



May 31, 2012

Bryan Cook, Assistant City Manager/Director of Finance
City of South Gate
8650 California Avenue
South Gate, CA 90280-3075

Dear Mr. Cook:

Subject: Revised Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of South Gate (City) Successor Agency submitted revised Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 31, 2012 for the periods January through June 2012 and July through December 2012. Finance is assuming appropriate oversight board approval. In Finance's letter dated May 25, 2012, we questioned the following items:

January through June 2012 ROPS

- Item Nos. 3 – Loan for \$3,062,595

July through December 2012 ROPS

- Item Nos. 3 – Loan for \$3,062,595

The City provided additional information and consequently Item No. 3, the HUD 108 Loan, has been determined to be an Enforceable Obligation. Therefore, we are no longer questioning this item.

Based on our review, we are approving all of the items listed on your revised ROPS at this time. 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. In addition, items not questioned during this review are subject to 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.

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 Wendy Griffe, Lead Analyst at (916) 322-2985.

Sincerely,



MARK HILL
Program Budget Manager

cc: Mr. George Troxcil, City Manager, City of South Gate
Mr. Steve Lefever, Community Development Director, City of South Gate
Ms. Nellie Ruiz, City Staff Senior Accountant, City of South Gate
Mr. Raul Salinas, City Attorney, City of South Gate
Ms. Kristina Burns, Program Specialist III, Office of the Los Angeles County Auditor
Mr. Jim Simon, City Consultant, RSG, Inc.
Ms. Jane Carlson, Consultant, RSG, Inc.
Ms. Celeste Brady, Successor Agency Counsel, Stradling, Yocca, Carlson & Rauth, P.C.

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Email Addresses of Addressee and ccs:

Bryan Cook
Assistant City Manager/Director of Finance
City of South Gate
bcook@sogate.org

George Troxcil, City Manager
City of South Gate
gtroxcil@sogate.org

Steve Lefever, Community Development Director
City of South Gate
slefever@sogate.org

Nellie Ruiz, City Staff Senior Accountant
City of South Gate
nruiz@sogate.org

Raul Salinas, City Attorney
City of South Gate
jsalinas@alvaradosmith.com

Kristina Burns, Program Specialist III
Office of the Los Angeles County Auditor
kburns@auditor.lacounty.gov

Jane Carlson, Consultant
RSG, Inc.
jcarlson@webrsg.com

Jim Simon, City Consultant
RSG, Inc.
jsimon@webrsg.com

Celeste Brady, Successor Agency Counsel
Stradling, Yocca, Carlson & Rauth, P.C.
CSBRADY@SYCR.com