

**SPECIAL MEETING AGENDA**

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
TO THE DISSOLVED EL MONTE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF EL MONTE**

**City of El Monte  
City Council Chambers  
City Hall East  
11333 Valley Boulevard  
El Monte, California 91731**

**Thursday, June 14, 2018  
5:00 P.M.**

**CALL TO ORDER**

**FLAG SALUTE**

**ROLL CALL**

**Members of the Oversight Board**

Andre Quintero, City of El Monte, Chair  
Carrie Sutkin, County of Los Angeles  
Velma Perdomo, County of Los Angeles  
Kris Olaffson, El Monte City School District  
Javier Hernandez, County of Los Angeles  
Michelle Solorzano, City of El Monte  
Norma Garcia, Community College

**CITY STAFF**

Alex Hamilton, City Manager  
Alma K. Martinez, Assistant City Manager  
Jason Mikaelian, Interim Economic Development Director  
David F. Gondek, Deputy City Attorney

**APPROVAL OF AGENDA**

**ORAL COMMUNICATION**

## *Oversight Board Special Meeting of June 14, 2018*

### **PUBLIC COMMENT:**

As provided under Government Code Section 54954.3, this time has been set aside for persons in the audience to provide comment or make inquiries on matters within this Special Meeting agenda only. Although no person is required to provide their name and address as a condition to attending a meeting, persons who wish to address the body are asked to state their name and address. Each speaker will be limited to three (3) continuous minutes. Speakers may not lend any portion of their speaking time to other persons or borrow additional time from other persons. All comments or queries presented by a speaker shall be addressed to the body as a whole and not to any specific member thereof. No questions shall be posed to any member of the body except through the presiding official of the meeting, members of the body are under no obligation to respond to questions posed by speakers but may provide brief clarifying responses to any comment made or questions posed.

Except as otherwise provided under the Brown Act (Gov. Code Section 54950 et seq.), the Board may not deliberate or take action upon any matter not listed on this posted agenda but may order that any such matter be placed on the agenda for a subsequent meeting. The Board may also direct staff to investigate certain matters for consideration at a future meeting.

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Enforcement of Decorum: The Chief of Police, or such member, or members of the Police Department as the Chief of Police may designate, shall serve as the Sergeant-at-Arms of any Oversight Board meeting. The Sergeant-at-Arms shall carry out all orders and instructions given by the presiding official for the purpose of maintaining order and decorum at the meeting. While members of the public are free to level criticism of Board policies and the action(s) or proposed action(s) of the Board or its members, members of the public may not engage in behavior that is disruptive to the orderly conduct of the proceedings, including, but not limited to, conduct that prevents other members of the public from being heard when it is their opportunity to speak or which prevents members of the audience from hearing or seeing the proceedings. Members of the public may not threaten any person with physical harm or act in a manner that may reasonably be interpreted as an imminent threat of physical harm. All persons attending the meeting must adhere to the Board's policy barring harassment based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, sexual orientation or age.

### **APPROVAL OF MINUTES**

Special Meeting Minutes of May 10, 2018.

**NEW BUSINESS**

1. Consideration and Approval of a Resolution of the Oversight Board to the Successor Agency to the Former El Monte Community Redevelopment Agency Approving a Bond Expenditure Agreement Between the City of El Monte and the Successor Agency to the Former El Monte Community Redevelopment Agency.

(Requested Action: Approve Resolution of the Oversight Board and Approve the Bond Expenditure Agreement)

Resolution OB-76

2. Consideration and Approval of Resolutions of the Oversight Board to the Successor Agency to the Former El Monte Community Redevelopment Agency Approving the Transfer of Real Properties to the City of El Monte from the Successor Agency to the Former El Monte Community Redevelopment Agency.

(Requested Action: Approve the six (6) Resolutions of the Oversight Board)

Resolution OB-77

Resolution OB-78

Resolution OB-79

Resolution OB-80

Resolution OB-81

Resolution OB-82

3. Consideration and Approval of a Resolution Making a Finding that the Orchard Street Extension Project Loan from the City to the Former El Monte Community Redevelopment Agency was Entirely for Legitimate Redevelopment Purposes.

(Requested Action: Approve Resolution of the Oversight Board)

Resolution OB-83

4. Consideration and Approval of a Resolution Making a Finding that the 2006 Valley-Durfee Redevelopment Project Public Improvement Construction Loan from the City to the Former El Monte Community Redevelopment Agency was Entirely for Legitimate Redevelopment Purposes.

(Requested Action: Approve Resolution of the Oversight Board)

Resolution OB-84

*Oversight Board Special Meeting of June 14, 2018*

5. Consideration and Approval of a Resolution Making a Finding that the Nelson Honda Project Loan from the City to the Former El Monte Community Redevelopment Agency was Entirely for Legitimate Redevelopment Purposes.

(Requested Action: Approve Resolution of the Oversight Board)

Resolution OB-85

6. Consideration and Approval of a Resolution Making a Finding that the Food Barn Site Acquisition Loan from the City to the Former El Monte Community Redevelopment Agency was Entirely for Legitimate Redevelopment Purposes.

(Requested Action: Approve Resolution of the Oversight Board)

Resolution OB-86

7. Consideration and Approval of a Resolution Making a Finding that the Redevelopment Cooperation and Financing Agreement (Longo Toyota) Loan from the City to the Former El Monte Community Redevelopment Agency was Entirely for Legitimate Redevelopment Purposes.

(Requested Action: Approve Resolution of the Oversight Board)

Resolution OB-87

8. Consideration and Approval of a Resolution Making a Finding that the Property Acquisition Loan (Djanogly Properties Acquisition), and the El Monte Center Proposed Expansion Property Acquisition Loan No. 1 from the City to the Former El Monte Community Redevelopment Agency was Entirely for Legitimate Redevelopment Purposes.

(Requested Action: Approve Resolution of the Oversight Board)

Resolution OB-88

9. Consideration and Approval of a Resolution Making a Finding that the West Valley Boulevard Redevelopment Project Property Acquisition Loan No. 1 and Amendments No. 1 through 4, from the City to the Former El Monte Community Redevelopment Agency was Entirely for Legitimate Redevelopment Purposes.

(Requested Action: Approve Resolution of the Oversight Board)

Resolution OB-89

*Oversight Board Special Meeting of June 14, 2018*

10. Consideration and Approval of a Resolution Making a Finding that Amendments No. 5 and No. 6 to the West Valley Boulevard Redevelopment Project Property Acquisition No. 1 from the City to the Former El Monte Community Redevelopment Agency was Entirely for Legitimate Redevelopment Purposes.

(Requested Action: Approve Resolution of the Oversight Board)

Resolution OB-90

11. Consideration and Approval of a Resolution Making a Finding that Amendments No. 7 to the West Valley Boulevard Redevelopment Project Property Acquisition No. 1 from the City to the Former El Monte Community Redevelopment Agency was Entirely for Legitimate Redevelopment Purposes.

(Requested Action: Approve Resolution of the Oversight Board)

Resolution OB-91

12. Consideration and Approval of a Resolution Making a Finding that the Northwest El Monte Redevelopment Project Loan No. 91-1 and Amendment No. 1 from the City to the Former El Monte Community Redevelopment Agency was Entirely for Legitimate Redevelopment Purposes.

(Requested Action: Approve Resolution of the Oversight Board)

Resolution OB-92

13. Comments from Oversight Board Members.

*Oversight Board Special Meeting of June 14, 2018*

**ADJOURNMENT**

The next regular Oversight Board meeting will take place on Thursday, July 5, 2018, at El Monte City Hall – East, City Council Chambers, 11333 Valley Boulevard, El Monte, California.

This Agenda will be posted on the City's website, [www.ci.el-monte.ca.us](http://www.ci.el-monte.ca.us), and physically posted as of not less than 72 hours prior to the start of the subject meeting. Although it is the City's practice and desire to electronically post a copy of this Agenda *along with* supporting material as part of its website posting, the size or formatting of certain supporting materials may render their website posting infeasible. Nevertheless, all supporting materials related to any item on this Agenda, that is made available to the members of the Board may be inspected by members of the public at the Secretary's Office located at 11333 Valley Boulevard, El Monte, Monday through Thursday, 7:30 am – 5:30 pm. For more information, please call the Secretary's Office at (626) 580-2016.

All public meetings and events sponsored or conducted by the City of El Monte are held in sites accessible to persons with disabilities. Requests for accommodations may be made by calling the office of the Secretary at (626) 580-2016 at least three (3) working days prior to the event, if possible. This Agenda and copies of documents distributed at the meeting are available in alternative formats upon request.

*Posted: June 12, 2018 at 6:00 p.m.*

MINUTES OF APPROVAL

SPECIAL MEETING AGENDA

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
TO THE DISSOLVED EL MONTE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF EL MONTE

City of El Monte  
City Council Chambers  
City Hall East  
11333 Valley Boulevard  
El Monte, California 91731

Thursday, May 10, 2018  
5:00 P.M.

CALL TO ORDER      **5:07 p.m.**

FLAG SALUTE                      Chair Quintero

ROLL CALL                      Members of the Oversight Board  
Andre Quintero, City of El Monte, Chair – **present**  
Carrie Sutkin, County of Los Angeles – **present**  
Velma Perdomo, County of Los Angeles – **absent**  
Kris Olafsson, El Monte City School District – **present**  
Javier Hernandez, County of Los Angeles – **absent**  
Michelle Solorzano, City of El Monte – **present**  
Norma Garcia, Community College – **absent**

CITY STAFF                      Alex Hamilton, City Manager – **present**  
Jason Mikaelian, Interim Economic Development Director – **present**  
David F. Gondek, Deputy City Attorney – **present**

APPROVAL OF AGENDA

**m) Chair Quintero**  
**s) Board Member Solorzano**

**4-0 (Board Members Garcia, Hernandez and  
Perdomo absent)**

*Oversight Board Special Meeting of May 10, 2018*

ORAL COMMUNICATION: **None**

PUBLIC COMMENT: **None**

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*Oversight Board Special Meeting of May 10, 2018*

APPROVAL OF MINUTES

Special Meeting Minutes of November 7, 2017

**m) Chair Quintero**

**s) Board Member Solorzano**

**4-0 (Board Members Garcia, Hernandez and Perdomo absent)**

Special Meeting Minutes of January 25, 2018.

**m) Chair Quintero**

**s) Board Member Solorzano**

**4-0 (Board Members Garcia, Hernandez and Perdomo absent)**

NEW BUSINESS

1. Report by Successor Agency staff regarding authorization by the El Monte Oversight Board for El Monte Successor Agency to issue a Request for Proposals pertaining to the disposition of Area Y Lands (El Monte Property Management Plan Part A, dated October 22, 2013, Pages 7-16; approximately 4.8 acres).

Successor Agency staff presentation of Area Y Appraisal Report, dated March 7, 2018 and request for Oversight Board to prepare and adopt a resolution authorizing the El Monte Successor Agency to prepare and circulate a request for proposals for disposition of Area Y.

Motion of Oversight Board to direct Successor Agency to take such action as may be directed by the Oversight Board based upon the presentation.

**m) Chair Quintero**

**s) Board Member Solorzano**

**4-0 (Board Members Garcia, Hernandez and Perdomo absent)**

2. Discussion regarding schedule for upcoming Oversight Board meetings.

3. Comments from Oversight Board Members. **None**

*Oversight Board Special Meeting of May 10, 2018*

ADJOURNMENT

**With no objection Chair Quintero adjourned the Oversight Board meeting at 5:33 p.m.**

APPROVED:

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Andre Quintero, Chairman  
Oversight Board to the Successor Agency to the  
Dissolved El Monte Community Redevelopment Agency  
City of El Monte



# CITY OF EL MONTE

CITY MANAGER'S OFFICE  
OVERSIGHT BOARD AGENDA REPORT

OVERSIGHT BOARD SPECIAL MEETING OF JUNE 14, 2018

June 7, 2018

The Honorable Chair and Oversight Board Members  
Oversight Board for the Successor Agency to the  
Former El Monte Community Redevelopment Agency  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Chair and Oversight Board Members:

This staff report has been prepared for the consideration and action of the Oversight Board of the Successor Agency to the former El Monte Community Redevelopment Agency. Staff presents the following item for City Council consideration:

**APPROVE A BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF EL MONTE AND THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY.**

**IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

1. Consider and adopt a resolution approving a Bond Expenditure Agreement between the City of El Monte and the Successor Agency to the Former El Monte Community Redevelopment Agency

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Successor Agency issued Taxable Tax Allocation Refunding Bonds in 2017, which refunded several agreements issued by the former El Monte Community Redevelopment Agency ("RDA") prior to December 31, 2010 (the "Bonds"). As of the last accounting, \$1,439,605 remains as excess bond proceeds from the Bonds ("Excess Bond Proceeds"). This balance consists of property sales proceeds from a property originally acquired by the former RDA using bond proceeds. The property is referred to as "Area X" in the Successor Agency's Long Range Property Management Plan ("LRPMP") (Property ID Numbers 27 to 34a). In accordance with the LRPMP, a portion of the property sales proceeds are treated as bond proceeds in proportion to the amount of bond proceeds used in the original purchase. The Successor Agency is permitted to spend Excess Bond Proceeds in compliance with the original Bond covenants.

**ITEM 1**

## HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

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The Successor Agency is proposing a Bond Expenditure Agreement between the City of El Monte and the Successor Agency that authorizes the transfer of all unspent Excess Bond Proceeds from the Successor Agency to the City in order to complete projects and activities consistent with the bond covenants. Up to \$1.5 million of current bond proceeds is authorized for transfer to account for changing balances due to interest. Future bond proceeds that become available from property sales proceeds, loan repayments, rents, or revenues generated by assets acquired and/or improved with bond proceeds may also be transferred to the City. This includes sales proceeds from selling additional properties originally acquired by the former RDA using bond proceeds as identified in the LRPMP.

The attached Bond Expenditure Agreement is a master agreement authorizing the City to spend excess bond proceeds transferred from the Successor Agency on the projects and programs permitted by the original bond covenants. In accordance with the Official Statement for the bonds, the Excess Bond Proceeds may be spent on redevelopment activities that the former RDA was authorized to carry out prior to dissolution pursuant to its Redevelopment Plans. Allowing the City to implement redevelopment projects with the excess bond proceeds will advance the City's community development goals by revitalizing the former redevelopment project areas and providing social and fiscal benefits to taxing entities and the community.

### **FISCAL IMPACT**

Adoption of the proposed resolution will transfer bond proceeds from the Successor Agency to the City to carry out projects as required by the original bond covenants.

### **CONCLUSION**

Staff recommends that the Oversight Board consider and adopt a resolution approving a Bond Expenditure Agreement between the City of El Monte and the Successor Agency to the Former El Monte Community Redevelopment Agency.

HONORABLE CHAIR AND OVERSIGHT BOARD  
June 7, 2018  
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Respectfully submitted,



ALEX HAMILTON  
Executive Director

Attachment:

1. Resolution approving a Bond Expenditure Agreement between the City of El Monte and the Successor Agency to the Former El Monte Community Redevelopment Agency

DATE: JUNE 14, 2018
PRESENTED TO THE OVERSIGHT BOARD
<input type="checkbox"/> APPROVED
<input type="checkbox"/> DENIED
<input type="checkbox"/> PULLED
<input type="checkbox"/> RECEIVED AND FILE
<input type="checkbox"/> CONTINUED
<input type="checkbox"/> REFERRED TO
CHIEF DEPUTY CITY CLERK

**OB RESOLUTION NO. OB-76**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING A BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF EL MONTE AND THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY**

WHEREAS, by virtue of the enactment of Health and Safety Code ("HSC") Section 34173(d), the City of El Monte ("City") is the successor agency to the former El Monte Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency ("Oversight Board") has been established to direct the City as successor agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency in accordance with Health and Safety Code Section 34179, et seq.; and

WHEREAS, Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to December 31, 2010 ("Bond Proceeds") for purposes for which the bonds were sold, provides that Bond Proceeds in excess of amounts needed to satisfy approved enforceable obligations as defined in Health and Safety Code Section 34171(d) ("Excess Bond Proceeds") shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute excess bond proceeds obligations within the meaning of Health and Safety Code Section 34191.4(c)(1)(A) that shall be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, as of its last accounting, the Successor Agency has determined it is holding Excess Bond Proceeds in the amount up to \$1,500,000 that are not otherwise obligated for a project or other enforceable obligations from the Successor Agency's Taxable Tax Allocation Refunding Bonds, Series 2017, which refunded obligations originally issued in 2007 prior to December 31, 2010; and

WHEREAS, the Successor Agency might receive additional Excess Bond Proceeds in the future from the sale of properties originally purchased by the former RDA with Bond Proceeds, among other funding sources; and

WHEREAS, the Successor Agency desires to provide Excess Bond Proceeds to the City of El Monte ("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 Successor Agency or the City; and

WHEREAS, the Agreement would advance the City's community development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development. The City Council has found that the use of Excess Bond Proceeds to fund projects detailed in the Agreement is in accordance with Health and Safety Code Sections 33445, 33445.1, and 33679, the original bond covenants, and other applicable laws; and

WHEREAS, the Oversight Board desires to approve the Agreement between the City and Successor Agency.

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. **Recitals** The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Determination and Approval** The Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency determines that the expenditure of Excess Bond Proceeds in accordance with the attached Agreement will benefit the affected taxing entities, and herein approves the execution of the Agreement attached as Exhibit A and the provision of Excess Bond Proceeds to the City for the purposes described.

SECTION 3. Staff is hereby authorized and directed to take such other and further action as necessary to carry out the intent of this Resolution.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of JUNE, 2018.

\_\_\_\_\_  
Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-76 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chair of the Oversight Board

**EXHIBIT A**  
**BOND EXPENDITURE AGREEMENT**

**BOND EXPENDITURE AGREEMENT**

This Bond Expenditure Agreement (the “Agreement”) is entered effective \_\_\_\_\_, 2018, by and between the City of El Monte, a municipal corporation (the “City”), and the Successor Agency to the El Monte Community Redevelopment Agency, successor agency to the El Monte Community Redevelopment Agency under Health and Safety Code Section 34173 (“Successor Agency”) pursuant to City Council Resolution No. \_\_\_\_\_, Successor Agency Resolution No. \_\_\_\_\_, and the El Monte Oversight Board Resolution No. \_\_\_\_\_.

**Recitals**

A. The Successor Agency received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on April 26, 2013.

B. Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to December 31, 2010 (“Bond Proceeds”) for purposes for which the bonds were sold, provided that Bond Proceeds in excess of amounts needed to satisfy approved enforceable obligations as defined in Health and Safety Code Section 34171(d) (“Excess Bond Proceeds”) shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute “excess bond proceeds obligations” that shall be listed separately on the successor agency’s Recognized Obligation Payment Schedule (“ROPS”).

C. The Successor Agency has Excess Bond Proceeds from the Successor Agency’s Taxable Tax Allocation Refunding Bonds, Series 2017 (“2017 Bonds”). The 2017 Bonds refunded obligations originally issued prior to December 31, 2010. The current balance of Excess Bond Proceeds consists of property sales proceeds from a property originally acquired by the former El Monte Community Redevelopment Agency using Bond Proceeds. The property is referred to as “Area X” in the Successor Agency’s Long Range Property Management Plan (“LRPMP”) (Property ID Numbers 27 to 34a). In accordance with the LRPMP, a portion of the property sales proceeds are treated as Bond Proceeds in proportion to the amount of Bond Proceeds used in the original purchase. The Successor Agency wishes to use such Excess Bond Proceeds arising from the disposition of Area “X” as provided in the LRPMP for redevelopment purposes consistent with applicable bond covenants.

D. The California Community Redevelopment Law (Health and Safety Code Section 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 Section 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. Health and Safety Code Section 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 Section 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 transfer of these funds to the City would advance the City's community development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development. The City Council has found that the use of Excess Bond Proceeds to fund projects is in accordance with Health and Safety Code Sections 33445, 33445.1, and 33679, the bond covenants, and other applicable law. The Oversight Board to the Successor Agency has determined that the expenditure of Excess Bond Proceeds in accordance with this Agreement will benefit the affected taxing entities, and has approved the execution of this Agreement and the provision of Excess Bond Proceeds to the City for the purposes described herein.

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 Excess Bond Proceeds by the Successor Agency to the City, and the City's use of such proceeds consistent with applicable bond covenants. The parties intend that this Agreement shall constitute an excess bond proceeds obligation within the meaning of Health and Safety Code Section 34191.4(c)(1)(A) ("Excess Bond Proceeds Obligation") to be paid from Excess Bond Proceeds. Upon approval by the Oversight Board, the Successor Agency will list this Agreement, and the requirement to transfer Excess Bond Proceeds herein, on its ROPS for Fiscal Year 2019-20 ("ROPS 19-20") as an Excess Bond Proceeds Obligation. The California Department of Finance shall review such listing pursuant to its statutory right of review and approval of a ROPS.

NOW, THEREFORE, the parties hereto do 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. SUCCESSOR AGENCY'S OBLIGATIONS

The Successor Agency shall have the following obligations under this Agreement:

2.1. CURRENT EXCESS BOND PROCEEDS. The Successor Agency shall transfer to the City Excess Bond Proceeds held by the Successor Agency arising from the disposition of Area "X" in an amount of up to \$1,500,000.

2.2. FUTURE EXCESS BOND PROCEEDS. The Successor Agency shall transfer to the City all future Excess Bond Proceeds held or received by the Successor Agency following the date of this Agreement. Such future Excess Bond Proceeds shall 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. This includes sales proceeds from disposing of properties that were originally acquired by the former El Monte Community Redevelopment Agency using Bond Proceeds as identified in the Successor Agency's LRPMP. For purposes of this Agreement, "Enforceable Obligation" shall have the meaning ascribed to such term in Health and Safety Code Section 34171(d).

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 shall be made pursuant to an approved ROPS within 90 days of the commencement of the relevant ROPS period. The Successor Agency shall be responsible for ensuring that payments of future Excess Bond Proceeds, as such funds become available, are included on the next possible ROPS.

2.3. PROJECTS FUNDED BY EXCESS BOND PROCEEDS. The Successor Agency assigns to the City all responsibilities in relation to the administration of any projects or programs funded by Excess Bond Proceeds. The Successor Agency assigns to the City all contracts entered into by the Successor Agency or the former El Monte Community 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.

### 3. CITY'S OBLIGATIONS

The City shall have the following obligations under this Agreement:

3.1. RETENTION OF EXCESS BOND PROCEEDS. The City shall accept, hold, and disburse Excess Bond Proceeds transferred to the City by the Successor Agency under this Agreement, including current Excess Bond Proceeds arising from the disposition of Area "Y" and any future Excess Bond Proceeds. The City shall 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 shall use such funds for uses consistent with applicable bond covenants.

3.2. USE OF EXCESS BOND PROCEEDS. The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity 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 shall 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 shall indemnify and defend the Successor Agency, and its officers and agents, against, and shall hold, 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 entered into by the Successor Agency or the former El Monte Community 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 shall perform its obligations hereunder, and under such assumed contracts, in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and shall timely complete the work required for each project.

#### 4. ENTIRE AGREEMENT; WAIVERS; AND AMENDMENTS

4.1. 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 incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

4.2. 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 shall be no third party beneficiaries under this Agreement.

4.3. 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.

#### 5. 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 shall 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 shall 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.

#### 6. 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 shall 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 shall 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.

#### 7. BINDING ON SUCCESSORS

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

#### 8. 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.

**[SIGNATURES ON NEXT PAGE]**

DRAFT

In witness whereof, the undersigned parties have executed this Bond Expenditure Agreement effective as of the date first above written.

