2013	6/30/2015	Various	Costs associated with the disposition of Agency Property	All	90,000	N	60,000				30,000		30,000					30,000		30,000									
22	Property Maintenance fees for 540 West Garvey Avenue	Fees	5/12/2011	6/30/2015	Various	Maintenance fees for Agency Property until it is sold	Merged Project Area	484,405	N	3,190				1,595		1,595					1,595		1,595									
28	Housing Fund Repayment of SERAF Loan	LMIHF Loans	8/4/2010	6/30/2016	Housing Successor Agency	Housing Fund Repayment of SERAF Loan	All	1,789,031	N	137,342				68,671		68,671					68,671		68,671									
29	Repayment of Housing Loan Obligation	City/County Loans On or Before 6/27/11	5/19/1997	6/30/2039	Housing Successor Agency	Housing Fund Repayment for Outstanding Loan			N																							
31	Atlantic-Garvey Tax Allocation Refunding Bonds, 2013A	Bonds Issued On or Before 12/31/10	12/24/2013	9/1/2026	US Bank	Bonds issued to advance refund the 2002 Tax Allocation Bonds	Atlantic/Garvey Project Area	12,815,000	N	1,442,507				722,191		722,191					720,316		720,316									
32	Trustee Fees for Merged Tax Allocation Refunding Bonds, 2013B	Bonds Issued On or Before 12/31/10	12/24/2013	9/1/2028	US Bank	Fees for Trustee of Refunding Bonds	Merged Project Area	29,250	N	1,000						-					1,000		1,000									
33	Trustee Fees for Atlantic-Garvey Tax Allocation Refunding Bonds, 2013A	Bonds Issued On or Before 12/31/10	12/24/2013	9/1/2026	US Bank	Fees for Trustee of Refunding Bonds	Atlantic/Garvey Project Area	30,620	N	1,000						-					1,000		1,000									
34	Arbitrage Rebate Report for Merged Tax Allocation Refunding Bonds, 2013B	Bonds Issued On or Before 12/31/10	12/24/2013	9/1/2028	BLX Group	Bond Arbitrage Rebate Report	Merged Project Area	24,000	N	3,000						-					3,000		3,000									
35	Arbitrage Rebate Report for Atlantic-Garvey Tax Allocation Refunding Bonds, 2013A	Bonds Issued On or Before 12/31/10	12/24/2013	9/1/2026	BLX Group	Bond Arbitrage Rebate Report	Atlantic/Garvey Project Area	20,000	N	3,000						-					3,000		3,000									
36	Merged Tax Allocation Refunding Bonds, 2013B	Bonds Issued After 12/31/10	12/24/2013	9/1/2028	US Bank	Bonds issued to advance refund the 1998 Tax Allocation Bonds	Merged Project Area	6,640,000	N	662,832				330,916		330,916					331,916		331,916									
38	Excess 2002 Bonds Proceeds	Bonds Issued On or Before 12/31/10	8/22/2002	9/1/2026	Bank of the West Savings	2002 Bonds Proceeds to finance certain land and improvements	Atlantic/Garvey Project Area	5,637,767	N	5,637,767	5,637,767					5,637,767																
39									N	-						-							-									
40									N	-						-							-									
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93									N	-						-							-									

**Monterey Park Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [CASH BALANCE TIPS SHEET](#)

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
ROPS 15-16A Actuals (07/01/15 - 12/31/15)									
1	Beginning Available Cash Balance (Actual 07/01/15)	5,632,654			410,632		78,250		
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015	5,113					1,239,066		
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)				410,632		1,248,475		
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						-		
5	ROPS 15-16A RPTTF Balances Remaining	No entry required						68,841	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 5,637,767	\$ -	\$ -	\$ -	\$ -	\$ -		
ROPS 15-16B Estimate (01/01/16 - 06/30/16)									
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 5,637,767	\$ -	\$ -	\$ -	\$ -	\$ 68,841		
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016	5,500					1,249,335		
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)						631,835		
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						617,500		
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 5,643,267	\$ -	\$ -	\$ -	\$ -	\$ 68,841		

Monterey Park Recognized Obligation Payment Schedule (ROPS 16-17) - Notes July 1, 2016 through June 30, 2017

Item # **Notes/Comments**

38 The 2002 Refunding Bonds was issued to refund the Prior Bonds (being 77.09%) and to fund activities (being 22.91%). The activities include acquisition of property and rights-of-way, street improvements, landscaping, parking facilities, retaining walls, utility improvements, and general public infrastructure in the Atlantic-Garvey Project No. 1 area near the Market Place Project.

ATTACHMENT 2

ADMINISTRATIVE BUDGET

**City of Monterey Park
Successor Agency Administrative Costs**

7/1/16 - 6/30/17

Object	ROPS Item #	Name	ROPS 16-17 A&B 12-Month Period Total
Successor Agency (Activity 1203)			
11200/	1	Salaries & Benefits	
		Donna Ramirez	35,000
		Terri Tsai	20,000
		Annie Yaung	50,000
		Paul Talbot	65,000
		<i>Sub-total for Salaries and Benefits</i>	170,000
11650/12500		General Liability/Insurance/Separation Benefits	10,000
21350		Office Supplies (paper/toners/ink)	1,000
32200		Postage / Messenger Service/Telephone	1,000
31600		Attorney Services	20,000
31800		SA Audit and Annual Financial Statement	15,000
31950		Other Profession Services	8,000
37500		Duplicating Equipment Rental	5,000
38400		Repairs and Maintenance (Space)	20,000
Administration Budget - Total			250,000