



May 18, 2012

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

Dear Ms. Scherr:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of San Gabriel Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on May 4, 2012 for the periods January through June 2012 and July through December 2012. Finance staff contacted you for clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligation (EO) characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as EOs:

January through June 2012 ROPS

- HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. The following items did not have valid contracts executed prior to June 28, 2011 for anticipated projects or project work.
  - Items 25 and 29, in the amount of \$1 million

July through December 2012 ROPS

- HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. The following items did not have valid contracts executed prior to June 28, 2011 for anticipated projects or project work.
  - Item 29, in the amount of \$458,558

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.

Finance may continue to review items on the ROPS in addition to those mentioned above and identify additional issues. We will provide separate notice if we are requesting further modifications to the ROPS. It is our intent to provide an approval notice with regard to each ROPS prior to the June 1 property tax distribution date.

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If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO and submit to the following email address:

[Redevelopment\\_Administration@dof.ca.gov](mailto:Redevelopment_Administration@dof.ca.gov)

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

Sincerely,

A handwritten signature in black ink that reads "Mark Hill". The signature is written in a cursive, slightly slanted style.

MARK HILL  
Program Budget Manager

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