**“CITY”**

**THE CITY OF EL MONTE,**  
a municipal corporation

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
City Manager

Approved as to Form:

By: \_\_\_\_\_  
City Attorney

**“SUCCESSOR AGENCY”**

**THE SUCCESSOR AGENCY TO THE EL MONTE COMMUNITY DEVELOPMENT AGENCY,** successor agency to the El Monte Community Redevelopment Agency under Health and Safety Code Section 34173

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
Executive Director

Approved as to Form:

By: \_\_\_\_\_  
Agency Counsel



# CITY OF EL MONTE

CITY MANAGER'S OFFICE  
OVERSIGHT BOARD AGENDA REPORT

## OVERSIGHT BOARD SPECIAL MEETING OF JUNE 14, 2018 OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE EL MONTE COMMUNITY REDEVELOPMENT AGENCY

June 7, 2018

Members of the Oversight Board to the Successor Agency  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Members of the Oversight Board:

This staff report has been prepared for the consideration and action of the Oversight Board to the Successor Agency to the El Monte Community Redevelopment Agency ("Oversight Board") at the Oversight Board meeting scheduled for June 7, 2018. Staff presents the following items for Oversight Board consideration:

### **CONSIDERATION AND APPROVAL OF RESOLUTIONS OF THE OVERSIGHT BOARD TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF REAL PROPERTIES TO THE CITY OF EL MONTE FROM THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY**

#### **IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

1. Approve the transfer of six (6) governmental public use real properties from the Successor Agency to the Former El Monte Community Redevelopment Agency ("Successor Agency") to the City of El Monte ("City"), upon the adoption of each of the attached Resolutions of the Oversight Board.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Due to redevelopment dissolution, the former El Monte Community Redevelopment Agency ("Former RDA") transferred numerous real properties to the Successor Agency. After the adoption of the original dissolution legislation, the dissolution law amended to add Health and Safety Code ("HSC") Section 34191.5 which required the Successor Agency to formulate and submit a Long Range Property Management Plan ("LRPMP") to the Oversight Board and the Department of Finance ("DOF"), detailing each of the real property assets and the plan for use or disposition. The Successor Agency completed and submitted LRPMP-Part B on December 3, 2015, specifically identifying real property assets for public, or government use to be transferred to the City. DOF approved LRPMP-Part B on December 15, 2015.

# ITEM 2

OVERSIGHT BOARD

June 7, 2018

PAGE 2

In accordance to HSC Section 34181, the oversight board shall direct the successor agency to dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for governmental purposes to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such asset. OB Resolutions No. OB-77 through No. OB-82 will transfer LRPMP-Part B items 57 and 60 through 64 from the Successor Agency to the City, fulfilling the original purpose of LRPMP-Part B.

**RECOMMENDATION**

Staff recommends that the Oversight Board approves the transfer of six (6) governmental public use real properties from the Successor Agency to the Former El Monte Community Redevelopment Agency ("Successor Agency") to the City of El Monte ("City"), upon the adoption of each of the attached resolutions of the Oversight Board.

OVERSIGHT BOARD

June 7, 2018

PAGE 3

Respectfully submitted,



ALEX HAMILTON  
Executive Director

Attachment:

1. Resolutions Approving Transfers of Real Properties from the Successor Agency to the City.

DATE: JUNE 14, 2018
PRESENTED TO THE OVERSIGHT BOARD
<input type="checkbox"/> APPROVED
<input type="checkbox"/> DENIED
<input type="checkbox"/> PULLED
<input type="checkbox"/> RECEIVED AND FILE
<input type="checkbox"/> CONTINUED
<input type="checkbox"/> REFERRED TO
CHIEF DEPUTY CITY CLERK

**OB RESOLUTION NO. OB- 77**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF REAL PROPERTY TO THE CITY OF EL MONTE AND MAKING CERTAIN FINDINGS BY LAW (LONG-RANGE PROPERTY MANAGEMENT PLAN ITEM #57)**

WHEREAS, pursuant to Assembly Bill 26 ("ABX1 26") (Chapter 5, Statutes of 2011), El Monte Community Redevelopment Agency ("RDA") was dissolved effective as of February 1, 2012; and

WHEREAS, pursuant to ABX1 26, the City of El Monte ("City") is the Successor Agency to the RDA ("Successor Agency"); and

WHEREAS, the Oversight Board to the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the former RDA in accordance with Health & Safety Code ("HSC") Section 34179, et seq.; and

WHEREAS, Successor Agency is engaged in activities necessary to execute and implement the dissolution of the RDA; and

WHEREAS, Successor Agency owns certain real properties assets that are located within the dissolved Redevelopment Project Areas, which were transferred effective February 1, 2012 to Successor Agency by operation of law under ABX1 26; and

WHEREAS, Assembly Bill 1484 ("AB 1484") (Chapter 26, Statutes of 2012) was enacted on June 7, 2012 and established new post-compliance provisions mandating successor agencies to perform certain actions upon a Finding of Completion from the California Department of Finance ("DOF"); and

WHEREAS, Successor Agency received a Finding of Completion from DOF on April 26, 2013; and

WHEREAS, pursuant to HSC Section 34191.5, Successor Agency was required to submit a Long Range Property Management Plan ("LRPMP") to the Oversight Board and DOF within six (6) months of receiving the Finding of Completion; and

WHEREAS; on February 27, 2014 by OB Resolution No. OB-34, Oversight Board approved a LRPMP-Part A and transmitted LRPMP-Part A to DOF; and

WHEREAS, on May 8, 2014 DOF approved LRPMP-Part A; and

WHEREAS; on December 3, 2015 by OB Resolution No. OB-57, Oversight Board approved a LRPMP-Part B identifying certain real properties for public use and to be transferred to the City as Items 50-64, and transmitted the LRPMP-Part B to the Oversight Board and DOF; and

WHEREAS, on December 14, 2015 DOF approved LRPMP-Part B; and

WHEREAS, Oversight Board desires to direct the transfer of the LRPMP 57, Assessor's Parcel Number ("APN") 8567-019-909, to the City in accordance with the approved LRPMP-Part B; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. **Recitals** The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Approval** The Oversight Board of the Successor Agency to the former El Monte Community Redevelopment Agency ("Oversight Board") hereby approves the transfer of LRPMP Item 57, APN 8567-019-909, to the City of El Monte using the quitclaim deed form attached as Exhibit A to this Resolution.

SECTION 3. Staff is hereby authorized and directed to sign all documents including, but not limited to, grant deeds, assignment and assumption agreements, and other similar documents to transfer the LRPMP Item 57, APN 8567-019-909, to the City as approved by the Oversight Board.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of JUNE, 2018.

---

Chair of the Oversight Board

STATE OF CALIFORNIA        )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE            )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-77 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chair of the Oversight Board

**EXHIBIT A**  
**QUITCLAIM DEED FORM**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731  
Attention: City Clerk

APN 8567-019-909

SPACE ABOVE FOR RECORDER'S USE ONLY  
Exempt from filing fees per Govt. Code § 27383

**QUITCLAIM DEED**

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the **CITY OF EL MONTE**, as **successor agency to EL MONTE COMMUNITY REDEVELOPMENT AGENCY**, a public body, corporate and politic ("**Grantor**"), hereby remises, releases and forever quitclaims to the **CITY OF EL MONTE**, a public body, corporate and politic ("**Grantee**"), that certain real property legally described in Exhibit A attached to and incorporated herein by reference ("**Property**"), subject to all easements, rights-of-way, covenants, conditions, restrictions, reservations, and all other matters of record and subject to the following:

**1. Conveyance pursuant to Long Range Property Management Plan.**

The Property is conveyed by Grantor in accordance with the Long Range Property Management Plan- Part B (Property #57) approved on December 3, 2015 by the Oversight Board to the El Monte Successor Agency pursuant to OB Resolution No. OB-57, and subsequently approved by the California Department of Finance as evidenced by that certain letter dated December 14, 2015, a copy of which is attached hereto as Exhibit B and incorporated herein by reference ("**DOF Approval**").

**2. Covenants, Conditions, Restrictions and Agreements.**

**2.1 Condition of Property.** Grantor conveys the Property to Grantee and Grantee accepts the Property in "AS IS," condition with no warranties, expressed or implied, as to the environmental or other physical condition of the Property, the presence or absence of any patent or latent environmental or other physical condition on or in the Property, or any other matters affecting the Property.

**2.2 No Discrimination or Segregation.** Grantee covenants and agrees that the Property is subject to the following covenants, conditions and restrictions:

**(a) Standards.** There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in Government Code 12955 (a) or (d), as those bases are defined in Government Code Sections 12926, 12926.1, 12955(m), 12955(p)(1), and 12955.2, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Property nor shall Grantee or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the Property.

**(b) Interpretation.** Notwithstanding Section 2.2(a), with respect to familial status, Section 2.2(a) shall not be construed to apply to housing for older persons as defined in Government Code Section 12955.9. With respect to familial status, nothing in Section 2.2(a) shall be construed to affect Civil Code Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5, relating to housing for senior citizens. Civil Code Sections 51(d) and 1360 and Government Code Section 12955(n), (o) and (p) shall apply to Section 2.2(a).

**2.3 Running with the Land.** Each covenant, condition, restriction and agreement contained in this Deed shall run with the Property and is for the benefit of Grantor (and any legal successor thereto). In the event of any breach of any such covenant, condition, restriction and agreement, Grantor (and any legal successor thereto) has the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings, to enforce same.

**2.4 Interpretation.** Each covenant, condition, restriction and agreement in this Deed shall be construed liberally in favor of giving it full force and effect in favor of Grantor (or its legal successor).

IN WITNESS WHEREOF, Grantor has caused this Quitclaim Deed to be executed by its authorized representative(s) on this \_\_\_\_ day of \_\_\_\_\_, 201\_.

**GRANTOR:**

CITY OF EL MONTE as successor  
agency to the EL MONTE COMMUNITY  
REDEVELOPMENT AGENCY,  
a public body, corporate and politic

By: \_\_\_\_\_  
Andre Quintero, Executive Director

ATTEST:

By: \_\_\_\_\_  
Jonathan Hawes  
City Clerk of the City of El Monte

APPROVED AS TO FORM:

OLIVAREZ      MADRUGA      LEMIEUX  
O'NEILL

By: \_\_\_\_\_  
David Gondek  
Successor Agency Counsel

**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**

EXHIBIT A

THE ADJACENT PROPERTY AS SITUATED IN  
THE CITY OF EL MONTE, CALIFORNIA,  
AND DESCRIBED AS:

ALL OF LOTS 1 AND 2, TRACT NUMBER 10854, AS PER MAP RECORDED IN BOOK 188, PAGES 20 AND 21, RECORDS OF LOS ANGELES COUNTY, EXCEPT THAT PORTION OF SAID LOT 1 LYING NORTHEASTERLY OF A LINE PARALLEL WITH AND DISTANT 33.00 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES, FROM THE SOUTHWESTERLY LINE OF SAID LOT 1; ALSO EXCEPTING THAT PORTION OF SAID LOT 2 LYING SOUTHWESTERLY OF A LINE PARALLEL WITH AND DISTANT 37.00 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTHEASTERLY LINE OF SAID LOT 2; AND ALSO EXCEPTING THOSE PORTIONS OF SAID LOTS 1 AND 2 LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF SAID LOT 1 OF SAID TRACT, SAID POINT LYING SOUTH 50° 28' 10" EAST 228.00 FEET FROM THE MOST NORTHERLY POINT THEREOF; THENCE SOUTH 35° 59' 53" WEST 263.37 FEET; THENCE SOUTH 47° 40' EAST 5.00 FEET, MORE OR LESS, TO A POINT IN THE NORTHWESTERLY LINE OF PECK ROAD (100 FEET WIDE).

ALL OF LOT 2, TRACT NO. 10854, AS PER MAP RECORDED IN BOOK 188, PAGES 20 AND 21, RECORDS OF LOS ANGELES COUNTY, EXCEPT THAT PORTION OF SAID LOT 2 LYING NORTHEASTERLY OF A LINE PARALLEL WITH AND DISTANT 37.00 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTHEASTERLY LINE OF SAID LOT 2; AND ALSO EXCEPTING THAT PORTION OF SAID LOT 2 LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

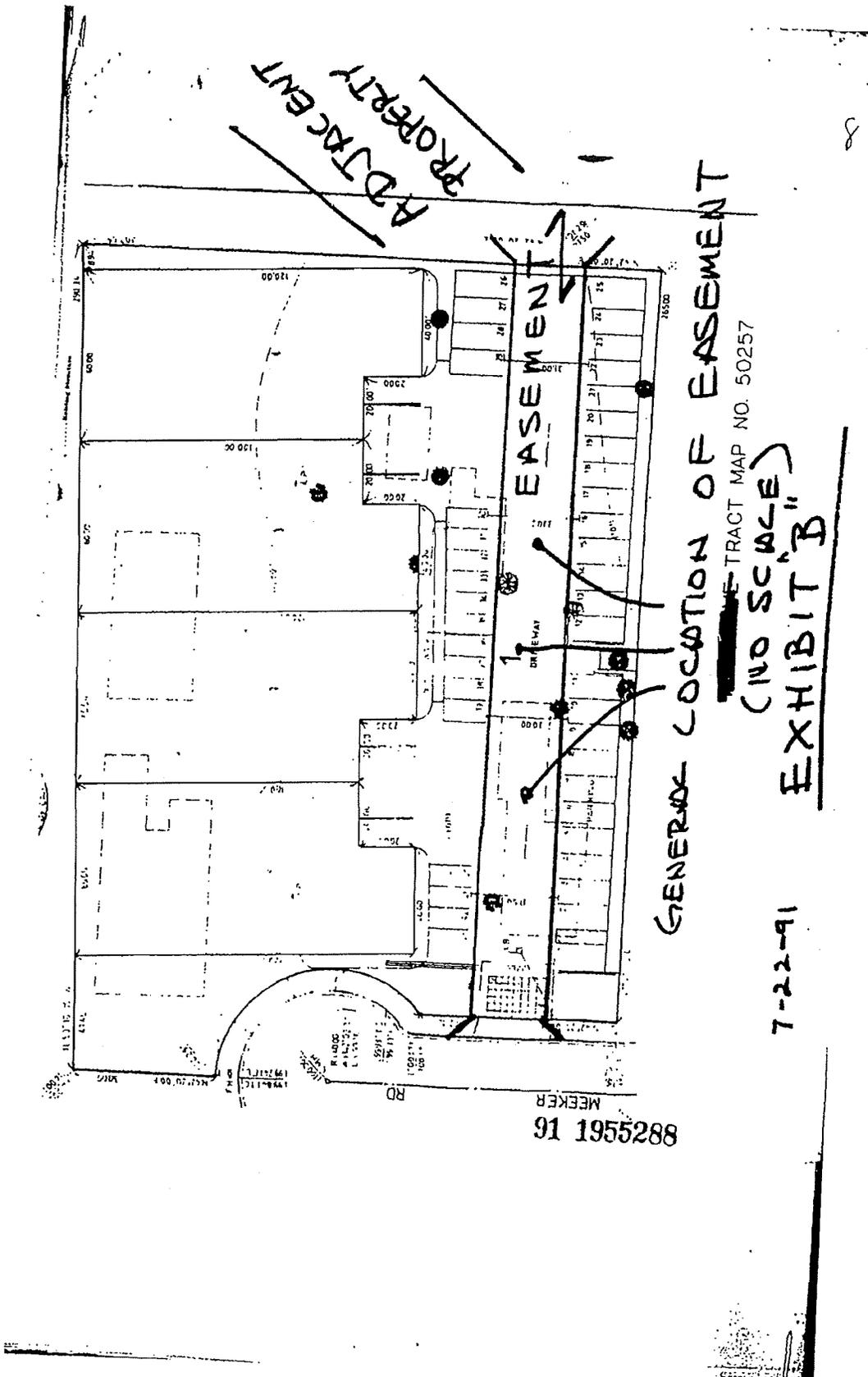
BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF LOT 1 OF SAID TRACT, SAID POINT LYING SOUTH 50° 28' 10" EAST 228.00 FEET FROM THE MOST NORTHERLY POINT THEREOF; THENCE SOUTH 35° 59' 53" WEST 263.37 FEET; THENCE SOUTH 47° 40' EAST 5.00 FEET, MORE OR LESS, TO A POINT IN THE NORTHWESTERLY LINE OF PECK ROAD (100 FEET WIDE).

ALL OF LOTS 3, 4 AND 5, TRACT NO. 10854, AS PER MAP RECORDED IN BOOK 188, PAGES 20 AND 21, RECORDS OF LOS ANGELES COUNTY, INCLUDING THEREWITH THAT 3' FOOT EASEMENT LINE WITHIN SAID LOT 3, DEDICATED TO THE CITY OF EL MONTE FOR WATER LINE PURPOSES BY SAID TRACT, AND EXCEPTING THAT PORTION OF SAID LOT 5 LYING SOUTHWESTERLY OF A LINE PARALLEL WITH AND DISTANT 7.00 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE SOUTHWESTERLY LINE OF SAID LOT 4; AND ALSO EXCEPTING THOSE PORTIONS OF SAID LOTS 3, 4 AND 5 LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF LOT 1 OF SAID TRACT, SAID POINT LYING SOUTH 50° 28' 10" EAST 228.00 FEET FROM THE MOST NORTHERLY POINT THEREOF; THENCE SOUTH 35° 59' 53" WEST 263.37 FEET; THENCE SOUTH 47° 40' EAST 5.00 FEET, MORE OR LESS, TO A POINT IN THE NORTHWESTERLY LINE OF PECK ROAD (100 FEET WIDE).

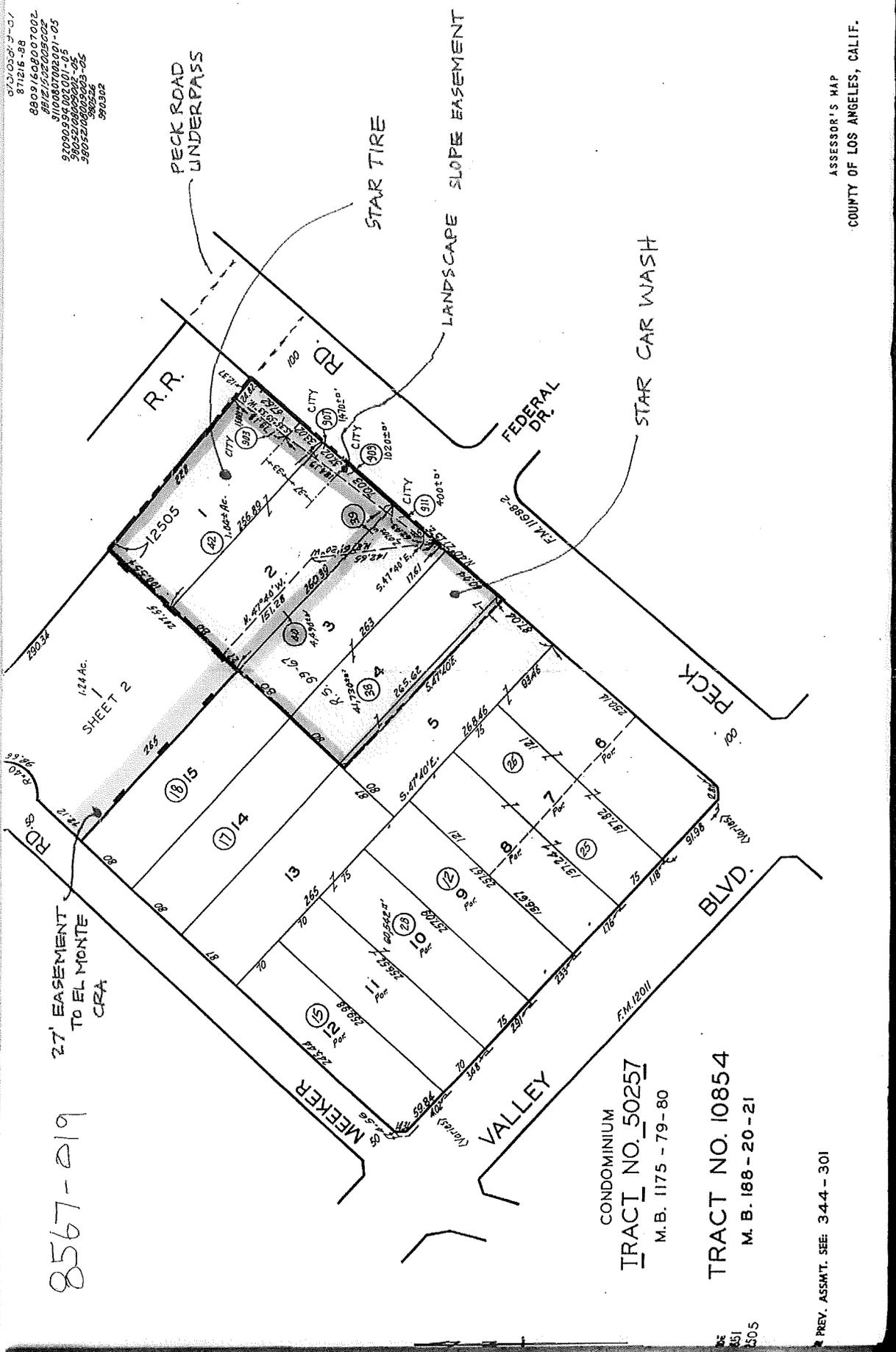
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8567-219

27' EASEMENT  
 TO EL MONTE  
 CIRA

CONDOMINIUM  
 TRACT NO. 50257  
 M.B. 1175 - 79-80

TRACT NO. 10854  
 M.B. 188 - 20-21

PREV. ASSMT. SEE: 344-301

ASSESSOR'S MAP  
 COUNTY OF LOS ANGELES, CALIF.

**EXHIBIT B**  
**DOF APPROVAL**



December 14, 2015

Mr. Jesus Gomez, City Manager  
City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Mr. Gomez:

Subject: Long-Range Property Management Plan

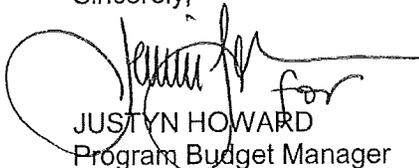
Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of El Monte Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on October 25, 2013. The Agency subsequently submitted a revised LRPMP to Finance on December 7, 2015. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on April 26, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. Our approval of the LRPMP also took into account Oversight Board Resolution No. 58 directing the transfer of property located at 3557 Lexington Avenue, Assessor's Parcel Number 8579-027-905 (Jerry Ortiz Memorial Youth Boxing Gym) to the City of El Monte for governmental and recreational uses only.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Please direct inquiries to Kylie Oltmann, Supervisor or Nicole Prisakar, Lead Analyst at (916) 445-1546.

Sincerely,

  
JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Ernestine Jones, Finance Director, City of El Monte  
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

**CERTIFICATE OF ACCEPTANCE OF QUITCLAIM DEED  
(City of El Monte)**

This is to certify that the real property conveyed by the Quitclaim Deed dated \_\_\_\_\_, 201\_ from the CITY OF EL MONTE, as the successor agency to the EL MONTE COMMUNITY REDEVELOPMENT AGENCY as Grantor, to the CITY OF EL MONTE as Grantee, is hereby accepted by the undersigned officer on behalf of the CITY OF EL MONTE.

Dated: \_\_\_\_\_, 201\_

\_\_\_\_\_  
Andre Quintero,  
Mayor of the City of El Monte

**ACKNOWLEDGMENT**

State of California

County of Los Angeles

On \_\_\_\_\_, 201\_ before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_  
who proved to me on the basis of satisfactory evidence to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he executed the same  
in his authorized capacity, and that by his signature on the instrument the person or the  
entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California  
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

**OB RESOLUTION NO. OB-78**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF REAL PROPERTY TO THE CITY OF EL MONTE AND MAKING CERTAIN FINDINGS BY LAW (LONG-RANGE PROPERTY MANAGEMENT PLAN ITEM #60)**

WHEREAS, pursuant to Assembly Bill 26 ("ABX1 26") (Chapter 5, Statutes of 2011), El Monte Community Redevelopment Agency ("RDA") was dissolved effective as of February 1, 2012; and

WHEREAS, pursuant to ABX1 26, the City of El Monte ("City") is the Successor Agency to the RDA ("Successor Agency"); and

WHEREAS, the Oversight Board to the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the former RDA in accordance with Health & Safety Code ("HSC") Section 34179, et seq.; and

WHEREAS, Successor Agency is engaged in activities necessary to execute and implement the dissolution of the RDA; and

WHEREAS, Successor Agency owns certain real properties assets that are located within the dissolved Redevelopment Project Areas, which were transferred effective February 1, 2012 to Successor Agency by operation of law under ABX1 26; and

WHEREAS, Assembly Bill 1484 ("AB 1484") (Chapter 26, Statutes of 2012) was enacted on June 7, 2012 and established new post-compliance provisions mandating successor agencies to perform certain actions upon a Finding of Completion from the California Department of Finance ("DOF"); and

WHEREAS, Successor Agency received a Finding of Completion from DOF on April 26, 2013; and

WHEREAS, pursuant to HSC Section 34191.5, Successor Agency was required to submit a Long Range Property Management Plan ("LRPMP") to the Oversight Board and DOF within six (6) months of receiving the Finding of Completion; and

WHEREAS; on February 27, 2014 by OB Resolution No. OB-34, Oversight Board approved a LRPMP-Part A and transmitted LRPMP-Part A to DOF; and

WHEREAS, on May 8, 2014 DOF approved LRPMP-Part A; and

WHEREAS; on December 3, 2015 by OB Resolution No. OB-57, Oversight Board approved a LRPMP-Part B identifying certain real properties for public use and to be transferred to the City as Items 50-64, and transmitted the LRPMP-Part B to the Oversight Board and DOF; and

WHEREAS, on December 14, 2015 DOF approved LRPMP-Part B; and

WHEREAS, Oversight Board desires to direct the transfer of the LRPMP Item 60, Assessor's Parcel Number ("APN") 8578-020-903, to the City in accordance with the approved LRPMP-Part B; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. **Recitals** The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Approval** The Oversight Board of the Successor Agency to the former El Monte Community Redevelopment Agency ("Oversight Board") hereby approves the transfer of LRPMP Item 60, APN 8578-020-903, to the City of El Monte using the quitclaim deed form attached as Exhibit A to this Resolution.

