



May 25, 2012

Robin D. Scherr, Economic Development Manager
Community Development, City of San Gabriel
425 S. Mission Drive
San Gabriel, CA 91776

Dear Ms. Robin D. Scherr:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of San Gabriel Successor Agency (Agency) submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 4, 2012 for the periods of January through June 2012 and July through December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

In Finance's letter dated May 18, 2012, we questioned the following items:

January through June 2012 ROPS

- Items 25 and 29, totaling \$1 million in Redevelopment Property Tax Trust Fund.

July through December 2012 ROPS

- Item 29, in the amount of \$458,558 in Redevelopment Property Tax Trust Fund.

The Agency provided additional information on May 21, 2012. However, there are no valid contracts executed prior to June 28, 2012 to support these items. Therefore, these items remain as reported in our May 18, 2012 letter.

Except for items disallowed in whole or in part as enforceable obligations noted above, Finance is approving the remaining items listed in your ROPS for both periods. This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of RPTTF that was approved by Finance based on the schedule submitted.

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As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is not and never was an unlimited funding source. Therefore as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available in the RPTTF.

Please direct inquiries to Chikako Takagi-Galamba, Supervisor or Cindie Lor, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in cursive script that reads "Mark Hill".

MARK HILL
Program Budget Manager

cc: Ms. Kristina Burns, Program Specialist III, County of Los Angeles Auditor-Controller and Treasurer-Tax Collector