SECTION 3. Staff is hereby authorized and directed to sign all documents including, but not limited to, grant deeds, assignment and assumption agreements, and other similar documents to transfer the LRPMP Item 60, APN 8578-020-903, to the City as approved by both the Oversight Board.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of JUNE, 2018.

---

Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-78 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Chair of the Oversight Board  
City Clerk of the City of El Monte

**EXHIBIT A**  
**QUITCLAIM DEED FORM**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731  
Attention: City Clerk

APN 8578-020-903

SPACE ABOVE FOR RECORDER'S USE ONLY  
Exempt from filing fees per Govt. Code § 27383

**QUITCLAIM DEED**

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the **CITY OF EL MONTE**, as **successor agency to EL MONTE COMMUNITY REDEVELOPMENT AGENCY**, a public body, corporate and politic ("**Grantor**"), hereby remises, releases and forever quitclaims to the **CITY OF EL MONTE**, a public body, corporate and politic ("**Grantee**"), that certain real property incorporated herein by reference ("**Property**"), subject to all easements, rights-of-way, covenants, conditions, restrictions, reservations, and all other matters of record and subject to the following:

**1. Conveyance pursuant to Long Range Property Management Plan.**

The Property is conveyed by Grantor in accordance with the Long Range Property Management Plan- Part B (Property #60) approved on December 3, 2015 by the Oversight Board to the El Monte Successor Agency pursuant to OB Resolution No. OB-57, and subsequently approved by the California Department of Finance as evidenced by that certain letter dated December 14, 2015, a copy of which is attached hereto as Exhibit A and incorporated herein by reference ("**DOF Approval**").

**2. Covenants, Conditions, Restrictions and Agreements.**

**2.1 Condition of Property.** Grantor conveys the Property to Grantee and Grantee accepts the Property in "AS IS," condition with no warranties, expressed or implied, as to the environmental or other physical condition of the Property, the presence or absence of any patent or latent environmental or other physical condition on or in the Property, or any other matters affecting the Property.

**2.2 No Discrimination or Segregation.** Grantee covenants and agrees that the Property is subject to the following covenants, conditions and restrictions:

**(a) Standards.** There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in Government Code 12955 (a) or (d), as those bases are defined in Government Code Sections 12926, 12926.1, 12955(m), 12955(p)(1), and 12955.2, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Property nor shall Grantee or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the Property.

**(b) Interpretation.** Notwithstanding Section 2.2(a), with respect to familial status, Section 2.2(a) shall not be construed to apply to housing for older persons as defined in Government Code Section 12955.9. With respect to familial status, nothing in Section 2.2(a) shall be construed to affect Civil Code Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5, relating to housing for senior citizens. Civil Code Sections 51(d) and 1360 and Government Code Section 12955(n), (o) and (p) shall apply to Section 2.2(a).

**2.3 Running with the Land.** Each covenant, condition, restriction and agreement contained in this Deed shall run with the Property and is for the benefit of Grantor (and any legal successor thereto). In the event of any breach of any such covenant, condition, restriction and agreement, Grantor (and any legal successor thereto) has the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings, to enforce same.

**2.4 Interpretation.** Each covenant, condition, restriction and agreement in this Deed shall be construed liberally in favor of giving it full force and effect in favor of Grantor (or its legal successor).

IN WITNESS WHEREOF, Grantor has caused this Quitclaim Deed to be executed by its authorized representative(s) on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**GRANTOR:**

CITY OF EL MONTE as successor  
agency to the EL MONTE COMMUNITY  
REDEVELOPMENT AGENCY,  
a public body, corporate and politic

By: \_\_\_\_\_  
Andre Quintero, Executive Director

**ATTEST:**

By: \_\_\_\_\_  
Jonathan Hawes  
City Clerk of the City of El Monte

**APPROVED AS TO FORM:**

OLIVAREZ      MADRUGA      LEMIEUX  
O'NEILL

By: \_\_\_\_\_  
David Gondek  
Successor Agency Counsel

**EXHIBIT A**  
**DOF APPROVAL**



December 14, 2015

Mr. Jesus Gomez, City Manager  
City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Mr. Gomez:

Subject: Long-Range Property Management Plan

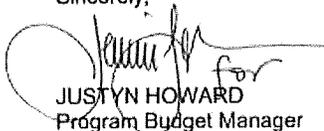
Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of El Monte Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on October 25, 2013. The Agency subsequently submitted a revised LRPMP to Finance on December 7, 2015. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on April 26, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. Our approval of the LRPMP also took into account Oversight Board Resolution No. 58 directing the transfer of property located at 3557 Lexington Avenue, Assessor's Parcel Number 8579-027-905 (Jerry Ortiz Memorial Youth Boxing Gym) to the City of El Monte for governmental and recreational uses only.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Please direct inquiries to Kylie Oltmann, Supervisor or Nicole Prisakar, Lead Analyst at (916) 445-1546.

Sincerely,

  
JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Ernestine Jones, Finance Director, City of El Monte  
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

**CERTIFICATE OF ACCEPTANCE OF QUITCLAIM DEED  
(City of El Monte)**

This is to certify that the real property conveyed by the Quitclaim Deed dated \_\_\_\_\_, 201\_ from the CITY OF EL MONTE, as the successor agency to the EL MONTE COMMUNITY REDEVELOPMENT AGENCY as Grantor, to the CITY OF EL MONTE as Grantee, is hereby accepted by the undersigned officer on behalf of the CITY OF EL MONTE.

Dated: \_\_\_\_\_, 201\_

\_\_\_\_\_  
Andre Quintero,  
Mayor of the City of El Monte

**ACKNOWLEDGMENT**

State of California

County of Los Angeles

On \_\_\_\_\_, 201\_ before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_  
who proved to me on the basis of satisfactory evidence to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he executed the same  
in his authorized capacity, and that by his signature on the instrument the person or the  
entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California  
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

**OB RESOLUTION NO. OB- 79**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF REAL PROPERTY TO THE CITY OF EL MONTE AND MAKING CERTAIN FINDINGS BY LAW (LONG-RANGE PROPERTY MANAGEMENT PLAN ITEM #61)**

WHEREAS, pursuant to Assembly Bill 26 ("ABX1 26") (Chapter 5, Statutes of 2011), El Monte Community Redevelopment Agency ("RDA") was dissolved effective as of February 1, 2012; and

WHEREAS, pursuant to ABX1 26, the City of El Monte ("City") is the Successor Agency to the RDA ("Successor Agency"); and

WHEREAS, the Oversight Board to the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the former RDA in accordance with Health & Safety Code ("HSC") Section 34179, et seq.; and

WHEREAS, Successor Agency is engaged in activities necessary to execute and implement the dissolution of the RDA; and

WHEREAS, Successor Agency owns certain real properties assets that are located within the dissolved Redevelopment Project Areas, which were transferred effective February 1, 2012 to Successor Agency by operation of law under ABX1 26; and

WHEREAS, Assembly Bill 1484 ("AB 1484") (Chapter 26, Statutes of 2012) was enacted on June 7, 2012 and established new post-compliance provisions mandating successor agencies to perform certain actions upon a Finding of Completion from the California Department of Finance ("DOF"); and

WHEREAS, Successor Agency received a Finding of Completion from DOF on April 26, 2013; and

WHEREAS, pursuant to HSC Section 34191.5, Successor Agency was required to submit a Long Range Property Management Plan ("LRPMP") to the Oversight Board and DOF within six (6) months of receiving the Finding of Completion; and

WHEREAS; on February 27, 2014 by OB Resolution No. OB-34, Oversight Board approved a LRPMP-Part A and transmitted LRPMP-Part A to DOF; and

WHEREAS, on May 8, 2014 DOF approved LRPMP-Part A; and

WHEREAS; on December 3, 2015 by OB Resolution No. OB-57, Oversight Board approved a LRPMP-Part B identifying certain real properties for public use and to be transferred to the City as Items 50-64, and transmitted the LRPMP-Part B to the Oversight Board and DOF; and

WHEREAS, on December 14, 2015 DOF approved LRPMP-Part B; and

WHEREAS, Oversight Board desires to direct the transfer of the LRPMP Item 61, Assessor's Parcel Number ("APN") 8581-034-001, to the City in accordance with the approved LRPMP-Part B; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. **Recitals** The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Approval** The Oversight Board of the Successor Agency to the former El Monte Community Redevelopment Agency ("Oversight Board") hereby approves the transfer of LRPMP Item 61, APN 8581-034-001, to the City of El Monte using the quitclaim deed form attached as Exhibit A to this Resolution.

SECTION 3. Staff is hereby authorized and directed to sign all documents including, but not limited to, grant deeds, assignment and assumption agreements, and other similar documents to transfer the LRPMP Item 61, APN 8581-034-001, to the City as approved by both the Oversight Board.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of JUNE, 2018.

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Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-79 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chair of the Oversight Board

**EXHIBIT A**  
**QUITCLAIM DEED FORM**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731  
Attention: City Clerk

APN 8581-034-001

SPACE ABOVE FOR RECORDER'S USE ONLY  
Exempt from filing fees per Govt. Code § 27383

**QUITCLAIM DEED**

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the **CITY OF EL MONTE, as successor agency to EL MONTE COMMUNITY REDEVELOPMENT AGENCY**, a public body, corporate and politic ("**Grantor**"), hereby remises, releases and forever quitclaims to the **CITY OF EL MONTE**, a public body, corporate and politic ("**Grantee**"), that certain real property incorporated herein by reference ("**Property**"), subject to all easements, rights-of-way, covenants, conditions, restrictions, reservations, and all other matters of record and subject to the following:

**1. Conveyance pursuant to Long Range Property Management Plan.**

The Property is conveyed by Grantor in accordance with the Long Range Property Management Plan- Part B (Property #61) approved on December 3, 2015 by the Oversight Board to the El Monte Successor Agency pursuant to OB Resolution No. OB-57, and subsequently approved by the California Department of Finance as evidenced by that certain letter dated December 14, 2015, a copy of which is attached hereto as Exhibit A and incorporated herein by reference ("**DOF Approval**").

**2. Covenants, Conditions, Restrictions and Agreements.**

**2.1 Condition of Property.** Grantor conveys the Property to Grantee and Grantee accepts the Property in "AS IS," condition with no warranties, expressed or implied, as to the environmental or other physical condition of the Property, the presence or absence of any patent or latent environmental or other physical condition on or in the Property, or any other matters affecting the Property.

**2.2 No Discrimination or Segregation.** Grantee covenants and agrees that the Property is subject to the following covenants, conditions and restrictions:

**(a) Standards.** There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in Government Code 12955 (a) or (d), as those bases are defined in Government Code Sections 12926, 12926.1, 12955(m), 12955(p)(1), and 12955.2, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Property nor shall Grantee or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the Property.

**(b) Interpretation.** Notwithstanding Section 2.2(a), with respect to familial status, Section 2.2(a) shall not be construed to apply to housing for older persons as defined in Government Code Section 12955.9. With respect to familial status, nothing in Section 2.2(a) shall be construed to affect Civil Code Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5, relating to housing for senior citizens. Civil Code Sections 51(d) and 1360 and Government Code Section 12955(n), (o) and (p) shall apply to Section 2.2(a).

**2.3 Running with the Land.** Each covenant, condition, restriction and agreement contained in this Deed shall run with the Property and is for the benefit of Grantor (and any legal successor thereto). In the event of any breach of any such covenant, condition, restriction and agreement, Grantor (and any legal successor thereto) has the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings, to enforce same.

**2.4 Interpretation.** Each covenant, condition, restriction and agreement in this Deed shall be construed liberally in favor of giving it full force and effect in favor of Grantor (or its legal successor).

IN WITNESS WHEREOF, Grantor has caused this Quitclaim Deed to be executed by its authorized representative(s) on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**GRANTOR:**

CITY OF EL MONTE as successor  
agency to the EL MONTE COMMUNITY  
REDEVELOPMENT AGENCY,  
a public body, corporate and politic

By: \_\_\_\_\_  
Andre Quintero, Executive Director

**ATTEST:**

By: \_\_\_\_\_  
Jonathan Hawes  
City Clerk of the City of El Monte

**APPROVED AS TO FORM:**

OLIVAREZ      MADRUGA      LEMIEUX  
O'NEILL

By: \_\_\_\_\_  
David Gondek  
Successor Agency Counsel

**EXHIBIT A**  
**DOF APPROVAL**



December 14, 2015

Mr. Jesus Gomez, City Manager  
City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Mr. Gomez:

Subject: Long-Range Property Management Plan

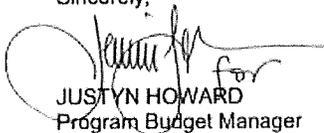
Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of El Monte Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on October 25, 2013. The Agency subsequently submitted a revised LRPMP to Finance on December 7, 2015. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on April 26, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. Our approval of the LRPMP also took into account Oversight Board Resolution No. 58 directing the transfer of property located at 3557 Lexington Avenue, Assessor's Parcel Number 8579-027-905 (Jerry Ortiz Memorial Youth Boxing Gym) to the City of El Monte for governmental and recreational uses only.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Please direct inquiries to Kylie Oltmann, Supervisor or Nicole Prisakar, Lead Analyst at (916) 445-1546.

Sincerely,

  
JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Ernestine Jones, Finance Director, City of El Monte  
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

**CERTIFICATE OF ACCEPTANCE OF QUITCLAIM DEED  
(City of El Monte)**

This is to certify that the real property conveyed by the Quitclaim Deed dated \_\_\_\_\_, 201\_ from the CITY OF EL MONTE, as the successor agency to the EL MONTE COMMUNITY REDEVELOPMENT AGENCY as Grantor, to the CITY OF EL MONTE as Grantee, is hereby accepted by the undersigned officer on behalf of the CITY OF EL MONTE.

Dated: \_\_\_\_\_, 201\_

\_\_\_\_\_  
Andre Quintero,  
Mayor of the City of El Monte

**ACKNOWLEDGMENT**

State of California

County of Los Angeles

On \_\_\_\_\_, 201\_ before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_  
who proved to me on the basis of satisfactory evidence to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he executed the same  
in his authorized capacity, and that by his signature on the instrument the person or the  
entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California  
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

**OB RESOLUTION NO. OB-80**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF REAL PROPERTY TO THE CITY OF EL MONTE AND MAKING CERTAIN FINDINGS BY LAW (LONG-RANGE PROPERTY MANAGEMENT PLAN ITEM #62)**

WHEREAS, pursuant to Assembly Bill 26 ("ABX1 26") (Chapter 5, Statutes of 2011), El Monte Community Redevelopment Agency ("RDA") was dissolved effective as of February 1, 2012; and

WHEREAS, pursuant to ABX1 26, the City of El Monte ("City") is the Successor Agency to the RDA ("Successor Agency"); and

WHEREAS, the Oversight Board to the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the former RDA in accordance with Health & Safety Code ("HSC") Section 34179, et seq.; and

WHEREAS, Successor Agency is engaged in activities necessary to execute and implement the dissolution of the RDA; and

WHEREAS, Successor Agency owns certain real properties assets that are located within the dissolved Redevelopment Project Areas, which were transferred effective February 1, 2012 to Successor Agency by operation of law under ABX1 26; and

WHEREAS, Assembly Bill 1484 ("AB 1484") (Chapter 26, Statutes of 2012) was enacted on June 7, 2012 and established new post-compliance provisions mandating successor agencies to perform certain actions upon a Finding of Completion from the California Department of Finance ("DOF"); and

WHEREAS, Successor Agency received a Finding of Completion from DOF on April 26, 2013; and

WHEREAS, pursuant to HSC Section 34191.5, Successor Agency was required to submit a Long Range Property Management Plan ("LRPMP") to the Oversight Board and DOF within six (6) months of receiving the Finding of Completion; and

WHEREAS; on February 27, 2014 by OB Resolution No. OB-34, Oversight Board approved a LRPMP-Part A and transmitted LRPMP-Part A to DOF; and

WHEREAS, on May 8, 2014 DOF approved LRPMP-Part A; and

WHEREAS; on December 3, 2015 by OB Resolution No. OB-57, Oversight Board approved a LRPMP-Part B identifying certain real properties for public use and to be transferred to the City as Items 50-64, and transmitted the LRPMP-Part B to the Oversight Board and DOF; and

WHEREAS, on December 14, 2015 DOF approved LRPMP-Part B; and

WHEREAS, Oversight Board desires to direct the transfer of the LRPMP Item 62, Assessor's Parcel Number ("APN") 8578-020-001, to the City in accordance with the approved LRPMP-Part B; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. **Recitals** The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Approval** The Oversight Board of the Successor Agency to the former El Monte Community Redevelopment Agency ("Oversight Board") hereby approves the transfer of LRPMP Item 62, APN 8578-020-001, to the City of El Monte using the quitclaim deed form attached as Exhibit A to this Resolution.

SECTION 3. Staff is hereby authorized and directed to sign all documents including, but not limited to, grant deeds, assignment and assumption agreements, and other similar documents to transfer the LRPMP Item 62, APN 8578-020-001, to the City as approved by both the Oversight Board.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of JUNE, 2018.

---

Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-80 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chair of the Oversight Board

**EXHIBIT A**  
**QUITCLAIM DEED FORM**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731  
Attention: City Clerk

APN 8578-020-001

SPACE ABOVE FOR RECORDER'S USE ONLY  
Exempt from filing fees per Govt. Code § 27383

**QUITCLAIM DEED**

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the **CITY OF EL MONTE**, as **successor agency to EL MONTE COMMUNITY REDEVELOPMENT AGENCY**, a public body, corporate and politic ("**Grantor**"), hereby remises, releases and forever quitclaims to the **CITY OF EL MONTE**, a public body, corporate and politic ("**Grantee**"), that certain real property incorporated herein by reference ("**Property**"), subject to all easements, rights-of-way, covenants, conditions, restrictions, reservations, and all other matters of record and subject to the following:

**1. Conveyance pursuant to Long Range Property Management Plan.**

The Property is conveyed by Grantor in accordance with the Long Range Property Management Plan- Part B (Property #62) approved on December 3, 2015 by the Oversight Board to the El Monte Successor Agency pursuant to OB Resolution No. OB-57, and subsequently approved by the California Department of Finance as evidenced by that certain letter dated December 14, 2015, a copy of which is attached hereto as Exhibit A and incorporated herein by reference ("**DOF Approval**").

**2. Covenants, Conditions, Restrictions and Agreements.**

**2.1 Condition of Property.** Grantor conveys the Property to Grantee and Grantee accepts the Property in "AS IS," condition with no warranties, expressed or implied, as to the environmental or other physical condition of the Property, the presence or absence of any patent or latent environmental or other physical condition on or in the Property, or any other matters affecting the Property.

**2.2 No Discrimination or Segregation.** Grantee covenants and agrees that the Property is subject to the following covenants, conditions and restrictions:

**(a) Standards.** There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in Government Code 12955 (a) or (d), as those bases are defined in Government Code Sections 12926, 12926.1, 12955(m), 12955(p)(1), and 12955.2, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Property nor shall Grantee or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the Property.

**(b) Interpretation.** Notwithstanding Section 2.2(a), with respect to familial status, Section 2.2(a) shall not be construed to apply to housing for older persons as defined in Government Code Section 12955.9. With respect to familial status, nothing in Section 2.2(a) shall be construed to affect Civil Code Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5, relating to housing for senior citizens. Civil Code Sections 51(d) and 1360 and Government Code Section 12955(n), (o) and (p) shall apply to Section 2.2(a).

**2.3 Running with the Land.** Each covenant, condition, restriction and agreement contained in this Deed shall run with the Property and is for the benefit of Grantor (and any legal successor thereto). In the event of any breach of any such covenant, condition, restriction and agreement, Grantor (and any legal successor thereto) has the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings, to enforce same.

**2.4 Interpretation.** Each covenant, condition, restriction and agreement in this Deed shall be construed liberally in favor of giving it full force and effect in favor of Grantor (or its legal successor).

IN WITNESS WHEREOF, Grantor has caused this Quitclaim Deed to be executed by its authorized representative(s) on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**GRANTOR:**

CITY OF EL MONTE as successor  
agency to the EL MONTE COMMUNITY  
REDEVELOPMENT AGENCY,  
a public body, corporate and politic

By: \_\_\_\_\_  
Andre Quintero, Executive Director

ATTEST:

By: \_\_\_\_\_  
Jonathan Hawes  
City Clerk of the City of El Monte

APPROVED AS TO FORM:

OLIVAREZ      MADRUGA      LEMIEUX  
O'NEILL

By: \_\_\_\_\_  
David Gondek  
Successor Agency Counsel

**EXHIBIT A**  
**DOF APPROVAL**



DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

December 14, 2015

Mr. Jesus Gomez, City Manager  
City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Mr. Gomez:

Subject: Long-Range Property Management Plan

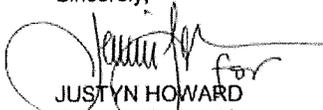
Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of El Monte Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on October 25, 2013. The Agency subsequently submitted a revised LRPMP to Finance on December 7, 2015. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on April 26, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. Our approval of the LRPMP also took into account Oversight Board Resolution No. 58 directing the transfer of property located at 3557 Lexington Avenue, Assessor's Parcel Number 8579-027-905 (Jerry Ortiz Memorial Youth Boxing Gym) to the City of El Monte for governmental and recreational uses only.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Please direct inquiries to Kylie Oltmann, Supervisor or Nicole Prisakar, Lead Analyst at (916) 445-1546.

Sincerely,

  
JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Ernestine Jones, Finance Director, City of El Monte  
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

**CERTIFICATE OF ACCEPTANCE OF QUITCLAIM DEED  
(City of El Monte)**

This is to certify that the real property conveyed by the Quitclaim Deed dated \_\_\_\_\_, 201\_ from the CITY OF EL MONTE, as the successor agency to the EL MONTE COMMUNITY REDEVELOPMENT AGENCY as Grantor, to the CITY OF EL MONTE as Grantee, is hereby accepted by the undersigned officer on behalf of the CITY OF EL MONTE.

Dated: \_\_\_\_\_, 201\_

\_\_\_\_\_  
Andre Quintero,  
Mayor of the City of El Monte

**ACKNOWLEDGMENT**

State of California

County of Los Angeles

On \_\_\_\_\_, 201\_ before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_  
who proved to me on the basis of satisfactory evidence to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he executed the same  
in his authorized capacity, and that by his signature on the instrument the person or the  
entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California  
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

**OB RESOLUTION NO. OB-81**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF REAL PROPERTY TO THE CITY OF EL MONTE AND MAKING CERTAIN FINDINGS BY LAW (LONG-RANGE PROPERTY MANAGEMENT PLAN ITEM #63)**

WHEREAS, pursuant to Assembly Bill 26 ("ABX1 26") (Chapter 5, Statutes of 2011), El Monte Community Redevelopment Agency ("RDA") was dissolved effective as of February 1, 2012; and

WHEREAS, pursuant to ABX1 26, the City of El Monte ("City") is the Successor Agency to the RDA ("Successor Agency"); and

WHEREAS, the Oversight Board to the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the former RDA in accordance with Health & Safety Code ("HSC") Section 34179, et seq.; and

WHEREAS, Successor Agency is engaged in activities necessary to execute and implement the dissolution of the RDA; and

WHEREAS, Successor Agency owns certain real properties assets that are located within the dissolved Redevelopment Project Areas, which were transferred effective February 1, 2012 to Successor Agency by operation of law under ABX1 26; and

WHEREAS, Assembly Bill 1484 ("AB 1484") (Chapter 26, Statutes of 2012) was enacted on June 7, 2012 and established new post-compliance provisions mandating successor agencies to perform certain actions upon a Finding of Completion from the California Department of Finance ("DOF"); and

WHEREAS, Successor Agency received a Finding of Completion from DOF on April 26, 2013; and

WHEREAS, pursuant to HSC Section 34191.5, Successor Agency was required to submit a Long Range Property Management Plan ("LRPMP") to the Oversight Board and DOF within six (6) months of receiving the Finding of Completion; and

WHEREAS; on February 27, 2014 by OB Resolution No. OB-34, Oversight Board approved a LRPMP-Part A and transmitted LRPMP-Part A to DOF; and

WHEREAS, on May 8, 2014 DOF approved LRPMP-Part A; and

WHEREAS; on December 3, 2015 by OB Resolution No. OB-57, Oversight Board approved a LRPMP-Part B identifying certain real properties for public use and to be transferred to the City as Items 50-64, and transmitted the LRPMP-Part B to the Oversight Board and DOF; and

WHEREAS, on December 14, 2015 DOF approved LRPMP-Part B; and

WHEREAS, Oversight Board desires to direct the transfer of LRPMP Item 63, Assessor's Parcel Number ("APN") 8579-005-025, 8579-005-003, 8579-005-024, 8579-005-028, and 8579-005-027, to the City in accordance with the approved LRPMP-Part B; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. **Recitals** The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Approval** The Oversight Board of the Successor Agency to the former El Monte Community Redevelopment Agency ("Oversight Board") hereby approves the transfer of LRPMP Item 63, APN 8579-005-025, 8579-005-003, 8579-005-024, 8579-005-028, and 8579-005-027, to the City of El Monte using the quitclaim deed form attached as Exhibit A to this Resolution.

SECTION 3. Staff is hereby authorized and directed to sign all documents including, but not limited to, grant deeds, assignment and assumption agreements, and other similar documents to transfer the LRPMP Item 63, APN 8579-005-025, 8579-005-003, 8579-005-024, 8579-005-028, and 8579-005-027, to the City as approved by both the Oversight Board.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of JUNE, 2018.

---

Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-81 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Chair of the Oversight Board

**EXHIBIT A**  
**QUITCLAIM DEED FORM**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731  
Attention: City Clerk

APN 8579-005-025, 8579-005-003,  
8579-005-024, 8579-005-028, and 8579-005-027

SPACE ABOVE FOR RECORDER'S USE ONLY  
Exempt from filing fees per Govt. Code § 27383

**QUITCLAIM DEED**

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the **CITY OF EL MONTE, as successor agency to EL MONTE COMMUNITY REDEVELOPMENT AGENCY**, a public body, corporate and politic ("**Grantor**"), hereby remises, releases and forever quitclaims to the **CITY OF EL MONTE**, a public body, corporate and politic ("**Grantee**"), that certain real property legally described in Exhibit A attached to and incorporated herein by reference ("**Property**"), subject to all easements, rights-of-way, covenants, conditions, restrictions, reservations, and all other matters of record and subject to the following:

**1. Conveyance pursuant to Long Range Property Management Plan.**

The Property is conveyed by Grantor in accordance with the Long Range Property Management Plan- Part B (Property #63) approved on December 3, 2015 by the Oversight Board to the El Monte Successor Agency pursuant to OB Resolution No. OB-57, and subsequently approved by the California Department of Finance as evidenced by that certain letter dated December 14, 2015, a copy of which is attached hereto as Exhibit B and incorporated herein by reference ("**DOF Approval**").

**2. Covenants, Conditions, Restrictions and Agreements.**

**2.1 Condition of Property.** Grantor conveys the Property to Grantee and Grantee accepts the Property in "AS IS," condition with no warranties, expressed or implied, as to the environmental or other physical condition of the Property, the presence or absence of any patent or latent environmental or other physical condition on or in the Property, or any other matters affecting the Property.

**2.2 No Discrimination or Segregation.** Grantee covenants and agrees that the Property is subject to the following covenants, conditions and restrictions:

**(a) Standards.** There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in Government Code 12955 (a) or (d), as those bases are defined in Government Code Sections 12926, 12926.1, 12955(m), 12955(p)(1), and 12955.2, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Property nor shall Grantee or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the Property.

**(b) Interpretation.** Notwithstanding Section 2.2(a), with respect to familial status, Section 2.2(a) shall not be construed to apply to housing for older persons as defined in Government Code Section 12955.9. With respect to familial status, nothing in Section 2.2(a) shall be construed to affect Civil Code Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5, relating to housing for senior citizens. Civil Code Sections 51(d) and 1360 and Government Code Section 12955(n), (o) and (p) shall apply to Section 2.2(a).

**2.3 Running with the Land.** Each covenant, condition, restriction and agreement contained in this Deed shall run with the Property and is for the benefit of Grantor (and any legal successor thereto). In the event of any breach of any such covenant, condition, restriction and agreement, Grantor (and any legal successor thereto) has the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings, to enforce same.

**2.4 Interpretation.** Each covenant, condition, restriction and agreement in this Deed shall be construed liberally in favor of giving it full force and effect in favor of Grantor (or its legal successor).

IN WITNESS WHEREOF, Grantor has caused this Quitclaim Deed to be executed by its authorized representative(s) on this \_\_\_\_ day of \_\_\_\_\_, 201\_.

**GRANTOR:**

CITY OF EL MONTE as successor agency to the EL MONTE COMMUNITY REDEVELOPMENT AGENCY, a public body, corporate and politic

By: \_\_\_\_\_  
Andre Quintero, Executive Director

**ATTEST:**

By: \_\_\_\_\_  
Jonathan Hawes  
City Clerk of the City of El Monte

**APPROVED AS TO FORM:**

OLIVAREZ      MADRUGA      LEMIEUX  
O'NEILL

By: \_\_\_\_\_  
David Gondek  
Successor Agency Counsel

**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**



PARCEL 6:

LOT 15 OF TRACT 883, IN THE CITY OF EL MONTE, AS PER MAP RECORDED IN BOOK 18 PAGE 39 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 7:

LOT 3 AND THAT PART OF LOT 4 OF TRACT 3886, IN THE CITY OF EL MONTE, AS PER MAP RECORDED IN BOOK 42 PAGE 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING THE SOUTHWESTERLY CORNER OF LOT 4, RUNNING THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID LOT TO THE NORTHWESTERLY CORNER THEREOF; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID LOT, 24.68 FEET TO A POINT; THENCE SOUTHERLY IN A DIRECT LINE TO A POINT IN THE SOUTHERLY LINE OF SAID LOT 25 FEET EASTERLY FROM THE SOUTHWESTERLY CORNER THEREOF; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID LOT, 25 FEET TO THE POINT OF BEGINNING.

End of Legal Description

EXHIBIT "A"  
(Continued)

Page 2

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THIS EXHIBIT "A" IS EXECUTED ON MARCH 15, 2007.

TRUSTOR:

GSL DEVELOPMENT, LLC

By: 

SCOTT A. GUNDERSON, Managing Member of GSL DEVELOPMENT, LLC

---

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**EXHIBIT B**  
**DOF APPROVAL**



December 14, 2015

Mr. Jesus Gomez, City Manager  
City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Mr. Gomez:

Subject: Long-Range Property Management Plan

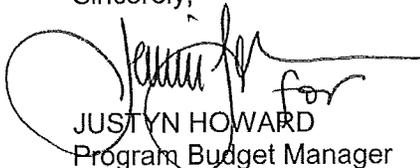
Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of El Monte Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on October 25, 2013. The Agency subsequently submitted a revised LRPMP to Finance on December 7, 2015. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on April 26, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. Our approval of the LRPMP also took into account Oversight Board Resolution No. 58 directing the transfer of property located at 3557 Lexington Avenue, Assessor's Parcel Number 8579-027-905 (Jerry Ortiz Memorial Youth Boxing Gym) to the City of El Monte for governmental and recreational uses only.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Please direct inquiries to Kylie Oltmann, Supervisor or Nicole Prisakar, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Ernestine Jones, Finance Director, City of El Monte  
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

**CERTIFICATE OF ACCEPTANCE OF QUITCLAIM DEED  
(City of El Monte)**

This is to certify that the real property conveyed by the Quitclaim Deed dated \_\_\_\_\_, 201\_ from the CITY OF EL MONTE, as the successor agency to the EL MONTE COMMUNITY REDEVELOPMENT AGENCY as Grantor, to the CITY OF EL MONTE as Grantee, is hereby accepted by the undersigned officer on behalf of the CITY OF EL MONTE.

Dated: \_\_\_\_\_, 201\_

\_\_\_\_\_  
Andre Quintero,  
Mayor of the City of El Monte

**ACKNOWLEDGMENT**

State of California

County of Los Angeles

On \_\_\_\_\_, 201\_ before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_  
who proved to me on the basis of satisfactory evidence to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he executed the same  
in his authorized capacity, and that by his signature on the instrument the person or the  
entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California  
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

**OB RESOLUTION NO. OB-82**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF REAL PROPERTY TO THE CITY OF EL MONTE AND MAKING CERTAIN FINDINGS BY LAW (LONG-RANGE PROPERTY MANAGEMENT PLAN ITEM #64)**

WHEREAS, pursuant to Assembly Bill 26 ("ABX1 26") (Chapter 5, Statutes of 2011), El Monte Community Redevelopment Agency ("RDA") was dissolved effective as of February 1, 2012; and

WHEREAS, pursuant to ABX1 26, the City of El Monte ("City") is the Successor Agency to the RDA ("Successor Agency"); and

WHEREAS, the Oversight Board to the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the former RDA in accordance with Health & Safety Code ("HSC") Section 34179, et seq.; and

WHEREAS, Successor Agency is engaged in activities necessary to execute and implement the dissolution of the RDA; and

WHEREAS, Successor Agency owns certain real properties assets that are located within the dissolved Redevelopment Project Areas, which were transferred effective February 1, 2012 to Successor Agency by operation of law under ABX1 26; and

WHEREAS, Assembly Bill 1484 ("AB 1484") (Chapter 26, Statutes of 2012) was enacted on June 7, 2012 and established new post-compliance provisions mandating successor agencies to perform certain actions upon a Finding of Completion from the California Department of Finance ("DOF"); and

WHEREAS, Successor Agency received a Finding of Completion from DOF on April 26, 2013; and

WHEREAS, pursuant to HSC Section 34191.5, Successor Agency was required to submit a Long Range Property Management Plan ("LRPMP") to the Oversight Board and DOF within six (6) months of receiving the Finding of Completion; and

WHEREAS; on February 27, 2014 by OB Resolution No. OB-34, Oversight Board approved a LRPMP-Part A and transmitted LRPMP-Part A to DOF; and

WHEREAS, on May 8, 2014 DOF approved LRPMP-Part A; and

WHEREAS; on December 3, 2015 by OB Resolution No. OB-57, Oversight Board approved a LRPMP-Part B identifying certain real properties for public use and to be transferred to the City as Items 50-64, and transmitted the LRPMP-Part B to the Oversight Board and DOF; and

WHEREAS, on December 14, 2015 DOF approved LRPMP-Part B; and

WHEREAS, Oversight Board desires to direct the transfer of LRPMP Item 64, Assessor's Parcel Number ("APN") 8565-011-028, to the City in accordance with the approved LRPMP-Part B; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. **Recitals** The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Approval** The Oversight Board of the Successor Agency to the former El Monte Community Redevelopment Agency ("Oversight Board") hereby approves the transfer of LRPMP Item 63, APN 8565-011-028, to the City of El Monte using the quitclaim deed form attached as Exhibit A to this Resolution.

SECTION 3. Staff is hereby authorized and directed to sign all documents including, but not limited to, grant deeds, assignment and assumption agreements, and other similar documents to transfer LRPMP Item 63, APN 8565-011-028, to the City as approved by both the Oversight Board.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of JUNE, 2018.

---

Chair of the Oversight Board

STATE OF CALIFORNIA        )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE            )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-82 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chair of the Oversight Board

**EXHIBIT A**  
**QUITCLAIM DEED FORM**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731  
Attention: City Clerk

APN 8565-011-028

SPACE ABOVE FOR RECORDER'S USE ONLY  
Exempt from filing fees per Govt. Code § 27383

**QUITCLAIM DEED**

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the **CITY OF EL MONTE, as successor agency to EL MONTE COMMUNITY REDEVELOPMENT AGENCY**, a public body, corporate and politic ("**Grantor**"), hereby remises, releases and forever quitclaims to the **CITY OF EL MONTE**, a public body, corporate and politic ("**Grantee**"), that certain real property legally described in Exhibit A attached to and incorporated herein by reference ("**Property**"), subject to all easements, rights-of-way, covenants, conditions, restrictions, reservations, and all other matters of record and subject to the following:

**1. Conveyance pursuant to Long Range Property Management Plan.**

The Property is conveyed by Grantor in accordance with the Long Range Property Management Plan- Part B (Property #64) approved on December 3, 2015 by the Oversight Board to the El Monte Successor Agency pursuant to OB Resolution No. OB-57, and subsequently approved by the California Department of Finance as evidenced by that certain letter dated December 14, 2015, a copy of which is attached hereto as Exhibit B and incorporated herein by reference ("**DOF Approval**").

**2. Covenants, Conditions, Restrictions and Agreements.**

**2.1 Condition of Property.** Grantor conveys the Property to Grantee and Grantee accepts the Property in "AS IS," condition with no warranties, expressed or implied, as to the environmental or other physical condition of the Property, the presence or absence of any patent or latent environmental or other physical condition on or in the Property, or any other matters affecting the Property.

**2.2 No Discrimination or Segregation.** Grantee covenants and agrees that the Property is subject to the following covenants, conditions and restrictions:

**(a) Standards.** There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in Government Code 12955 (a) or (d), as those bases are defined in Government Code Sections 12926, 12926.1, 12955(m), 12955(p)(1), and 12955.2, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Property nor shall Grantee or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the Property.

**(b) Interpretation.** Notwithstanding Section 2.2(a), with respect to familial status, Section 2.2(a) shall not be construed to apply to housing for older persons as defined in Government Code Section 12955.9. With respect to familial status, nothing in Section 2.2(a) shall be construed to affect Civil Code Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5, relating to housing for senior citizens. Civil Code Sections 51(d) and 1360 and Government Code Section 12955(n), (o) and (p) shall apply to Section 2.2(a).

**2.3 Running with the Land.** Each covenant, condition, restriction and agreement contained in this Deed shall run with the Property and is for the benefit of Grantor (and any legal successor thereto). In the event of any breach of any such covenant, condition, restriction and agreement, Grantor (and any legal successor thereto) has the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings, to enforce same.

**2.4 Interpretation.** Each covenant, condition, restriction and agreement in this Deed shall be construed liberally in favor of giving it full force and effect in favor of Grantor (or its legal successor).

IN WITNESS WHEREOF, Grantor has caused this Quitclaim Deed to be executed by its authorized representative(s) on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**GRANTOR:**

CITY OF EL MONTE as successor  
agency to the EL MONTE COMMUNITY  
REDEVELOPMENT AGENCY,  
a public body, corporate and politic

By: \_\_\_\_\_  
Andre Quintero, Executive Director

**ATTEST:**

By: \_\_\_\_\_  
Jonathan Hawes  
City Clerk of the City of El Monte

**APPROVED AS TO FORM:**

OLIVAREZ      MADRUGA      LEMIEUX  
O'NEILL

By: \_\_\_\_\_  
David Gondek  
Successor Agency Counsel

**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**

FILE NO.: 03705908

EXHIBIT "A"

PARCEL 1:

LOTS 1, 2 AND 3 IN BLOCK "A" OF TRACT NO. 10882, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 188, PAGE(S) 49 AND 50 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

LOT 5 IN BLOCK "A" OF TRACT NO. 10882, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 188, PAGE(S) 49 AND 50 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

THAT PORTION OF LOT "A" OF TRACT NO. 1268, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18, PAGE(S) 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHEASTERLY LINE OF LOT 5 IN BLOCK "A" OF TRACT NO. 10882, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 188, PAGE(S) 49 AND 50 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING DISTANT NORTH 38 DEGREES 29 MINUTES 20 SECONDS EAST 260.00 FEET MEASURED ALONG SAID SOUTHEASTERLY LINE AND ALONG THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE FROM THE SOUTHWESTERLY LINE OF LOT "A" OF TRACT NO. 1268; THENCE ALONG A LINE PARALLEL WITH SAID SOUTHWESTERLY LINE OF LOT "A" SOUTH 50 DEGREES 36 MINUTES 30 SECONDS WEST 50.00 FEET TO A POINT IN THE NORTHWESTERLY LINE OF LOT 4 IN BLOCK "A" OF TRACT NO. 10882; THENCE ALONG SAID NORTHWESTERLY LINE OF LOT 4 NORTH 38 DEGREES 29 MINUTES 20 SECONDS EAST 15.90 FEET TO THE MOST NORTHERLY CORNER OF SAID LOT 4; THENCE ALONG THE SOUTHWESTERLY LINE OF LOT 8 IN BLOCK "A" OF TRACT NO. 10882, NORTH 50 DEGREES 57 WEST 50.00 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 5; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LOT 5, SOUTH 38 DEGREES 29 MINUTES 20 SECONDS WEST 15.60 FEET TO SAID POINT OF BEGINNING.

PARCEL 4:

THAT PORTION OF LOT "A" OF TRACT NO. 1268, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18, PAGE(S) 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 5 IN BLOCK "A" OF TRACT NO. 10882, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 188, PAGE(S) 49 AND 50 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LOT 5, NORTH 38 DEGREES 29 MINUTES 20 SECONDS EAST 244.40 FEET TO A POINT THAT IS DISTANT NORTH 38 DEGREES 29 MINUTES 20 SECONDS EAST 260.00 FEET MEASURED ALONG SAID SOUTHEASTERLY LINE AND ALONG THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE, FROM THE SOUTHWESTERLY LINE OF LOT "A" OF TRACT NO. 1268; THENCE ALONG A LINE PARALLEL WITH SAID SOUTHWESTERLY LINE OF LOT "A" SOUTH 50 DEGREES 36 MINUTES 30 SECONDS EAST 50.00 FEET TO A POINT IN THE NORTHWESTERLY LINE OF LOT 4 IN BLOCK "A" OF TRACT NO. 10882; THENCE ALONG SAID NORTHWESTERLY LINE OF LOT 4, SOUTH 38 DEGREES 29 MINUTES 20 SECONDS WEST 244.10 FEET TO THE MOST WESTERLY CORNER OF SAID LOT 4, IN THE NORTHEASTERLY LINE OF THE LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA FOR HIGHWAY PURPOSES RECORDED NOVEMBER 22, 1948, AS INSTRUMENT NO. 2198, IN BOOK 28783, PAGE 170, OFFICIAL RECORDS; THENCE ALONG SAID NORTHEASTERLY LINE NORTH 50 DEGREES

ACKNOWLEDGED

DATE 7/16/02

FILE NO.: 03705908

EXHIBIT <sup>A</sup>~~B~~ - CONTINUED

57 MINUTES WEST 50.00 FEET TO SAID POINT OF BEGINNING.

PARCEL 5:

LOT 4 IN BLOCK "A" OF TRACT NO. 10882, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 188, PAGE(S) 49 AND 50 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 6:

LOT 6 IN BLOCK "A" OF TRACT NO. 10882, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 188, PAGE(S) 49 AND 50 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 7:

THAT PART OF LOT "A" OF TRACT NO. 1268, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18, PAGE(S) 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID LOT; THENCE SOUTH 50 DEGREES 36 MINUTES 30 SECONDS EAST ALONG THE SOUTHWESTERLY LINE OF SAID LOT, 82 FEET; THENCE NORTH 38 DEGREES 29 MINUTES 20 SECONDS EAST 782.22 FEET TO A POINT IN THE NORTHEASTERLY LINE OF SAID LOT, DISTANT THEREON SOUTH 50 DEGREES 28 MINUTES 20 SECONDS EAST 28.94 FEET FROM THE MOST NORTHERLY CORNER THEREOF; THENCE NORTH 50 DEGREES 28 MINUTES 20 SECONDS WEST ALONG THE NORTHERLY LINE OF SAID LOT "A", 28.94 FEET TO THE MOST NORTHERLY CORNER THEREOF; THENCE SOUTH 42 DEGREES 21 MINUTES 25 SECONDS WEST ALONG THE NORTHWESTERLY LINE OF SAID LOT, 782.68 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID TRACT NO. 1268; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID TRACT, A DISTANCE OF 82 FEET TO THE SOUTHWESTERLY PROLONGATION OF THE NORTHWESTERLY LINE OF LOT 6 OF TRACT NO. 10882, AS PER MAP RECORDED IN BOOK 188, PAGE 49 OF MAPS; THENCE NORTHEASTERLY ALONG SAID SOUTHWESTERLY PROLONGATION TO THE MOST WESTERLY CORNER OF SAID LOT 6; THENCE NORTHWESTERLY ALONG THE NORTHWESTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID LAST MENTIONED LOT TO AN INTERSECTION WITH A LINE WHICH IS PARALLEL WITH AND DISTANT 50 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTERLINE OF VALLEY BOULEVARD, 66 FEET WIDE, SHOWN, AS POMONA BOULEVARD ON MAP OF TRACT NO. 9942, RECORDED IN BOOK 140, PAGE 20 OF MAPS; THENCE NORTHWESTERLY ALONG SAID PARALLEL LINE TO THE NORTHWESTERLY LINE OF SAID TRACT NO. 1268; THENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY LINE TO THE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND DESCRIBED AS FOLLOWS:

ACKNOWLEDGED

DATE 7/6/02

FILE NO.: 03705908

EXHIBIT <sup>A</sup>~~B~~ - CONTINUED

BEGINNING AT A POINT IN THE NORTHWESTERLY LINE OF TRACT NO. 10882, AS SHOWN ON MAP RECORDED IN BOOK 188, PAGES 49 AND 50 OF SAID MAPS, DISTANT THEREON SOUTH 38 DEGREES 18 MINUTES 21 SECONDS WEST, 15.67 FEET FROM THE MOST NORTHERLY CORNER OF LOT 7 IN BLOCK "A" OF SAID TRACT NO. 10882; THENCE NORTH 83 DEGREES 31 MINUTES 37 SECONDS WEST, 58.36 TO THE NORTHWESTERLY LINE OF SAID LOT "A"; THENCE ALONG SAID NORTHWESTERLY LINE; NORTH 42 DEGREES 17 MINUTES 07 SECONDS EAST, 297.57 FEET TO THE MOST NORTHERLY CORNER OF SAID LOT "A"; THENCE ALONG THE NORTHEASTERLY LINE OF SAID LOT "A", SOUTH 50 DEGREES 39 MINUTES 34 SECONDS EAST, 28.94 FEET TO SAID NORTHWESTERLY LINE OF TRACT NO. 10882; THENCE ALONG SAID NORTHWESTERLY LINE, SOUTH 38 DEGREES 18 MINUTES 21 SECONDS WEST, 265.54 FEET TO SAID POINT OF BEGINNING.

A.P.N. 8565-011-001

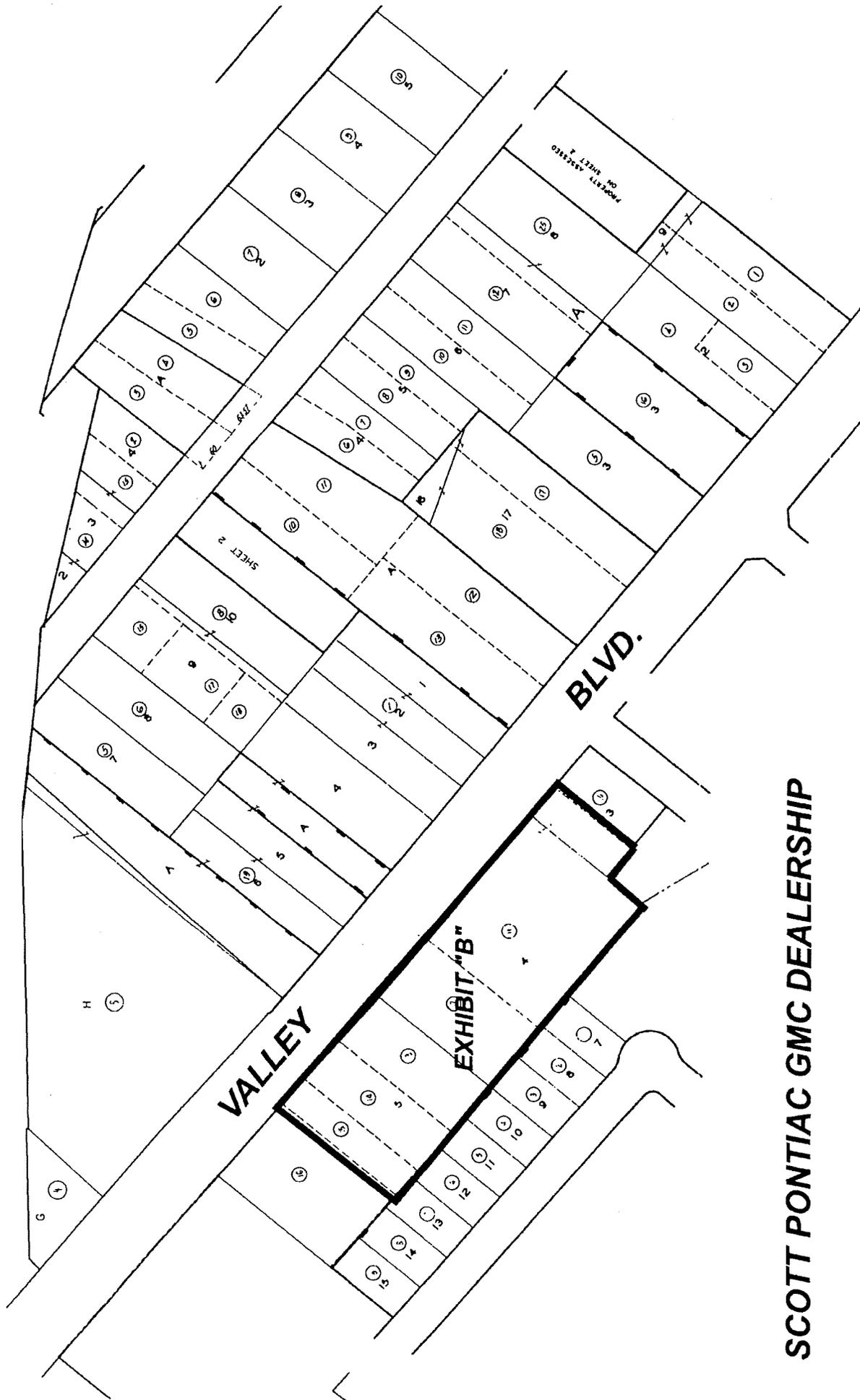
ACKNOWLEDGED

S.G.

DATE 7/16/02

EXHIBIT "B"

LEGAL DESCRIPTION OF SOUTH PARCEL



**SCOTT PONTIAC GMC DEALERSHIP**

**EXHIBIT B**  
**DOF APPROVAL**

December 14, 2015

Mr. Jesus Gomez, City Manager  
City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Mr. Gomez:

Subject: Long-Range Property Management Plan

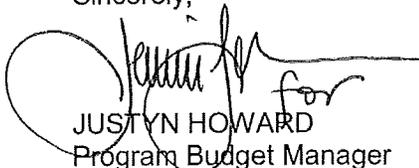
Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of El Monte Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on October 25, 2013. The Agency subsequently submitted a revised LRPMP to Finance on December 7, 2015. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on April 26, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. Our approval of the LRPMP also took into account Oversight Board Resolution No. 58 directing the transfer of property located at 3557 Lexington Avenue, Assessor's Parcel Number 8579-027-905 (Jerry Ortiz Memorial Youth Boxing Gym) to the City of El Monte for governmental and recreational uses only.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Please direct inquiries to Kylie Oltmann, Supervisor or Nicole Prisakar, Lead Analyst at (916) 445-1546.

Sincerely,

  
JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Ernestine Jones, Finance Director, City of El Monte  
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

**CERTIFICATE OF ACCEPTANCE OF QUITCLAIM DEED  
(City of El Monte)**

This is to certify that the real property conveyed by the Quitclaim Deed dated \_\_\_\_\_, 201\_ from the CITY OF EL MONTE, as the successor agency to the EL MONTE COMMUNITY REDEVELOPMENT AGENCY as Grantor, to the CITY OF EL MONTE as Grantee, is hereby accepted by the undersigned officer on behalf of the CITY OF EL MONTE.

Dated: \_\_\_\_\_, 201\_

\_\_\_\_\_  
Andre Quintero,  
Mayor of the City of El Monte

**ACKNOWLEDGMENT**

State of California

County of Los Angeles

On \_\_\_\_\_, 201\_ before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_  
who proved to me on the basis of satisfactory evidence to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he executed the same  
in his authorized capacity, and that by his signature on the instrument the person or the  
entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California  
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature



**CITY OF EL MONTE**  
CITY MANAGER'S OFFICE  
OVERSIGHT BOARD AGENDA REPORT

OVERSIGHT BOARD SPECIAL MEETING OF JUNE 14, 2018

June 7, 2018

The Honorable Chair and Oversight Board Members  
Oversight Board for the Successor Agency to the  
Former El Monte Community Redevelopment Agency  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Chair and Oversight Board Members:

**MAKE A FINDING THAT THE ORCHARD STREET EXTENSION PROJECT LOAN FROM THE CITY TO THE FORMER REDEVELOPMENT AGENCY WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES.**

**IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

1. Consider and adopt a Resolution making a finding that the Orchard Street Extension Project Loan to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment 1).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Prior to the dissolution of redevelopment, the City of El Monte ("City") made a loan to the former El Monte Community Redevelopment Agency ("Agency") to help implement the Redevelopment Plan for the El Monte Center Project Area, as well as the 2004 Five-Year Implementation Plan. The Dissolution Act, enacted by Assembly Bill ("AB") x1 26 in 2011, and subsequently amended by AB 1484 in 2012 and Senate Bill ("SB") 107 in 2015 and codified in the California Health and Safety Code ("HSC"), permits loans between cities and former redevelopment agencies to be repaid through Recognized Obligation Payment Schedules ("ROPS") if certain conditions are met. Conditions include (a) the successor agency receiving a Finding of Completion from the California Department of Finance ("DOF") and (b) the successor agency's oversight board making a finding that the loan was for legitimate redevelopment purposes.

**ITEM 3**

## **LEGISLATIVE BACKGROUND**

The Dissolution Act established a strict definition of “enforceable obligations” that may be paid through a ROPS. Certain loans between cities and former redevelopment agencies (“City/Agency Loans”) are eligible for repayment if a successor agency has received its finding of completion from DOF, and if the oversight board makes a finding that the City/Agency Loans were made for legitimate redevelopment purposes. Pursuant to HSC Section 34191.4(b), City/Agency Loans eligible for repayment include:

- A. Cash Advances. Loans where a city transferred money to the former redevelopment agency (“RDA”) for a lawful purpose, and the RDA was obligated to repay the city pursuant to a required repayment schedule.
- B. Property Transfer. Agreements where a city transferred real property to the RDA, and the RDA was obligated to pay the city for the property.
- C. Third-Party Infrastructure Development. Agreements where a city contracted with a third party to develop infrastructure, and the RDA was obligated to reimburse the city. Repayments on this type of loan are capped at \$5 million.

In 1994, the City loaned \$42,881 to the former Agency for the Orchard Street Extension Project (“Orchard Project Loan”). The loan was a cash advance from the City to the former Agency for a lawful purpose (option A as described above). The Successor Agency received its Finding of Completion from DOF on April 26, 2013. The Successor Agency to the Former El Monte Community Redevelopment Agency (“Successor Agency”) believes that the loan is eligible for repayment pursuant to HSC Section 34191.4(b).

The Orchard Project Loan is already included on the Successor Agency’s ROPS as Line Item 26, however the Successor Agency is not permitted to request payment for the line item until DOF approves an Oversight Board resolution that makes a finding that the Orchard Project Loan was made for legitimate redevelopment purposes. At this time, the Successor Agency requests that the Oversight Board make a finding to confirm that the Orchard Project Loan was made for legitimate redevelopment purposes. If the Oversight Board approves the proposed resolution making this finding, the resolution will be sent to DOF for review and approval.

## **ORCHARD STREET EXTENSION PROJECT LOAN**

Agency Resolution No. R-562, approved on September 27, 1994, approved an agreement between the City and the Agency, whereby the City agreed to advance \$42,881 of U.S. Department of Housing and Urban Development (“HUD”) Community Development Block Grant (“CDBG”) funds to the Agency to assist with the design, construction and installation of public street improvements. The project was referenced

in the Former Agency's Five-Year Implementation Plan adopted in 2004. The advance was made to fund economic development activities, including, but not limited to, equipment purchases, inventory financing, interest subsidies, operating expenses, and job retention.

The former Agency was established to improve, rehabilitate, and redevelop blighted areas, pursuant to the Redevelopment Plans for the redevelopment project areas. HSC Sections 33132 and 33601 authorized a redevelopment agency to accept financial assistance from any public or private source for the agency's activities. The Orchard Project Loan was advanced to assist the Agency with undertaking its redevelopment activities, pursuant to and as authorized under the Community Redevelopment Law, the Redevelopment Plan for the El Monte Center Project Area, and the former Agency's Five-Year Implementation Plan adopted in 2004.

### **LOAN REPAYMENT**

If the Oversight Board and DOF find that the Orchard Project Loan is an enforceable obligation, repayment is subject to specific requirements and limitations in accordance with HSC Section 34191.4(b)(3):

1. The accumulated interest on the principal amount of the loan must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest;
2. Supplemental Educational Revenue Augmentation Fund ("SERAF") loans and deferred housing set-aside repayments are senior to City/Agency Loans and must be repaid first;
3. Scheduled repayments on the ROPS cannot exceed 50% of the annual incremental growth of residual Redevelopment Property Tax Trust Fund ("RPTTF") revenues, using a Fiscal Year ("FY") 2012-13 base year; and
4. Twenty percent (20%) of City/Agency Loan repayments must be deducted and transferred to the Housing Successor Agency's Low and Moderate Income Housing Asset Fund for use on affordable housing activities, as required by law. The remaining balance may be deposited in the City's General Fund.

To date, none of the \$42,881 Orchard Project Loan has been repaid to the City. Pursuant to the first point, the accumulated interest on the \$42,881 principal amount of the loan as of the February 1, 2019 ROPS 19-20 deadline will be \$31,839. Accordingly, the \$74,720 sum of the principal and interest will be included on ROPS 19-20 for repayment. However, DOF will approve repayment only if the loan is found to be enforceable obligations by the Oversight Board and DOF. It should be noted that any

interest rate previously specified is no longer valid, as the Successor Agency must calculate interest as detailed in the first point above.

To elaborate on the third point, the maximum City repayment in any given year is:

$$\frac{(\text{Prior Fiscal Year Residual RPTTF} - \text{FY 2012-13 Residual RPTTF})}{2}$$

For example, if residual RPTTF was \$1 million in FY 2017-18 and \$500,000 in FY 2012-13, the maximum loan repayment in FY 2018-19 would be:

$$\frac{(\$1,000,000 - \$500,000)}{2} = \$250,000$$

In the Successor Agency's case, the FY 2012-13 Residual RPTTF was zero. The maximum loan repayment amount in FY 2018-19 is \$985,190. The Successor Agency does not have any SERAF loans or deferred housing set-aside that require repayment before the Orchard Project Loan. An estimated repayment schedule is included as an exhibit to the attached resolution, but the annual loan repayment amount in any given year cannot be determined until the completion of the prior fiscal year. Actual payments will depend on the final amount of RPTTF available to fund approved enforceable obligations in each ROPS period.

### **FISCAL IMPACT**

Adoption of the proposed resolution is required to repay the City the balance on the Orchard Project Loan, which will be \$74,720 as of the February 1, 2019 deadline for ROPS 19-20.

### **CONCLUSION**

Staff recommends that the Oversight Board consider and adopt a resolution making a finding that the Orchard Project Loan to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment No. 1).

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

Page 5

Respectfully submitted,



ALEX HAMILTON  
Executive Director

Attachment:

1. Resolution Making a Finding that the Orchard Project Loan Entered into by and between the Former El Monte Community Redevelopment Agency and the City of El Monte Was Entirely for Legitimate Redevelopment Purposes (with Exhibits)
2. Estimated Loan Payment Schedule

DATE: June 14, 2018
PRESENTED TO THE OVERSIGHT BOARD
<input type="checkbox"/> APPROVED
<input type="checkbox"/> DENIED
<input type="checkbox"/> PULLED
<input type="checkbox"/> RECEIVED AND FILE
<input type="checkbox"/> CONTINUED
<input type="checkbox"/> REFERRED TO
CHIEF DEPUTY CITY CLERK

**RESOLUTION NO. OB-83**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY MAKING A FINDING THAT THE ORCHARD STREET EXTENSION PROJECT LOAN ENTERED INTO BY AND BETWEEN THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF EL MONTE WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4(b)(1)**

WHEREAS, by virtue of the enactment of Health and Safety Code ("HSC") Section 34173(d), the City of El Monte ("City") is the successor agency to the former El Monte Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency ("Agency") in accordance with HSC Section 34179, et seq.; and

WHEREAS, prior to the dissolution of redevelopment, the City Council of the City ("City Council") adopted and amended from time to time the Redevelopment Plan ("Redevelopment Plan") for the El Monte Center Project Area ("Project Area"); and

WHEREAS, in keeping with the goals of the Agency to eliminate blight in the Project Area, the City and the Agency worked cooperatively to implement the Redevelopment Plan and the Five-Year Implementation Plan adopted in 2004; and

WHEREAS, the City and the Agency previously entered into transactions whereby the City undertook activities and incurred costs on behalf of the Agency, and whereby the Agency agreed to repay the cost of such activities to the City, or the amount of such funds paid or moneys loaned; and

WHEREAS, Agency Resolution No. R-562 dated September 27, 1994 approved an agreement between the City and Agency, whereby the City agreed to advance \$42,881 of U.S. Department of Housing and Urban Development ("HUD") Community Development Block Grant ("CDBG") funds to the Agency to assist with the Orchard Project ("Orchard Project Loan"); and

WHEREAS, HSC Section 34191.4(b)(3) specifies that the accumulated interest on the principal amount of loans between the redevelopment agency and the city, county, or city and county that created the redevelopment agency must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest; and

WHEREAS, none of the \$42,881 Orchard Project Loan has been repaid to the City, and the accumulated interest on the \$42,881 principal amount of the loan as of the February 1, 2019 deadline of Recognized Obligation Payment Schedule ("ROPS") 19-20 will be \$31,839, pursuant to HSC Section 34191.4(b)(3); and

WHEREAS, the Successor Agency wishes to repay the Orchard Project Loan through the ROPS process; and

WHEREAS, in accordance with HSC Section 34191.4(b), upon receiving a finding of completion by the California Department of Finance ("DOF"), loan agreements entered into between a redevelopment agency and the city that created it shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a finding of completion from DOF on April 26, 2013; and

WHEREAS, the Oversight Board desires to make a finding that the Orchard Street Extension Project Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b).

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency hereby finds that the Orchard Project Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b). This finding is based on the information and evidence set out in the Oversight Board staff report dated June 7, 2018, as well as the Exhibit to this Resolution.

SECTION 3. The Oversight Board hereby approves repayment of the Orchard Project Loan by placing it as an enforceable obligation on the ROPS.

SECTION 4. The officers of the Oversight Board and the 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 responding to additional requests for review by DOF and any such actions previously taken by such officers, and staff are hereby ratified and confirmed.

SECTION 5. The Oversight Board authorizes Successor Agency staff to abide by the attached estimated repayment schedule for the Orchard Project Loan, and

amend it from time to time in recognition that the annual maximum repayment amount cannot be determined until the completion of the prior fiscal year, based on the formula mandated by HSC Section 34191.4(b)(2).

SECTION 6. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of JUNE, 2018.

\_\_\_\_\_  
Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-83 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chair of the Oversight Board

## EXHIBIT A

### ORCHARD STREET EXTENSION PROJECT LOAN ESTIMATED LOAN REPAYMENT SCHEDULE

Loan Date: 9/27/1994

Fiscal Year	Maximum Annual Loan Payment Remaining	Principal Balance			Principal Payment	Interest Payment	Total Payment
		42,881	Annual Interest Rate	Annual Interest			
<b>1 1994</b>							
<b>26 2019</b>							
Q1 - Jan		42,881	0.75%	\$322	\$31,839		
Q2 - Apr		42,881	0.75%	\$322	\$32,161		
Q3 - Jul \$	-	42,881	0.75%	\$322	\$32,482	-	-
Q4 - Oct		42,881	0.75%	\$322	\$32,804		
<b>27 2020</b>							
Q1 - Jan		42,881	0.75%	\$322	\$33,126		
Q2 - Apr		42,881	0.75%	\$322	\$33,447		
Q3 - Jul \$	-	42,881	0.75%	\$322	\$33,769	-	-
Q4 - Oct		42,881	0.75%	\$322	\$34,090		
<b>28 2021</b>							
Q1 - Jan		42,881	0.75%	\$322	\$34,412		
Q2 - Apr		42,881	0.75%	\$322	\$34,734		
Q3 - Jul \$	-	42,881	0.75%	\$322	\$35,055	-	-
Q4 - Oct		42,881	0.75%	\$322	\$35,377		
<b>29 2022</b>							
Q1 - Jan		42,881	0.75%	\$322	\$35,698		
Q2 - Apr		42,881	0.75%	\$322	\$36,020		
Q3 - Jul \$	-	42,881	0.75%	\$322	\$36,342	-	-
Q4 - Oct		42,881	0.75%	\$322	\$36,663		
<b>30 2023</b>							
Q1 - Jan		42,881	0.75%	\$322	\$36,985		
Q2 - Apr		42,881	0.75%	\$322	\$37,306		
Q3 - Jul \$	-	42,881	0.75%	\$322	\$37,628	-	-
Q4 - Oct		42,881	0.75%	\$322	\$37,950		
<b>31 2024</b>							
Q1 - Jan		42,881	0.75%	\$322	\$38,271		
Q2 - Apr		42,881	0.75%	\$322	\$38,593		
Q3 - Jul \$	-	42,881	0.75%	\$322	\$38,915	-	-
Q4 - Oct		42,881	0.75%	\$322	\$39,236		
<b>32 2025</b>							
Q1 - Jan		42,881	0.75%	\$322	\$39,558		
Q2 - Apr		42,881	0.75%	\$322	\$39,879		
Q3 - Jul \$	-	42,881	0.75%	\$322	\$40,201	-	-
Q4 - Oct		42,881	0.75%	\$322	\$40,523		
<b>33 2026</b>							
Q1 - Jan		42,881	0.75%	\$322	\$40,844		
Q2 - Apr		42,881	0.75%	\$322	\$41,166		
Q3 - Jul \$	2,125,964	-	0.75%	\$0	\$41,166	42,881	41,166
Q4 - Oct		-	0.75%	\$0	\$0		84,047



**CITY OF EL MONTE**  
CITY MANAGER'S OFFICE  
OVERSIGHT BOARD AGENDA REPORT

OVERSIGHT BOARD SPECIAL MEETING OF JUNE 14, 2018

June 7, 2018

The Honorable Chair and Oversight Board Members  
Oversight Board for the Successor Agency to the  
Former El Monte Community Redevelopment Agency  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Chair and Oversight Board Members:

**MAKE A FINDING THAT THE 2006 VALLEY-DURFEE REDEVELOPMENT PROJECT PUBLIC IMPROVEMENT CONSTRUCTION LOAN FROM THE CITY TO THE FORMER REDEVELOPMENT AGENCY WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES.**

**IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

1. Consider and adopt a Resolution making a finding that the 2006 Valley-Durfee Redevelopment Project Public Improvement Construction Loan to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment 1).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Prior to the dissolution of redevelopment, the City of El Monte ("City") made a loan to the former El Monte Community Redevelopment Agency ("Agency") to help implement the Redevelopment Plan for the Valley-Durfee Redevelopment Project, as well as the 2009 Five-Year Implementation Plan. The Dissolution Act, enacted by Assembly Bill ("AB") x1 26 in 2011, and subsequently amended by AB 1484 in 2012 and Senate Bill ("SB") 107 in 2015 and codified in the California Health and Safety Code ("HSC"), permits loans between cities and former redevelopment agencies to be repaid through Recognized Obligation Payment Schedules ("ROPS") if certain conditions are met. Conditions include (a) the successor agency receiving a Finding of Completion from the California Department of Finance ("DOF") and (b) the successor agency's oversight board making a finding that the loan was for legitimate redevelopment purposes.

**ITEM 4**

## **LEGISLATIVE BACKGROUND**

The Dissolution Act established a strict definition of “enforceable obligations” that may be paid through a ROPS. Certain loans between cities and former redevelopment agencies (“City/Agency Loans”) are eligible for repayment if a successor agency has received its finding of completion from DOF, and if the oversight board makes a finding that the City/Agency Loans were made for legitimate redevelopment purposes. Pursuant to HSC Section 34191.4(b), City/Agency Loans eligible for repayment include:

- A. Cash Advances. Loans where a city transferred money to the former redevelopment agency (“RDA”) for a lawful purpose, and the RDA was obligated to repay the city pursuant to a required repayment schedule.
- B. Property Transfer. Agreements where a city transferred real property to the RDA, and the RDA was obligated to pay the city for the property.
- C. Third-Party Infrastructure Development. Agreements where a city contracted with a third party to develop infrastructure, and the RDA was obligated to reimburse the city. Repayments on this type of loan are capped at \$5 million.

In 2006, the City loaned \$400,000 to the former Agency for the 2006 Valley-Durfee Redevelopment Project Public Improvement Construction (“Loan”). The loan was a cash advance from the City to the former Agency for a lawful purpose (option A as described above).

The Successor Agency received its Finding of Completion from DOF on April 26, 2013. The Successor Agency to the former El Monte Community Redevelopment Agency (“Successor Agency”) believes that the loan is eligible for repayment pursuant to HSC Section 34191.4(b).

The Loan is already included on the Successor Agency’s ROPS as Line Item 35; however, the Successor Agency is not permitted to request payment for the line item until DOF approves an Oversight Board resolution that makes a finding that the Loan was made for legitimate redevelopment purposes. At this time, the Successor Agency requests that the Oversight Board make a finding to confirm that the Loan was made for legitimate redevelopment purposes. If the Oversight Board approves the proposed resolution making this finding, the resolution will be sent to DOF for review and approval.

## **EXLINE STREET PROJECT LOAN**

Agency Resolution No. 8741, approved on September 19, 2006, approved an agreement between the City and the Agency, whereby the City agreed to advance \$400,000 of U.S. Department of Housing and Urban Development (“HUD”) Community Development Block Grant (“CDBG”) funds to the Agency to assist with the Exline Street

sewer and roadway improvements. The Project was referenced in the Former Agency's Five-Year Implementation Plan adopted in 2009.

The former Agency was established to improve, rehabilitate, and redevelop blighted areas, pursuant to the Redevelopment Plans for the redevelopment project areas. HSC Sections 33132 and 33601 authorized a redevelopment agency to accept financial assistance from any public or private source for the agency's activities. The Loan was advanced to assist the Agency with undertaking its redevelopment activities, pursuant to and as authorized under the Community Redevelopment Law, the Redevelopment Plan for the Valley-Durfee Redevelopment Project Area, and the former Agency's Five-Year Implementation Plan adopted in 2009.

### **LOAN REPAYMENT**

If the Oversight Board and DOF find that the Loan is an enforceable obligation, repayment is subject to specific requirements and limitations in accordance with HSC Section 34191.4(b)(3):

1. The accumulated interest on the principal amount of the loan must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest;
2. Supplemental Educational Revenue Augmentation Fund ("SERAF") loans and deferred housing set-aside repayments are senior to City/Agency Loans and must be repaid first;
3. Scheduled repayments on the ROPS cannot exceed 50% of the annual incremental growth of residual Redevelopment Property Tax Trust Fund ("RPTTF") revenues, using a Fiscal Year ("FY") 2012-13 base year; and
4. Twenty percent (20%) of City/Agency Loan repayments must be deducted and transferred to the Housing Successor Agency's Low and Moderate Income Housing Asset Fund for use on affordable housing activities, as required by law. The remaining balance may be deposited in the City's General Fund.

To date, none of the \$400,000 Loan has been repaid to the City. Pursuant to the first point, the accumulated interest on the \$400,000 principal amount of the loan as of the February 1, 2019 ROPS 19-20 deadline will be \$150,000. Accordingly, the \$550,000 sum of the principal and interest will be included on ROPS 19-20 for repayment. However, DOF will approve repayment only if the loan is found to be enforceable obligations by the Oversight Board and DOF. It should be noted that any interest rate previously specified is no longer valid, as the Successor Agency must calculate interest as detailed in the first point above.

To elaborate on the third point, the maximum City repayment in any given year is:

$$\frac{(\text{Prior Fiscal Year Residual RPTTF} - \text{FY 2012-13 Residual RPTTF})}{2}$$

For example, if residual RPTTF was \$1 million in FY 2018-19 and \$500,000 in FY 2012-13, the maximum loan repayment in FY 2019-20 would be:

$$\frac{(\$1,000,000 - \$500,000)}{2} = \$250,000$$

In the Successor Agency's case, the FY 2012-13 Residual RPTTF was zero. The maximum loan repayment amount in FY 2018-19 is \$985,190; the amount cannot be calculated for FY 2019-20 until after the second FY 2018-19 RPTTF distribution. The Successor Agency does not have any SERAF loans or deferred housing set-aside that require repayment before the Loan. An estimated repayment schedule is included as an exhibit to the attached resolution, but the annual loan repayment amount in any given year cannot be determined until the completion of the prior fiscal year. Actual payments will depend on the final amount of RPTTF available to fund approved enforceable obligations in each ROPS period.

### **FISCAL IMPACT**

Adoption of the proposed resolution is required to repay the City the balance on the 2006 Valley-Durfee Redevelopment Project Public Improvement Construction Loan, which will be \$550,000 as of the February 1, 2019 deadline for the ROPS 19-20.

### **CONCLUSION**

Staff recommends that the Oversight Board consider and adopt a resolution making a finding that the 2006 Valley-Durfee Redevelopment Project Public Improvement Construction Loan to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment No. 1).

Respectfully submitted,



ALEX HAMILTON  
Executive Director

Attachment:

1. Resolution Making a Finding that the 2006 Valley-Durfee Redevelopment Project Public Improvement Construction Loan Entered into by and between the Former El Monte Community Redevelopment Agency and the City of El Monte Was Entirely for Legitimate Redevelopment Purposes (with Exhibits)
2. Estimated Recalculation of Loan Payment Schedule

DATE: June 14, 2018	
PRESENTED TO THE OVERSIGHT BOARD	
<input type="checkbox"/>	APPROVED
<input type="checkbox"/>	DENIED
<input type="checkbox"/>	PULLED
<input type="checkbox"/>	RECEIVED AND FILE
<input type="checkbox"/>	CONTINUED
<input type="checkbox"/>	REFERRED TO
CHIEF DEPUTY CITY CLERK	

**RESOLUTION NO. OB-84**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY MAKING A FINDING THAT THE 2006 VALLEY-DURFEE REDEVELOPMENT PROJECT PUBLIC IMPROVEMENT CONSTRUCTION LOAN ENTERED INTO BY AND BETWEEN THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF EL MONTE WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4(b)(1)**

WHEREAS, by virtue of the enactment of Health and Safety Code ("HSC") Section 34173(d), the City of El Monte ("City") is the successor agency to the former El Monte Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency ("Agency") in accordance with HSC Section 34179, et seq.; and

WHEREAS, prior to the dissolution of redevelopment, the City Council of the City ("City Council") adopted and amended from time to time the Redevelopment Plan ("Redevelopment Plan") for the Valley-Durfee Redevelopment Project Area ("Project Area"); and

WHEREAS, in keeping with the goals of the Agency to eliminate blight in the Project Area, the City and the Agency worked cooperatively to implement the Redevelopment Plan and the Five-Year Implementation Plan adopted in 2009; and

WHEREAS, the City and the Agency previously entered into transactions whereby the City undertook activities and incurred costs on behalf of the Agency, and whereby the Agency agreed to repay the cost of such activities to the City, or the amount of such funds paid, or moneys loaned; and

WHEREAS, Agency Resolution No. 8741 dated September 19<sup>th</sup>, 2006 approved an agreement between the City and Agency, whereby the City agreed to advance \$400,000 of U.S. Department of Housing and Urban Development ("HUD") Community Development Block Grant ("CDBG") funds to the Agency to assist with the 2006 Valley-Durfee Redevelopment Project Public Improvement Construction ("Loan"); and

WHEREAS, HSC Section 34191.4(b)(3) specifies that the accumulated interest on the principal amount of loans between the redevelopment agency and the city,

county, or city and county that created the redevelopment agency must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest; and

WHEREAS, none of the \$400,000 Loan has been repaid to the City, and the accumulated interest on the \$400,000 principal amount of the loan as of the February 1, 2019 deadline of Recognized Obligation Payment Schedule ("ROPS") 19-20 will be \$550,000, pursuant to HSC Section 34191.4(b)(3); and

WHEREAS, the Successor Agency wishes to repay the Loan through the ROPS process; and

WHEREAS, in accordance with HSC Section 34191.4(b), upon receiving a finding of completion by the California Department of Finance ("DOF"), loan agreements entered into between a redevelopment agency and the city that created it shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a finding of completion from DOF on April 26, 2013; and

WHEREAS, the Oversight Board desires to make a finding that the Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b).

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency hereby finds that the 2006 Valley-Durfee Redevelopment Project Public Improvement Construction Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b). This finding is based on the information and evidence set out in the Oversight Board staff report dated June 7, 2018, as well as the Exhibit to this Resolution.

SECTION 3. The Oversight Board hereby approves repayment of the Loan by placing it as an enforceable obligation on the ROPS.

SECTION 4. The officers of the Oversight Board and the 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 responding to additional requests for review by DOF and any such actions previously taken by such officers, and staff are hereby ratified and confirmed.

SECTION 5. The Oversight Board authorizes Successor Agency staff to abide by the attached estimated repayment schedule for the Loan and amend it from time to time in recognition that the annual maximum repayment amount cannot be determined until the completion of the prior fiscal year, based on the formula mandated by HSC Section 34191.4(b)(2).

SECTION 6. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of JUNE, 2018.

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Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE            )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-84 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Chair of the Oversight Board

**EXHIBIT A**

**2006 VALLEY-DURFEE REDEVELOPMENT PROJECT PUBLIC IMPROVEMENT  
CONSTRUCTION LOAN ESTIMATED LOAN REPAYMENT SCHEDULE**

Loan Date: 9/19/2006

Fiscal Year  Maximum Annual Loan Payment	Principal Balance 400,000	Annual Interest Rate	Annual Interest	Accrued Interest	Principal Payment	Interest Payment	Total Payment
<b>1 2006</b> <b>14 2019</b> Q1 - Jan Q2 - Apr Q3 - Jul     1,320,861 Q4 - Oct	400,000 400,000 - -	0.75% 0.75% 0.75% 0.75%	\$3,000 \$3,000 \$0 \$0	\$150,000 \$153,000 \$153,000 \$0	400,000	153,000	553,000



**CITY OF EL MONTE**  
CITY MANAGER'S OFFICE  
OVERSIGHT BOARD AGENDA REPORT

OVERSIGHT BOARD SPECIAL MEETING OF JUNE 14, 2018

June 7, 2018

The Honorable Chair and Oversight Board Members  
Oversight Board for the Successor Agency to the  
Former El Monte Community Redevelopment Agency  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Chair and Oversight Board Members:

**MAKE A FINDING THAT THE NELSON HONDA EXPANSION PROJECT LOAN FROM THE CITY TO THE FORMER REDEVELOPMENT AGENCY WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES.**

**IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

1. Consider and adopt a Resolution making a finding that the Nelson Honda Expansion Project Loan to the Former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment 1).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Prior to the dissolution of redevelopment, the City of El Monte ("City") made a loan to the Former El Monte Community Redevelopment Agency ("Agency") to help implement the Redevelopment Plan for the El Monte Center Project Area, as well as the 2004 Five-Year Implementation Plan. The Dissolution Act, enacted by Assembly Bill ("AB") x1 26 in 2011, and subsequently amended by AB 1484 in 2012 and Senate Bill ("SB") 107 in 2015 and codified in the California Health and Safety Code ("HSC"), permits loans between cities and former redevelopment agencies to be repaid through Recognized Obligation Payment Schedules ("ROPS") if certain conditions are met. Conditions include: (a) the successor agency receiving a Finding of Completion from the California Department of Finance ("DOF"); and (b) the successor agency's oversight board making a finding that the loan was for legitimate redevelopment purposes.

**ITEM 5**

## **LEGISLATIVE BACKGROUND**

The Dissolution Act established a strict definition of “enforceable obligations” that may be paid through a ROPS. Certain loans between cities and former redevelopment agencies (“City/Agency Loans”) are eligible for repayment if a successor agency has received its finding of completion from DOF, and if the oversight board makes a finding that the City/Agency Loans were made for legitimate redevelopment purposes. Pursuant to HSC Section 34191.4(b), City/Agency Loans eligible for repayment include:

- A. Cash Advances. Loans where a city transferred money to the former redevelopment agency (“RDA”) for a lawful purpose, and the RDA was obligated to repay the city pursuant to a required repayment schedule.
- B. Property Transfer. Agreements where a city transferred real property to the RDA, and the RDA was obligated to pay the city for the property.
- C. Third-Party Infrastructure Development. Agreements where a city contracted with a third party to develop infrastructure, and the RDA was obligated to reimburse the city. Repayments on this type of loan are capped at \$5 million.

In 2003, the City loaned \$222,950 to the former Agency for the Nelson Honda Expansion Project (“Nelson Honda Loan”). The loan was a cash advance from the City to the former Agency for a lawful purpose (option A as described above). The Successor Agency received its Finding of Completion from DOF on April 26, 2013. The Successor Agency to the Former El Monte Community Redevelopment Agency (“Successor Agency”) believes that the loan is eligible for repayment pursuant to HSC Section 34191.4(b).

The Nelson Honda Loan is already included on the Successor Agency’s ROPS as Line Item 38, however the Successor Agency is not permitted to request payment for the line item until DOF approves an Oversight Board resolution that makes a finding that the Nelson Honda Loan was made for legitimate redevelopment purposes. At this time, the Successor Agency requests that the Oversight Board make a finding to confirm that the Nelson Honda Loan was made for legitimate redevelopment purposes. If the Oversight Board approves the proposed resolution making this finding, the resolution will be sent to DOF for review and approval.

## **NELSON HONDA EXPANSION PROJECT LOAN**

Agency Resolution No. R-428, approved on February 3, 2003, approved an agreement between the City and the Agency, whereby the City agreed to advance \$222,950 of U.S. Department of Housing and Urban Development (“HUD”) Community Development Block Grant (“CDBG”) funds to the Agency to assist with the expansion of the Nelson Honda Auto Dealership’s retail campus. The project was referenced in the Former

Agency's Five-Year Implementation Plan adopted in 2004. The advance was made to fund economic development activities, including, but not limited to, equipment purchases, inventory financing, interest subsidies, operating expenses, and job retention.

The former Agency was established to improve, rehabilitate, and redevelop blighted areas, pursuant to the Redevelopment Plans for the redevelopment project areas. HSC Sections 33132 and 33601 authorized a redevelopment agency to accept financial assistance from any public or private source for the agency's activities. The Nelson Honda Loan was advanced to assist the Agency with undertaking its redevelopment activities, pursuant to and as authorized under the Community Redevelopment Law, the Redevelopment Plan for the El Monte Center Project Area, and the former Agency's Five-Year Implementation Plan adopted in 2004.

### **LOAN REPAYMENT**

If the Oversight Board and DOF find that the Nelson Honda Loan is an enforceable obligation, repayment is subject to specific requirements and limitations in accordance with HSC Section 34191.4(b)(3):

1. The accumulated interest on the principal amount of the loan must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest;
2. Supplemental Educational Revenue Augmentation Fund ("SERAF") loans and deferred housing set-aside repayments are senior to City/Agency Loans and must be repaid first;
3. Scheduled repayments on the ROPS cannot exceed 50% of the annual incremental growth of residual Redevelopment Property Tax Trust Fund ("RPTTF") revenues, using a Fiscal Year ("FY") 2012-13 base year; and
4. Twenty percent (20%) of City/Agency Loan repayments must be deducted and transferred to the Housing Successor Agency's Low and Moderate Income Housing Asset Fund for use on affordable housing activities, as required by law. The remaining balance may be deposited in the City's General Fund.

To date, none of the \$222,950 Nelson Honda Loan has been repaid to the City. Pursuant to the first point, the accumulated interest on the \$222,950 principal amount of the loan as of the February 1, 2019 ROPS 19-20 deadline will be \$108,688. Accordingly, the \$331,638 sum of the principal and interest will be included on ROPS 19-20 for repayment. However, DOF will approve repayment only if the loan is found to be enforceable obligations by the Oversight Board and DOF. It should be noted that any

interest rate previously specified is no longer valid, as the Successor Agency must calculate interest as detailed in the first point above.

To elaborate on the third point, the maximum City repayment in any given year is:

$$\frac{(\text{Prior Fiscal Year Residual RPTTF} - \text{FY 2012-13 Residual RPTTF})}{2}$$

For example, if residual RPTTF was \$1 million in FY 2017-18 and \$500,000 in FY 2012-13, the maximum loan repayment in FY 2018-19 would be:

$$\frac{(\$1,000,000 - \$500,000)}{2} = \$250,000$$

In the Successor Agency's case, the FY 2012-13 Residual RPTTF was zero. The maximum loan repayment amount in FY 2018-19 is \$985,190. The Successor Agency does not have any SERAF loans or deferred housing set-aside that require repayment before the Nelson Honda Loan. An estimated repayment schedule is included as an exhibit to the attached resolution, but the annual loan repayment amount in any given year cannot be determined until the completion of the prior fiscal year. Actual payments will depend on the final amount of RPTTF available to fund approved enforceable obligations in each ROPS period.

### **FISCAL IMPACT**

Adoption of the proposed resolution is required to repay the City the balance on the Nelson Honda Loan, which will be \$331,638 as of the February 1, 2019 for the ROPS 19-20.

### **CONCLUSION**

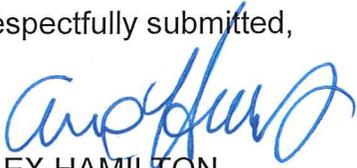
Staff recommends that the Oversight Board consider and adopt a resolution making a finding that the Nelson Honda Loan to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment No. 1).

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

Page 5

Respectfully submitted,



ALEX HAMILTON  
Executive Director

Attachment:

1. Resolution Making a Finding that the Nelson Honda Loan Entered into by and between the Former El Monte Community Redevelopment Agency and the City of El Monte Was Entirely for Legitimate Redevelopment Purposes (with Exhibits)
2. Estimated Loan Payment Schedule

DATE: June 14, 2018	
PRESENTED TO THE OVERSIGHT BOARD	
<input type="checkbox"/>	APPROVED
<input type="checkbox"/>	DENIED
<input type="checkbox"/>	PULLED
<input type="checkbox"/>	RECEIVED AND FILE
<input type="checkbox"/>	CONTINUED
<input type="checkbox"/>	REFERRED TO
CHIEF DEPUTY CITY CLERK	

**RESOLUTION NO. OB-85**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY MAKING A FINDING THAT THE NELSON HONDA EXPANSION PROJECT LOAN ENTERED INTO BY AND BETWEEN THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF EL MONTE WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4(b)(1)**

WHEREAS, by virtue of the enactment of Health and Safety Code ("HSC") Section 34173(d), the City of El Monte ("City") is the successor agency to the former El Monte Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency ("Agency") in accordance with HSC Section 34179, et seq.; and

WHEREAS, prior to the dissolution of redevelopment, the City Council of the City ("City Council") adopted and amended from time to time the Redevelopment Plan ("Redevelopment Plan") for the El Monte Center Project Area ("Project Area"); and

WHEREAS, in keeping with the goals of the Agency to eliminate blight in the Project Area, the City and the Agency worked cooperatively to implement the Redevelopment Plan and the Five-Year Implementation Plan adopted in 2004; and

WHEREAS, the City and the Agency previously entered into transactions whereby the City undertook activities and incurred costs on behalf of the Agency, and whereby the Agency agreed to repay the cost of such activities to the City, or the amount of such funds paid or moneys loaned; and

WHEREAS, Agency Resolution No. R-428 dated February 3, 2003, approved an agreement between the City and Agency, whereby the City agreed to advance \$222,950 of U.S. Department of Housing and Urban Development ("HUD") Community Development Block Grant ("CDBG") funds to the Agency to assist with the Nelson Honda Project Loan ("Nelson Honda Loan"); and

WHEREAS, HSC Section 34191.4(b)(3) specifies that the accumulated interest on the principal amount of loans between the redevelopment agency and the city, county, or city and county that created the redevelopment agency must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest; and

WHEREAS, none of the \$222,950 Nelson Honda Loan has been repaid to the City, and the accumulated interest on the \$222,950 principal amount of the loan as of the February 1, 2019 deadline of Recognized Obligation Payment Schedule ("ROPS") 19-20 will be \$108,688, pursuant to HSC Section 34191.4(b)(3); and

WHEREAS, the Successor Agency wishes to repay the Nelson Honda Loan through the ROPS process; and

WHEREAS, in accordance with HSC Section 34191.4(b), upon receiving a finding of completion by the California Department of Finance ("DOF"), loan agreements entered into between a redevelopment agency and the city that created it shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a finding of completion from DOF on April 26, 2013; and

WHEREAS, the Oversight Board desires to make a finding that the Nelson Honda Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b).

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency hereby finds that the Nelson Honda Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b). This finding is based on the information and evidence set out in the Oversight Board staff report dated June 7, 2018, as well as the Exhibit to this Resolution.

SECTION 3. The Oversight Board hereby approves repayment of the Nelson Honda Loan by placing it as an enforceable obligation on the ROPS.

SECTION 4. The officers of the Oversight Board and the 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 responding to additional requests for review by DOF and any such actions previously taken by such officers, and staff are hereby ratified and confirmed.

SECTION 5. The Oversight Board authorizes Successor Agency staff to abide by the attached estimated repayment schedule for the Nelson Honda Loan, and amend

it from time to time in recognition that the annual maximum repayment amount cannot be determined until the completion of the prior fiscal year, based on the formula mandated by HSC Section 34191.4(b)(2).

SECTION 6. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of JUNE, 2018.

\_\_\_\_\_  
Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-85 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chair of the Oversight Board

## EXHIBIT A

### NELSON HONDA EXPANSION PROJECT LOAN ESTIMATED LOAN REPAYMENT SCHEDULE

Loan Date: 2/3/2003

Fiscal Year	Maximum Annual Loan Payment Remaining	Principal Balance 222,950	Annual Interest Rate	Annual Interest	Accrued Interest	Principal Payment	Interest Payment	Total Payment
<b>1 2003</b>								
<b>17 2019</b>								
Q1 - Jan		222,950	0.75%	\$1,672	\$108,688			
Q2 - Apr		222,950	0.75%	\$1,672	\$110,360			
Q3 - Jul	-	222,950	0.75%	\$1,672	\$112,032	-	-	-
Q4 - Oct		222,950	0.75%	\$1,672	\$113,705			
<b>18 2020</b>								
Q1 - Jan		222,950	0.75%	\$1,672	\$115,377			
Q2 - Apr		222,950	0.75%	\$1,672	\$117,049			
Q3 - Jul	-	222,950	0.75%	\$1,672	\$118,721	-	-	-
Q4 - Oct		222,950	0.75%	\$1,672	\$120,393			
<b>19 2021</b>								
Q1 - Jan		222,950	0.75%	\$1,672	\$122,065			
Q2 - Apr		222,950	0.75%	\$1,672	\$123,737			
Q3 - Jul	-	222,950	0.75%	\$1,672	\$125,409	-	-	-
Q4 - Oct		222,950	0.75%	\$1,672	\$127,082			
<b>20 2022</b>								
Q1 - Jan		222,950	0.75%	\$1,672	\$128,754			
Q2 - Apr		222,950	0.75%	\$1,672	\$130,426			
Q3 - Jul	-	222,950	0.75%	\$1,672	\$132,098	-	-	-
Q4 - Oct		222,950	0.75%	\$1,672	\$133,770			
<b>21 2023</b>								
Q1 - Jan		222,950	0.75%	\$1,672	\$135,442			
Q2 - Apr		222,950	0.75%	\$1,672	\$137,114			
Q3 - Jul	-	222,950	0.75%	\$1,672	\$138,786	-	-	-
Q4 - Oct		222,950	0.75%	\$1,672	\$140,459			
<b>22 2024</b>								
Q1 - Jan		222,950	0.75%	\$1,672	\$142,131			
Q2 - Apr		222,950	0.75%	\$1,672	\$143,803			
Q3 - Jul	-	222,950	0.75%	\$1,672	\$145,475	-	-	-
Q4 - Oct		222,950	0.75%	\$1,672	\$147,147			
<b>23 2025</b>								
Q1 - Jan		222,950	0.75%	\$1,672	\$148,819			
Q2 - Apr		222,950	0.75%	\$1,672	\$150,491			
Q3 - Jul	-	222,950	0.75%	\$1,672	\$152,163	-	-	-
Q4 - Oct		222,950	0.75%	\$1,672	\$153,836			
<b>24 2026</b>								
Q1 - Jan		222,950	0.75%	\$1,672	\$155,508			
Q2 - Apr		222,950	0.75%	\$1,672	\$157,180			
Q3 - Jul	2,041,917	-	0.75%	\$0	\$157,180	222,950	157,180	380,130
Q4 - Oct		-	0.75%	\$0	\$0			



**CITY OF EL MONTE**  
CITY MANAGER'S OFFICE  
OVERSIGHT BOARD AGENDA REPORT

OVERSIGHT BOARD SPECIAL MEETING OF JUNE 14, 2018

June 7, 2018

The Honorable Chair and Oversight Board Members  
Oversight Board for the Successor Agency to the  
Former El Monte Community Redevelopment Agency  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Chair and Oversight Board Members:

**MAKE A FINDING THAT THE FOOD BARN SITE ACQUISITION LOAN FROM THE CITY TO THE FORMER REDEVELOPMENT AGENCY WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES.**

**IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

1. Consider and adopt a resolution making a finding that the Food Barn Site Acquisition Loan to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment 1).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Prior to the dissolution of redevelopment, the City of El Monte ("City") made a loan to the former El Monte Community Redevelopment Agency ("Agency") to help implement the Redevelopment Plan for the Downtown El Monte Redevelopment Project Original Area, as well as the 2004 Five-Year Implementation Plan. The Dissolution Act, enacted by Assembly Bill ("AB") x1 26 in 2011, and subsequently amended by AB 1484 in 2012 and Senate Bill ("SB") 107 in 2015 and codified in the California Health and Safety Code ("HSC"), permits loans between cities and former redevelopment agencies to be repaid through Recognized Obligation Payment Schedules ("ROPS") if certain conditions are met. Conditions include: (a) the successor agency receiving a Finding of Completion from the California Department of Finance ("DOF"); and (b) the successor agency's oversight board making a finding that the loan was for legitimate redevelopment purposes.

**ITEM 6**

## **LEGISLATIVE BACKGROUND**

The Dissolution Act established a strict definition of “enforceable obligations” that may be paid through a ROPS. Certain loans between cities and former redevelopment agencies (“City/Agency Loans”) are eligible for repayment if a successor agency has received its finding of completion from DOF, and if the oversight board makes a finding that the City/Agency Loans were made for legitimate redevelopment purposes. Pursuant to HSC Section 34191.4(b), City/Agency Loans eligible for repayment include:

- A. Cash Advances. Loans where a city transferred money to the former redevelopment agency (“RDA”) for a lawful purpose, and the RDA was obligated to repay the city pursuant to a required repayment schedule.
- B. Property Transfer. Agreements where a city transferred real property to the RDA, and the RDA was obligated to pay the city for the property.
- C. Third-Party Infrastructure Development. Agreements where a city contracted with a third party to develop infrastructure, and the RDA was obligated to reimburse the city. Repayments on this type of loan are capped at \$5 million.

In 1995, the City loaned \$75,000 to the former Agency for the Food Barn Site Acquisition (“Loan”). The loan was a cash advance from the City to the former Agency for a lawful purpose (option A as described above).

The Successor Agency received its Finding of Completion from DOF on April 26, 2013. The Successor Agency to the former El Monte Community Redevelopment Agency (“Successor Agency”) believes that the loan is eligible for repayment pursuant to HSC Section 34191.4(b).

The Loan is already included on the Successor Agency’s ROPS as Line Item 40; however the Successor Agency is not permitted to request payment for the line item until DOF approves an Oversight Board resolution that makes a finding that the Loan was made for legitimate redevelopment purposes. At this time, the Successor Agency requests that the Oversight Board make a finding to confirm that the Loan was made for legitimate redevelopment purposes. If the Oversight Board approves the proposed resolution making this finding, the resolution will be sent to DOF for review and approval.

## **FOOD BARN PROJECT**

Agency Resolution No. R-598, approved on May 16, 1995, approved an agreement between the City and the Agency, whereby the City agreed to advance \$75,000 of general funds to the Agency to assist with costs associated with the site investigation, due diligence, and the escrow, for the purpose of initiating the study of the

redevelopment of the "food barn" property. The project was referenced in the Former Agency's Five-Year Implementation Plan adopted in 2004.

The former Agency was established to improve, rehabilitate, and redevelop blighted areas, pursuant to the Redevelopment Plans for the redevelopment project areas. HSC Sections 33132 and 33601 authorized a redevelopment agency to accept financial assistance from any public or private source for the agency's activities. The Loan was advanced to assist the Agency with undertaking its redevelopment activities, pursuant to and as authorized under the Community Redevelopment Law, the Redevelopment Plan for the Downtown El Monte Redevelopment Project Area, and the former Agency's Five-Year Implementation Plan adopted in 2004.

### **LOAN REPAYMENT**

If the Oversight Board and DOF find that the Loan is an enforceable obligation, repayment is subject to specific requirements and limitations in accordance with HSC Section 34191.4(b)(3):

1. The accumulated interest on the principal amount of the loan must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest;
2. Supplemental Educational Revenue Augmentation Fund ("SERAF") loans and deferred housing set-aside repayments are senior to City/Agency Loans and must be repaid first;
3. Scheduled repayments on the ROPS cannot exceed 50% of the annual incremental growth of residual Redevelopment Property Tax Trust Fund ("RPTTF") revenues, using a Fiscal Year ("FY") 2012-13 base year; and
4. Twenty percent (20%) of City/Agency Loan repayments must be deducted and transferred to the Housing Successor Agency's Low and Moderate Income Housing Asset Fund for use on affordable housing activities, as required by law. The remaining balance may be deposited in the City's General Fund.

To date, none of the \$75,000 Loan has been repaid to the City. Pursuant to the first point, the accumulated interest on the \$75,000 principal amount of the loan as of the February 1, 2019 ROPS 19-20 deadline will be \$54,000. Accordingly, the \$129,000 sum of the principal and interest will be included on ROPS 19-20 for repayment. However, DOF will approve repayment only if the loan is found to be enforceable obligations by the Oversight Board and DOF. It should be noted that any interest rate previously specified is no longer valid, as the Successor Agency must calculate interest as detailed in the first point above.

To elaborate on the third point, the maximum City repayment in any given year is:

$$\frac{(\text{Prior Fiscal Year Residual RPTTF} - \text{FY 2012-13 Residual RPTTF})}{2}$$

For example, if residual RPTTF was \$1 million in FY 2018-19 and \$500,000 in FY 2012-13, the maximum loan repayment in FY 2019-20 would be:

$$\frac{(\$1,000,000 - \$500,000)}{2} = \$250,000$$

In the Successor Agency's case, the FY 2012-13 Residual RPTTF was zero. The maximum loan repayment amount in FY 2018-19 is \$985,190; the amount cannot be calculated for FY 2019-20 until after the second FY 2018-19 RPTTF distribution. The Successor Agency does not have any SERAF loans or deferred housing set-aside that require repayment before the Loan. An estimated repayment schedule is included as an exhibit to the attached resolution, but the annual loan repayment amount in any given year cannot be determined until the completion of the prior fiscal year. Actual payments will depend on the final amount of RPTTF available to fund approved enforceable obligations in each ROPS period.

### **FISCAL IMPACT**

Adoption of the proposed resolution is required to repay the City the balance on the Food Barn Site Acquisition Loan, which will be \$129,000 as of the February 1, 2019 deadline for the ROPS 19-20.

### **CONCLUSION**

Staff recommends that the Oversight Board consider and adopt a resolution making a finding that the Food Barn Site Acquisition Loan to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment No. 1).

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

Page 5

Respectfully submitted,



ALEX HAMILTON  
Executive Director

Attachment:

1. Resolution Making a Finding that the Food Barn Site Acquisition Loan Entered into by and between the Former El Monte Community Redevelopment Agency and the City of El Monte Was Entirely for Legitimate Redevelopment Purposes (with Exhibits)
2. Estimated Recalculation of Loan Payment Schedule

DATE: June 14, 2018
PRESENTED TO THE OVERSIGHT BOARD
<input type="checkbox"/> APPROVED
<input type="checkbox"/> DENIED
<input type="checkbox"/> PULLED
<input type="checkbox"/> RECEIVED AND FILE
<input type="checkbox"/> CONTINUED
<input type="checkbox"/> REFERRED TO
CHIEF DEPUTY CITY CLERK

**RESOLUTION NO. OB-86**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE  
SUCESSOR AGENCY TO THE FORMER EL MONTE  
COMMUNITY REDEVELOPMENT AGENCY MAKING A  
FINDING THAT THE FOOD BARN SITE ACQUISITION  
LOAN ENTERED INTO BY AND BETWEEN THE FORMER  
EL MONTE COMMUNITY REDEVELOPMENT AGENCY  
AND THE CITY OF EL MONTE WAS ENTIRELY FOR  
LEGITIMATE REDEVELOPMENT PURPOSES  
PURSUANT TO HEALTH AND SAFETY CODE SECTION  
34191.4(b)(1)**

WHEREAS, by virtue of the enactment of Health and Safety Code ("HSC") Section 34173(d), the City of El Monte ("City") is the successor agency to the former El Monte Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency ("Agency") in accordance with HSC Section 34179, et seq.; and

WHEREAS, prior to the dissolution of redevelopment, the City Council of the City ("City Council") adopted and amended from time to time the Redevelopment Plan ("Redevelopment Plan") for the Downtown El Monte Redevelopment Project Original Area ("Project Area"); and

WHEREAS, in keeping with the goals of the Agency to eliminate blight in the Project Area, the City and the Agency worked cooperatively to implement the Redevelopment Plan and the Five-Year Implementation Plan adopted in 2004; and

WHEREAS, the City and the Agency previously entered into transactions whereby the City undertook activities and incurred costs on behalf of the Agency, and whereby the Agency agreed to repay the cost of such activities to the City, or the amount of such funds paid, or moneys loaned; and

WHEREAS, Agency Resolution No. R-598 dated May 16, 1995 approved an agreement between the City and Agency, whereby the City agreed to advance \$75,000 of general funds to the Agency to assist with the Food Barn Site Acquisition ("Loan"); and

WHEREAS, HSC Section 34191.4(b)(3) specifies that the accumulated interest on the principal amount of loans between the redevelopment agency and the city, county, or city and county that created the redevelopment agency must be recalculated

from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest; and

WHEREAS, none of the \$75,000 Loan has been repaid to the City, and the accumulated interest on the \$75,000 principal amount of the loan as of the February 1, 2019 deadline of Recognized Obligation Payment Schedule ("ROPS") 19-20 will be \$54,000, pursuant to HSC Section 34191.4(b)(3); and

WHEREAS, the Successor Agency wishes to repay the Loan through the ROPS process; and

WHEREAS, in accordance with HSC Section 34191.4(b), upon receiving a finding of completion by the California Department of Finance ("DOF"), loan agreements entered into between a redevelopment agency and the city that created it shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a finding of completion from DOF on April 26, 2013; and

WHEREAS, the Oversight Board desires to make a finding that the Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b).

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency hereby finds that the Food Barn Site Acquisition Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b). This finding is based on the information and evidence set out in the Oversight Board staff report dated June 7, 2018, as well as the Exhibit to this Resolution.

SECTION 3. The Oversight Board hereby approves repayment of the Loan by placing it as an enforceable obligation on the ROPS.

SECTION 4. The officers of the Oversight Board and the 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 responding to additional requests for review by DOF and any such actions previously taken by such officers, and staff are hereby ratified and confirmed.

SECTION 5. The Oversight Board authorizes Successor Agency staff to abide by the attached estimated repayment schedule for the Loan and amend it from time to time in recognition that the annual maximum repayment amount cannot be determined until the completion of the prior fiscal year, based on the formula mandated by HSC Section 34191.4(b)(2).

SECTION 6. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of JUNE, 2018.

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Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-86 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Chair of the Oversight Board

**EXHIBIT A**

**FOOD BARN SITE ACQUISITION LOAN  
ESTIMATED LOAN REPAYMENT SCHEDULE**

Loan Date: 5/16/1995

Fiscal Year	Maximum Annual Loan Payment Remaining	Principal Balance 75,000	Annual Interest Rate	Annual Interest	Accrued Interest	Principal Payment	Interest Payment	Total Payment
<b>1 1995</b>								
<b>25 2019</b>								
Q1 - Jan		75,000	0.75%	\$563	\$54,000			
Q2 - Apr		75,000	0.75%	\$563	\$54,563			
Q3 - Jul	\$ 767,861	-	0.75%	\$0	\$54,563	75,000	54,563	129,563
Q4 - Oct		-	0.75%	\$0	\$0			



**CITY OF EL MONTE**  
CITY MANAGER'S OFFICE  
OVERSIGHT BOARD AGENDA REPORT

OVERSIGHT BOARD SPECIAL MEETING OF JUNE 14, 2018

June 7, 2018

The Honorable Chair and Oversight Board Members  
Oversight Board for the Successor Agency to the  
Former El Monte Community Redevelopment Agency  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Chair and Oversight Board Members:

**MAKE A FINDING THAT THE REDEVELOPMENT COOPERATION AND FINANCING AGREEMENT (LONGO TOYOTA) LOAN FROM THE CITY TO THE FORMER REDEVELOPMENT AGENCY WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES.**

**IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

1. Consider and adopt a resolution making a finding that the Redevelopment Cooperation and Financing Agreement (Longo Toyota) Loan to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment 1).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Prior to the dissolution of redevelopment, the City of El Monte ("City") made a loan to the former El Monte Community Redevelopment Agency ("Agency") to help implement the Redevelopment Plan for the El Monte Center Redevelopment Project Original Area, as well as the 2004 Five-Year Implementation Plan. The Dissolution Act, enacted by Assembly Bill ("AB") x1 26 in 2011, and subsequently amended by AB 1484 in 2012 and Senate Bill ("SB") 107 in 2015 and codified in the California Health and Safety Code ("HSC"), permits loans between cities and former redevelopment agencies to be repaid through Recognized Obligation Payment Schedules ("ROPS") if certain conditions are met. Conditions include: (a) the successor agency receiving a Finding of Completion from the California Department of Finance ("DOF"); and (b) the successor agency's oversight board making a finding that the loan was for legitimate redevelopment purposes.

**ITEM 7**

## **LEGISLATIVE BACKGROUND**

The Dissolution Act established a strict definition of “enforceable obligations” that may be paid through a ROPS. Certain loans between cities and former redevelopment agencies (“City/Agency Loans”) are eligible for repayment if a successor agency has received its finding of completion from DOF, and if the oversight board makes a finding that the City/Agency Loans were made for legitimate redevelopment purposes. Pursuant to HSC Section 34191.4(b), City/Agency Loans eligible for repayment include:

- A. Cash Advances. Loans where a city transferred money to the former redevelopment agency (“RDA”) for a lawful purpose, and the RDA was obligated to repay the city pursuant to a required repayment schedule.
- B. Property Transfer. Agreements where a city transferred real property to the RDA, and the RDA was obligated to pay the city for the property.
- C. Third-Party Infrastructure Development. Agreements where a city contracted with a third party to develop infrastructure, and the RDA was obligated to reimburse the city. Repayments on this type of loan are capped at \$5 million.

In 2004, the City loaned \$2,500,000 to the former Agency for the Redevelopment Cooperation and Financing Agreement (Longo Toyota) (“Loan”). The loan was a cash advance from the City to the former Agency for a lawful purpose (option A as described above).

The Successor Agency received its Finding of Completion from DOF on April 26, 2013. The Successor Agency to the Former El Monte Community Redevelopment Agency (“Successor Agency”) believes that the loan is eligible for repayment pursuant to HSC Section 34191.4(b).

The Loan is already included on the Successor Agency’s ROPS as Line Item 47; however, the Successor Agency is not permitted to request payment for the line item until DOF approves an Oversight Board resolution that makes a finding that the Loan was made for legitimate redevelopment purposes. At this time, the Successor Agency requests that the Oversight Board make a finding to confirm that the Loan was made for legitimate redevelopment purposes. If the Oversight Board approves the proposed resolution making this finding, the resolution will be sent to DOF for review and approval.

## **LONGO TOYOTA LOAN**

Agency Resolution No. R-705, approved on February 3, 2004, approved an agreement between the City and the Agency, whereby the City agreed to advance \$2,500,000 to the Agency to pay installments to Longo Toyota, Longo Scion, and Longo Lexus,

pursuant to the New Jobs Creation Grant Agreement. The project was referenced in the Former Agency's Five-Year Implementation Plan adopted in 2004.

The former Agency was established to improve, rehabilitate, and redevelop blighted areas, pursuant to the Redevelopment Plans for the redevelopment project areas. HSC Sections 33132 and 33601 authorized a redevelopment agency to accept financial assistance from any public or private source for the agency's activities. The Loan was advanced to assist the Agency with undertaking its redevelopment activities, pursuant to and as authorized under the Community Redevelopment Law, the Redevelopment Plan for the El Monte Center Redevelopment Project Original Area, and the former Agency's Five-Year Implementation Plan adopted in 2004.

### **LOAN REPAYMENT**

If the Oversight Board and DOF find that the Loan is an enforceable obligation, repayment is subject to specific requirements and limitations in accordance with HSC Section 34191.4(b)(3):

1. The accumulated interest on the principal amount of the loan must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest;
2. Supplemental Educational Revenue Augmentation Fund ("SERAF") loans and deferred housing set-aside repayments are senior to City/Agency Loans and must be repaid first;
3. Scheduled repayments on the ROPS cannot exceed 50% of the annual incremental growth of residual Redevelopment Property Tax Trust Fund ("RPTTF") revenues, using a Fiscal Year ("FY") 2012-13 base year; and
4. Twenty percent (20%) of City/Agency Loan repayments must be deducted and transferred to the Housing Successor Agency's Low and Moderate-Income Housing Asset Fund for use on affordable housing activities, as required by law. The remaining balance may be deposited in the City's General Fund.

To date, none of the \$2,500,000 Loan has been repaid to the City. Pursuant to the first point, the accumulated interest on the \$2,500,000 principal amount of the loan as of the February 1, 2019 ROPS 19-20 deadline will be \$997,500. Accordingly, the \$3,497,500 sum of the principal and interest will be included on ROPS 19-20 for repayment. However, DOF will approve repayment only if the loan is found to be enforceable obligations by the Oversight Board and DOF. It should be noted that any interest rate previously specified is no longer valid, as the Successor Agency must calculate interest as detailed in the first point above.

To elaborate on the third point, the maximum City repayment in any given year is:

$$\frac{(\text{Prior Fiscal Year Residual RPTTF} - \text{FY 2012-13 Residual RPTTF})}{2}$$

For example, if residual RPTTF was \$1 million in FY 2018-19 and \$500,000 in FY 2012-13, the maximum loan repayment in FY 2019-20 would be:

$$\frac{(\$1,000,000 - \$500,000)}{2} = \$250,000$$

In the Successor Agency's case, the FY 2012-13 Residual RPTTF was zero. The maximum loan repayment amount in FY 2018-19 is \$985,190; the amount cannot be calculated for FY 2019-20 until after the second FY 2018-19 RPTTF distribution. The Successor Agency does not have any SERAF loans or deferred housing set-aside that require repayment before the Loan. An estimated repayment schedule is included as an exhibit to the attached resolution, but the annual loan repayment amount in any given year cannot be determined until the completion of the prior fiscal year. Actual payments will depend on the final amount of RPTTF available to fund approved enforceable obligations in each ROPS period.

### **FISCAL IMPACT**

Adoption of the proposed resolution is required to repay the City the balance on the Agency for the Redevelopment Cooperation and Financing Agreement (Longo Toyota) Loan, which will be \$3,497,500 as of the February 1, 2019 deadline for the ROPS 19-20.

### **CONCLUSION**

Staff recommends that the Oversight Board consider and adopt a resolution making a finding that the Agency for the Redevelopment Cooperation and Financing Agreement (Longo Toyota) Loan to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment No. 1).

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

Page 5

Respectfully submitted,



ALEX HAMILTON  
Executive Director

Attachment:

1. Resolution Making a Finding that the Agency for the Redevelopment Cooperation and Financing Agreement (Longo Toyota) Loan Entered into by and between the Former El Monte Community Redevelopment Agency and the City of El Monte Was Entirely for Legitimate Redevelopment Purposes (with Exhibits)
2. Estimated Recalculation of Loan Payment Schedule

DATE: June 14, 2018
PRESENTED TO THE OVERSIGHT BOARD
<input type="checkbox"/> APPROVED
<input type="checkbox"/> DENIED
<input type="checkbox"/> PULLED
<input type="checkbox"/> RECEIVED AND FILE
<input type="checkbox"/> CONTINUED
<input type="checkbox"/> REFERRED TO
CHIEF DEPUTY CITY CLERK

**RESOLUTION NO. OB-87**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY MAKING A FINDING THAT THE REDEVELOPMENT COOPERATION AND FINANCING AGREEMENT (LONGO TOYOTA) LOAN ENTERED INTO BY AND BETWEEN THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF EL MONTE WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4(b)(1)**

WHEREAS, by virtue of the enactment of Health and Safety Code ("HSC") Section 34173(d), the City of El Monte ("City") is the successor agency to the former El Monte Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency ("Agency") in accordance with HSC Section 34179, et seq.; and

WHEREAS, prior to the dissolution of redevelopment, the City Council of the City ("City Council") adopted and amended from time to time the Redevelopment Plan ("Redevelopment Plan") for the El Monte Center Redevelopment Project Original Area ("Project Area"); and

WHEREAS, in keeping with the goals of the Agency to eliminate blight in the Project Area, the City and the Agency worked cooperatively to implement the Redevelopment Plan and the Five-Year Implementation Plan adopted in 2004; and

WHEREAS, the City and the Agency previously entered into transactions whereby the City undertook activities and incurred costs on behalf of the Agency, and whereby the Agency agreed to repay the cost of such activities to the City, or the amount of such funds paid, or moneys loaned; and

WHEREAS, Agency Resolution No. R-705 dated February 3, 2004 approved an agreement between the City and Agency, whereby the City agreed to advance \$2,500,000 to the Agency to assist with the Redevelopment Cooperation and Financing Agreement (Longo Toyota) ("Loan"); and

WHEREAS, HSC Section 34191.4(b)(3) specifies that the accumulated interest on the principal amount of loans between the redevelopment agency and the city, county, or city and county that created the redevelopment agency must be recalculated

from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest; and

WHEREAS, none of the \$2,500,000 Loan has been repaid to the City, and the accumulated interest on the \$2,500,000 principal amount of the loan as of the February 1, 2019 deadline of Recognized Obligation Payment Schedule ("ROPS") 19-20 will be \$997,500, pursuant to HSC Section 34191.4(b)(3); and

WHEREAS, the Successor Agency wishes to repay the Loan through the ROPS process; and

WHEREAS, in accordance with HSC Section 34191.4(b), upon receiving a finding of completion by the California Department of Finance ("DOF"), loan agreements entered into between a redevelopment agency and the city that created it shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a finding of completion from DOF on April 26, 2013; and

WHEREAS, the Oversight Board desires to make a finding that the Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b).

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency hereby finds that the Redevelopment Cooperation and Financing Agreement (Longo Toyota) Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b). This finding is based on the information and evidence set out in the Oversight Board staff report dated June 7, 2018, as well as the Exhibit to this Resolution.

SECTION 3. The Oversight Board hereby approves repayment of the Loan by placing it as an enforceable obligation on the ROPS.

SECTION 4. The officers of the Oversight Board and the 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 responding to additional requests for review by DOF and any such actions previously taken by such officers, and staff are hereby ratified and confirmed.

SECTION 5. The Oversight Board authorizes Successor Agency staff to abide by the attached estimated repayment schedule for the Loan and amend it from time to time in recognition that the annual maximum repayment amount cannot be determined until the completion of the prior fiscal year, based on the formula mandated by HSC Section 34191.4(b)(2).

SECTION 6. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of JUNE, 2018.

\_\_\_\_\_  
Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-87 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chair of the Oversight Board

## EXHIBIT A

### REDEVELOPMENT COOPERATION AND FINANCING AGREEMENT (LONGO TOYOTA) LOAN ESTIMATED LOAN REPAYMENT SCHEDULE

Loan Date: 2/3/2003

Fiscal Year	Maximum Annual Loan Payment Remaining	Principal Balance	Annual Interest Rate	Annual Interest	Accrued Interest	Principal Payment	Interest Payment	Total Payment
		2,500,000						
<b>1 2003</b>								
<b>17 2019</b>								
	Q1 - Jan	2,500,000	0.75%	\$18,750	\$997,500			
	Q2 - Apr	2,500,000	0.75%	\$18,750	\$1,016,250			
	Q3 - Jul	1,861,701	0.75%	\$13,963	\$1,030,213	638,299	-	638,299
	Q4 - Oct	1,861,701	0.75%	\$13,963	\$1,044,176			
<b>18 2020</b>								
	Q1 - Jan	1,861,701	0.75%	\$13,963	\$1,058,138			
	Q2 - Apr	1,861,701	0.75%	\$13,963	\$1,072,101			
	Q3 - Jul	476,471	0.75%	\$3,574	\$1,075,675	1,385,230	-	1,385,230
	Q4 - Oct	476,471	0.75%	\$3,574	\$1,079,248			
<b>19 2021</b>								
	Q1 - Jan	476,471	0.75%	\$3,574	\$1,082,822			
	Q2 - Apr	476,471	0.75%	\$3,574	\$1,086,395			
	Q3 - Jul	-	0.75%	\$0	\$1,086,395	476,471	966,636	1,443,107
	Q4 - Oct	-	0.75%	\$0	\$119,760			
<b>20 2022</b>								
	Q1 - Jan	-	0.75%	\$0	\$119,760			
	Q2 - Apr	-	0.75%	\$0	\$119,760			
	Q3 - Jul	\$ 1,504,160	0.75%	\$0	\$119,760	-	119,760	119,760
	Q4 - Oct	-	0.75%	\$0	\$0			



# CITY OF EL MONTE

CITY MANAGER'S OFFICE  
OVERSIGHT BOARD AGENDA REPORT

OVERSIGHT BOARD SPECIAL MEETING OF JUNE 14, 2018

June 7, 2018

The Honorable Chair and Oversight Board Members  
Oversight Board for the Successor Agency to the  
Former El Monte Community Redevelopment Agency  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Chair and Oversight Board Members:

**MAKE A FINDING THAT THE PROPERTY ACQUISITION LOAN (DJANOGLY PROPERTIES ACQUISITION), AND THE EL MONTE CENTER PROPOSED EXPANSION PROPERTY ACQUISITION LOAN NO. 1 FROM THE CITY TO THE FORMER REDEVELOPMENT AGENCY WERE ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES.**

**IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

1. Consider and adopt a resolution making a finding that the Property Acquisition Loan (Djanogly Properties Acquisition), and the El Monte Center Proposed Expansion Property Acquisition Loan No. 1 to the former El Monte Community Redevelopment Agency by the City of El Monte were entirely for legitimate redevelopment purposes (Attachment 1).

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Prior to the dissolution of redevelopment, the City of El Monte ("City") made two loans to the former El Monte Community Redevelopment Agency ("Agency") to help implement the Redevelopment Plan for the El Monte Center Redevelopment Project 1990 Amendment Area. The Dissolution Act, enacted by Assembly Bill ("AB") x1 26 in 2011, and subsequently amended by AB 1484 in 2012 and Senate Bill ("SB") 107 in 2015 and codified in the California Health and Safety Code ("HSC"), permits loans between cities and former redevelopment agencies to be repaid through Recognized Obligation Payment Schedules ("ROPS") if certain conditions are met. Conditions include: (a) the successor agency receiving a Finding of Completion from the California Department of

# ITEM 8

Finance ("DOF"); and (b) the successor agency's oversight board making a finding that the loan was for legitimate redevelopment purposes.

### **LEGISLATIVE BACKGROUND**

The Dissolution Act established a strict definition of "enforceable obligations" that may be paid through a ROPS. Certain loans between cities and former redevelopment agencies ("City/Agency Loans") are eligible for repayment if a successor agency has received its finding of completion from DOF, and if the oversight board makes a finding that the City/Agency Loans were made for legitimate redevelopment purposes. Pursuant to HSC Section 34191.4(b), City/Agency Loans eligible for repayment include:

- A. Cash Advances. Loans where a city transferred money to the former redevelopment agency ("RDA") for a lawful purpose, and the RDA was obligated to repay the city pursuant to a required repayment schedule.
- B. Property Transfer. Agreements where a city transferred real property to the RDA, and the RDA was obligated to pay the city for the property.
- C. Third-Party Infrastructure Development. Agreements where a city contracted with a third party to develop infrastructure, and the RDA was obligated to reimburse the city. Repayments on this type of loan are capped at \$5 million.

In 1988 and 1989, the City loaned \$102,000 and \$600,000 respectively to the former Agency for the El Monte Center Proposed Expansion Property Acquisition, and the Acquisition of the Djanogly Properties ("Loans"). The loans were cash advances from the City to the former Agency for lawful purposes (option A as described above).

The Successor Agency received its Finding of Completion from DOF on April 26, 2013. The Successor Agency to the Former El Monte Community Redevelopment Agency ("Successor Agency") believes that the loan is eligible for repayment pursuant to HSC Section 34191.4(b).

The Loans are already included on the Successor Agency's ROPS together as Line Item 48, however the Successor Agency is not permitted to request payment for the line item until DOF approves an Oversight Board resolution that makes a finding that the Loan was made for legitimate redevelopment purposes. At this time, the Successor Agency requests that the Oversight Board make a finding to confirm that the Loan was made for legitimate redevelopment purposes. If the Oversight Board approves the proposed resolution making this finding, the resolution will be sent to DOF for review and approval.

### **PROPERTY ACQUISITION LOANS**

Agency Resolutions No. R-356 and R-385, approved on September 13, 1988 and October 10, 1989, respectively, approved agreements between the City and the Agency, whereby the City agreed to advance \$102,000 and \$600,000 of U.S. Department of Housing and Urban Development ("HUD") Community Development Block Grant ("CDBG") funds to the Agency to assist with the acquisition of properties to coincide with the expansion and creation of the El Monte Center Redevelopment Project 1990 Amendment Area.

The former Agency was established to improve, rehabilitate, and redevelop blighted areas, pursuant to the Redevelopment Plans for the redevelopment project areas. HSC Sections 33132 and 33601 authorized a redevelopment agency to accept financial assistance from any public or private source for the agency's activities. The Loan was advanced to assist the Agency with undertaking its redevelopment activities, pursuant to and as authorized under the Community Redevelopment Law, the Redevelopment Plan for the El Monte Center Redevelopment Project 1990 Amendment Area.

### **LOAN REPAYMENT**

If the Oversight Board and DOF find that the Loan is an enforceable obligation, repayment is subject to specific requirements and limitations in accordance with HSC Section 34191.4(b)(3):

1. The accumulated interest on the principal amount of the loan must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest;
2. Supplemental Educational Revenue Augmentation Fund ("SERAF") loans and deferred housing set-aside repayments are senior to City/Agency Loans and must be repaid first;
3. Scheduled repayments on the ROPS cannot exceed 50% of the annual incremental growth of residual Redevelopment Property Tax Trust Fund ("RPTTF") revenues, using a Fiscal Year ("FY") 2012-13 base year; and
4. Twenty percent (20%) of City/Agency Loan repayments must be deducted and transferred to the Housing Successor Agency's Low and Moderate Income Housing Asset Fund for use on affordable housing activities, as required by law. The remaining balance may be deposited in the City's General Fund.

To date, no parts of the \$102,000 or the \$600,000 Loans have been repaid to the City. Pursuant to the first point, the accumulated interest on the combined \$702,000 principal

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

Page 4

amount of the loan as of the February 1, 2019 ROPS 19-20 deadline will be \$624,330. Accordingly, the \$1,326,330 sum of the principal and interest will be included on ROPS 19-20 for repayment. However, DOF will approve repayment only if the loan is found to be enforceable obligations by the Oversight Board and DOF. It should be noted that any interest rate previously specified is no longer valid, as the Successor Agency must calculate interest as detailed in the first point above.

To elaborate on the third point, the maximum City repayment in any given year is:

$$\frac{(\text{Prior Fiscal Year Residual RPTTF} - \text{FY 2012-13 Residual RPTTF})}{2}$$

For example, if residual RPTTF was \$1 million in FY 2018-19 and \$500,000 in FY 2012-13, the maximum loan repayment in FY 2019-20 would be:

$$\frac{(\$1,000,000 - \$500,000)}{2} = \$250,000$$

In the Successor Agency's case, the FY 2012-13 Residual RPTTF was zero. The maximum loan repayment amount in FY 2018-19 is \$985,190; the amount cannot be calculated for FY 2019-20 until after the second FY 2018-19 RPTTF distribution. The Successor Agency does not have any SERAF loans or deferred housing set-aside that require repayment before the Loan. An estimated repayment schedule is included as an exhibit to the attached resolution, but the annual loan repayment amount in any given year cannot be determined until the completion of the prior fiscal year. Actual payments will depend on the final amount of RPTTF available to fund approved enforceable obligations in each ROPS period.

### **FISCAL IMPACT**

Adoption of the proposed resolution is required to repay the City the balance on the El Monte Center Proposed Expansion Property Acquisition, and the Acquisition of the Djanogly Properties Loans, which will be \$1,326,330 as of the February 1, 2019 deadline for the ROPS 19-20.

### **CONCLUSION**

Staff recommends that the Oversight Board consider and adopt a resolution making a finding that the Property Acquisition Loan (Djanogly Properties Acquisition), and the El Monte Center Proposed Expansion Property Acquisition Loan No. 1 to the former El Monte Community Redevelopment Agency by the City of El Monte were entirely for legitimate redevelopment purposes (Attachment No. 1).

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

Page 5

Respectfully submitted,



ALEX HAMILTON  
Executive Director

Attachment:

1. Resolution Making a Finding that the Property Acquisition Loan (Djanogly Properties Acquisition), and the El Monte Center Proposed Expansion Property Acquisition Loan No. 1, Entered into by and between the Former El Monte Community Redevelopment Agency and the City of El Monte Were Entirely for Legitimate Redevelopment Purposes (with Exhibits)
2. Estimated Recalculation of Loan Payment Schedule

DATE: June 14, 2018
PRESENTED TO THE OVERSIGHT BOARD
<input type="checkbox"/> APPROVED
<input type="checkbox"/> DENIED
<input type="checkbox"/> PULLED
<input type="checkbox"/> RECEIVED AND FILE
<input type="checkbox"/> CONTINUED
<input type="checkbox"/> REFERRED TO
CHIEF DEPUTY CITY CLERK

**RESOLUTION NO. OB-88**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY MAKING A FINDING THAT THE PROPERTY ACQUISITION LOAN (DJANOGLY PROPERTIES ACQUISITION), AND THE EL MONTE CENTER PROPOSED EXPANSION PROPERTY ACQUISITION LOAN NO. 1 ENTERED INTO BY AND BETWEEN THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF EL MONTE WERE ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4(b)(1)**

WHEREAS, by virtue of the enactment of Health and Safety Code ("HSC") Section 34173(d), the City of El Monte ("City") is the successor agency to the former El Monte Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency ("Agency") in accordance with HSC Section 34179, et seq.; and

WHEREAS, prior to the dissolution of redevelopment, the City Council of the City ("City Council") adopted and amended from time to time the Redevelopment Plan ("Redevelopment Plan") for the El Monte Center Redevelopment Project 1990 Amendment Area ("Project Area"); and

WHEREAS, in keeping with the goals of the Agency to eliminate blight in the Project Area, the City and the Agency worked cooperatively to implement the Redevelopment Plan; and

WHEREAS, the City and the Agency previously entered into transactions whereby the City undertook activities and incurred costs on behalf of the Agency, and whereby the Agency agreed to repay the cost of such activities to the City, or the amount of such funds paid, or moneys loaned; and

WHEREAS, Agency Resolutions No. R-356 and R-385 dated September 13, 1988 and October 10, 1989, approved agreements between the City and Agency, whereby the City agreed to advance a total of \$702,000 of U.S. Department of Housing and Urban Development ("HUD") Community Development Block Grant ("CDBG") funds to the Agency to assist with Property Acquisition (Djanogly Properties Acquisition), and the El Monte Center Proposed Expansion Property Acquisition ("Loans"); and

WHEREAS, HSC Section 34191.4(b)(3) specifies that the accumulated interest on the principal amount of loans between the redevelopment agency and the city, county, or city and county that created the redevelopment agency must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest; and

WHEREAS, none of the combined total of \$702,000 for both Loans has been repaid to the City, and the accumulated interest on the \$702,000 principal amount of the Loans as of the February 1, 2019 deadline of Recognized Obligation Payment Schedule ("ROPS") 19-20 will be \$624,330, pursuant to HSC Section 34191.4(b)(3); and

WHEREAS, the Successor Agency wishes to repay the Loan through the ROPS process; and

WHEREAS, in accordance with HSC Section 34191.4(b), upon receiving a finding of completion by the California Department of Finance ("DOF"), loan agreements entered into between a redevelopment agency and the city that created it shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a finding of completion from DOF on April 26, 2013; and

WHEREAS, the Oversight Board desires to make a finding that the Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b).

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency hereby finds that the Property Acquisition Loan (Djanogly Properties Acquisition), and the El Monte Center Proposed Expansion Property Acquisition Loan No. 1 were for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b). This finding is based on the information and evidence set out in the Oversight Board staff report dated June 7, 2018, as well as the Exhibit to this Resolution.

SECTION 3. The Oversight Board hereby approves repayment of the Loans by placing them as an enforceable obligation on the ROPS.

SECTION 4. The officers of the Oversight Board and the 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 responding to additional requests for review by DOF and any such actions previously taken by such officers, and staff are hereby ratified and confirmed.

SECTION 5. The Oversight Board authorizes Successor Agency staff to abide by the attached estimated repayment schedule for the Loan and amend it from time to time in recognition that the annual maximum repayment amount cannot be determined until the completion of the prior fiscal year, based on the formula mandated by HSC Section 34191.4(b)(2).

SECTION 6. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of June, 2018.

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Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-88 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Chair of the Oversight Board

## EXHIBIT A

### PROPERTY ACQUISITION (DJANOGLY PROPERTIES ACQUISITION) AND EL MONTE CENTER PROPOSED EXPANSION PROPERTY ACQUISITION NO. 1 LOANS ESTIMATED REPAYMENT SCHEDULE

Loan Date: 9/13/1988 (\$102K) & 10/10/1989 (\$600K)

Fiscal Year	Maximum Annual Loan Payment Remaining	Principal Balance 702,000	Annual Interest Rate	Annual Interest	Accrued Interest	Principal Payment	Interest Payment	Total Payment
<b>1 1988</b>								
<b>32 2019</b>								
Q1 - Jan		702,000	0.75%	\$5,265	\$624,330			
Q2 - Apr		702,000	0.75%	\$5,265	\$629,595			
Q3 - Jul \$	-	702,000	0.75%	\$5,265	\$634,860	-	-	-
Q4 - Oct		702,000	0.75%	\$5,265	\$640,125			
<b>33 2020</b>								
Q1 - Jan		702,000	0.75%	\$5,265	\$645,390			
Q2 - Apr		702,000	0.75%	\$5,265	\$650,655			
Q3 - Jul \$	-	702,000	0.75%	\$5,265	\$655,920	-	-	-
Q4 - Oct		702,000	0.75%	\$5,265	\$661,185			
<b>34 2021</b>								
Q1 - Jan		702,000	0.75%	\$5,265	\$666,450			
Q2 - Apr		702,000	0.75%	\$5,265	\$671,715			
Q3 - Jul \$	-	702,000	0.75%	\$5,265	\$676,980	-	-	-
Q4 - Oct		702,000	0.75%	\$5,265	\$682,245			
<b>35 2022</b>								
Q1 - Jan		702,000	0.75%	\$5,265	\$687,510			
Q2 - Apr		702,000	0.75%	\$5,265	\$692,775			
Q3 - Jul \$	1,163,150	-	0.75%	\$0	\$692,775	702,000	461,150	1,163,150
Q4 - Oct		-	0.75%	\$0	\$231,625			
<b>36 2023</b>								
Q1 - Jan		-	0.75%	\$0	\$231,625			
Q2 - Apr		-	0.75%	\$0	\$231,625			
Q3 - Jul \$	1,579,192	-	0.75%	\$0	\$231,625	-	231,625	231,625
Q4 - Oct		-	0.75%	\$0	\$0			



**CITY OF EL MONTE**  
CITY MANAGER'S OFFICE  
OVERSIGHT BOARD AGENDA REPORT

OVERSIGHT BOARD SPECIAL MEETING OF JUNE 14, 2018

June 7, 2018

The Honorable Chair and Oversight Board Members  
Oversight Board for the Successor Agency to the  
Former El Monte Community Redevelopment Agency  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Chair and Oversight Board Members:

**MAKE A FINDING THAT THE WEST VALLEY BOULEVARD REDEVELOPMENT PROJECT PROPERTY ACQUISITION LOAN NO. 1, AND AMENDMENTS NO. 1 THROUGH 4, FROM THE CITY TO THE FORMER REDEVELOPMENT AGENCY WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES.**

**IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

1. Consider and adopt a resolution making a finding that the West Valley Boulevard Redevelopment Project Property Acquisition Loan No. 1, and Amendments No. 1 through 4, to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment 1).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Prior to the dissolution of redevelopment, the City of El Monte ("City") made a loan to the former El Monte Community Redevelopment Agency ("Agency") to help implement the Redevelopment Plan for the Northwest El Monte Redevelopment Project Area. The Dissolution Act, enacted by Assembly Bill ("AB") x1 26 in 2011, and subsequently amended by AB 1484 in 2012 and Senate Bill ("SB") 107 in 2015 and codified in the California Health and Safety Code ("HSC"), permits loans between cities and former redevelopment agencies to be repaid through Recognized Obligation Payment Schedules ("ROPS") if certain conditions are met. Conditions include: (a) the successor agency receiving a Finding of Completion from the California Department of Finance ("DOF"); and (b) the successor agency's oversight board making a finding that the loan was for legitimate redevelopment purposes.

**ITEM 9**

## **LEGISLATIVE BACKGROUND**

The Dissolution Act established a strict definition of “enforceable obligations” that may be paid through a ROPS. Certain loans between cities and former redevelopment agencies (“City/Agency Loans”) are eligible for repayment if a successor agency has received its finding of completion from DOF, and if the oversight board makes a finding that the City/Agency Loans were made for legitimate redevelopment purposes. Pursuant to HSC Section 34191.4(b), City/Agency Loans eligible for repayment include:

- A. Cash Advances. Loans where a city transferred money to the former redevelopment agency (“RDA”) for a lawful purpose, and the RDA was obligated to repay the city pursuant to a required repayment schedule.
- B. Property Transfer. Agreements where a city transferred real property to the RDA, and the RDA was obligated to pay the city for the property.
- C. Third-Party Infrastructure Development. Agreements where a city contracted with a third party to develop infrastructure, and the RDA was obligated to reimburse the city. Repayments on this type of loan are capped at \$5 million.

In 1986, the City loaned \$800,000 to the former Agency to purchase property from Penske Realty (“Loan”). Later that year, the City amended the original agreement for an additional in an amount not to exceed \$183,954 to help the Agency make its December debt service on a General Motors note. Of the approved \$183,954, \$100,000 was transferred for this purpose. In 1987, the City amended the original agreement a second time to loan the Agency another \$183,954 to help the Agency make its June debt service on the General Motors note. Later that year, the City amended the original agreement a third time to loan an additional \$90,000 to the Agency to help make the December debt service on the General Motors note. Finally, in 1990, the City amended the original agreement again, and loaned an additional \$550,000 to the Agency for loan origination fees, interest payments, contingency expenses, and other costs associated with sale of the Longo Toyota Site and the Dai-Ichi Kangyo Bank note.

The loan and its four (4) amendments were cash advances from the City to the former Agency for a lawful purpose (option A as described above). The Successor Agency received its Finding of Completion from DOF on April 26, 2013. The Successor Agency to the Former El Monte Community Redevelopment Agency (“Successor Agency”) believes that the loan is eligible for repayment pursuant to HSC Section 34191.4(b).

The Loan and its four amendments are already included on the Successor Agency’s ROPS as Line Item 49; however, the Successor Agency is not permitted to request payment for the line item until DOF approves an Oversight Board resolution that makes a finding that the Loan was made for legitimate redevelopment purposes. At this time, the Successor Agency requests that the Oversight Board make a finding to confirm that the Loan, and its amendments, were made for legitimate redevelopment purposes. If

the Oversight Board approves the proposed resolution making this finding, the resolution will be sent to DOF for review and approval.

### **PENSKE REALTY PURCHASE LOAN AND AMENDMENTS**

Agency Resolution No. R-221, approved on June 24, 1986, authorized an agreement between the City and the Agency, whereby the City agreed to advance \$800,000 to the Agency to purchase property from Penske Realty. Agency Resolution No. R-296, approved on December 9, 1986, amended the R-221 loan agreement, to loan an additional \$183,954 for debt service. Agency Resolution R-323, approved June 23, 1987, amended the R-221 loan agreement to loan an additional \$183,954 for debt service on the same note. Agency Resolution R-337, approved December 22, 1987, amended the R-221 loan agreement, to loan an additional \$90,000 for debt service on the same note. Agency Resolution R-391, approved March 13, 1990, amended the R-221 loan agreement to loan an additional \$550,000 to assist the Agency in selling the Longo Toyota site.

The former Agency was established to improve, rehabilitate, and redevelop blighted areas, pursuant to the Redevelopment Plans for the redevelopment project areas. HSC Sections 33132 and 33601 authorized a redevelopment agency to accept financial assistance from any public or private source for the agency's activities. The Loan was advanced to assist the Agency with undertaking its redevelopment activities, pursuant to and as authorized under the Community Redevelopment Law and the Redevelopment Plan for the Northwest El Monte Redevelopment Project Area.

### **LOAN REPAYMENT**

If the Oversight Board and DOF find that the Loan is an enforceable obligation, repayment is subject to specific requirements and limitations in accordance with HSC Section 34191.4(b)(3):

1. The accumulated interest on the principal amount of the loan must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest;
2. Supplemental Educational Revenue Augmentation Fund ("SERAF") loans and deferred housing set-aside repayments are senior to City/Agency Loans and must be repaid first;
3. Scheduled repayments on the ROPS cannot exceed 50% of the annual incremental growth of residual Redevelopment Property Tax Trust Fund ("RPTTF") revenues, using a Fiscal Year ("FY") 2012-13 base year; and

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

Page 4

4. Twenty percent (20%) of City/Agency Loan repayments must be deducted and transferred to the Housing Successor Agency's Low and Moderate Income Housing Asset Fund for use on affordable housing activities, as required by law. The remaining balance may be deposited in the City's General Fund.

To date, none of the \$1,723,954 total of the combined Loans has been repaid to the City. Pursuant to the first point, the accumulated interest on the combined \$1,723,954 principal amount of the loans as of the February 1, 2019 ROPS 19-20 deadline will be \$1,633,771. Accordingly, the \$3,357,725 sum of the principal and interest will be included on ROPS 19-20 for repayment. However, DOF will approve repayment only if the loans are found to be enforceable obligations by the Oversight Board and DOF. It should be noted that any interest rate previously specified is no longer valid, as the Successor Agency must calculate interest as detailed in the first point above.

To elaborate on the third point, the maximum City repayment in any given year is:

$$\frac{(\text{Prior Fiscal Year Residual RPTTF} - \text{FY 2012-13 Residual RPTTF})}{2}$$

For example, if residual RPTTF was \$1 million in FY 2018-19 and \$500,000 in FY 2012-13, the maximum loan repayment in FY 2019-20 would be:

$$\frac{(\$1,000,000 - \$500,000)}{2} = \$250,000$$

In the Successor Agency's case, the FY 2012-13 Residual RPTTF was zero. The maximum loan repayment amount in FY 2018-19 is \$985,190; the amount cannot be calculated for FY 2019-20 until after the second FY 2018-19 RPTTF distribution. The Successor Agency does not have any SERAF loans or deferred housing set-aside that require repayment before the Loan. An estimated repayment schedule is included as an exhibit to the attached resolution, but the annual loan repayment amount in any given year cannot be determined until the completion of the prior fiscal year. Actual payments will depend on the final amount of RPTTF available to fund approved enforceable obligations in each ROPS period.

### **FISCAL IMPACT**

Adoption of the proposed resolution is required to repay the City the balance on the Redevelopment Project Property Acquisition Loan No. 1, and its four amendments, which will be \$3,357,725 as of the February 1, 2019 deadline for the ROPS 19-20.

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

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**CONCLUSION**

Staff recommends that the Oversight Board consider and adopt a resolution making a finding that the Redevelopment Project Property Acquisition Loan No. 1, and Amendments No. 1 through 4, to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment No. 1).

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

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Respectfully submitted,



ALEX HAMILTON  
Executive Director

Attachment:

1. Resolution Making a Finding that the Redevelopment Project Property Acquisition Loan No. 1, and amendments no. 1 through 4, Entered into by and between the Former El Monte Community Redevelopment Agency and the City of El Monte Was Entirely for Legitimate Redevelopment Purposes (with Exhibits)
2. Estimated Recalculation of Loan Payment Schedule

DATE: June 14, 2018
PRESENTED TO THE OVERSIGHT BOARD
<input type="checkbox"/> APPROVED
<input type="checkbox"/> DENIED
<input type="checkbox"/> PULLED
<input type="checkbox"/> RECEIVED AND FILE
<input type="checkbox"/> CONTINUED
<input type="checkbox"/> REFERRED TO
CHIEF DEPUTY CITY CLERK

**RESOLUTION NO. OB-89**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY MAKING A FINDING THAT THE WEST VALLEY BOULEVARD REDEVELOPMENT PROJECT PROPERTY ACQUISITION LOAN NO. 1, AND AMENDMENTS NO. 1 THROUGH 4, ENTERED INTO BY AND BETWEEN THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF EL MONTE WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4(b)(1)**

WHEREAS, by virtue of the enactment of Health and Safety Code ("HSC") Section 34173(d), the City of El Monte ("City") is the successor agency to the former El Monte Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency ("Agency") in accordance with HSC Section 34179, et seq.; and

WHEREAS, prior to the dissolution of redevelopment, the City Council of the City ("City Council") adopted and amended from time to time the Redevelopment Plan ("Redevelopment Plan") for the 5. Northwest El Monte Redevelopment Project Area ("Project Area"); and

WHEREAS, in keeping with the goals of the Agency to eliminate blight in the Project Area, the City and the Agency worked cooperatively to implement the Redevelopment Plan; and

WHEREAS, the City and the Agency previously entered into transactions whereby the City undertook activities and incurred costs on behalf of the Agency, and whereby the Agency agreed to repay the cost of such activities to the City, or the amount of such funds paid, or moneys loaned; and

WHEREAS, Agency Resolution No. R-221, approved on June 24, 1986, approved an agreement between the City and the Agency, whereby the City agreed to advance \$800,000 to the Agency to purchase property from Penske Realty ("Loan"); and

WHEREAS, Agency Resolution No. R-296, approved on December 9, 1986, amended the loan agreement approved by Agency Resolution No. R-221, to loan an additional \$100,000 for debt service on the General Motors note; and

WHEREAS, Agency Resolution R-323, approved June 23, 1987, amended the loan agreement approved by Agency Resolution No. R-221, to loan an additional \$183,954 for debt service on the General Motors note; and

WHEREAS, Agency Resolution R-337, approved December 22, 1987, amended the loan agreement approved by Agency Resolution No. R-221, to loan an additional \$90,000 for debt service on the General Motors note; and

WHEREAS, Agency Resolution R-391, approved March 13, 1990, amended the loan agreement approved by Agency Resolution No. R-221, to loan an additional \$550,000 to assist the Agency in selling the Longo Toyota site; and

WHEREAS, HSC Section 34191.4(b)(3) specifies that the accumulated interest on the principal amount of loans between the redevelopment agency and the city, county, or city and county that created the redevelopment agency must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest; and

WHEREAS, none of the \$1,723,945 combined total of the Loan and its amendments has been repaid to the City, and the accumulated interest on the \$1,723,945 principal amount of the Loan and its amendments as of the February 1, 2019 deadline of Recognized Obligation Payment Schedule ("ROPS") 19-20 will be \$1,633,771, pursuant to HSC Section 34191.4(b)(3); and

WHEREAS, the Successor Agency wishes to repay the Loan and its amendments through the ROPS process; and

WHEREAS, in accordance with HSC Section 34191.4(b), upon receiving a finding of completion by the California Department of Finance ("DOF"), loan agreements entered into between a redevelopment agency and the city that created it shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a finding of completion from DOF on April 26, 2013; and

WHEREAS, the Oversight Board desires to make a finding that the Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b).

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency hereby finds that the West Valley Boulevard Redevelopment Project Property Acquisition Loan No. 1, and its four amendments, was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b). This finding is based on the information and evidence set out in the Oversight Board staff report dated June 7, 2018, as well as the Exhibit to this Resolution.

SECTION 3. The Oversight Board hereby approves repayment of the Loan and its amendments by placing it as an enforceable obligation on the ROPS.

SECTION 4. The officers of the Oversight Board and the 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 responding to additional requests for review by DOF and any such actions previously taken by such officers, and staff are hereby ratified and confirmed.

SECTION 5. The Oversight Board authorizes Successor Agency staff to abide by the attached estimated repayment schedule for the Loan and its amendments and amend it from time to time in recognition that the annual maximum repayment amount cannot be determined until the completion of the prior fiscal year, based on the formula mandated by HSC Section 34191.4(b)(2).

SECTION 6. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of June, 2018.

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Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-89 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chair of the Oversight Board

## EXHIBIT A

### WEST VALLEY BOULEVARD REDEVELOPMENT PROJECT PROPERTY ACQUISITION LOAN NO. 1, AND AMENDMENTS NO. 1 THROUGH 4, ESTIMATED LOAN REPAYMENT SCHEDULE

Loan Date: 6/24/1986 (\$800K) & 12/9/1986 (\$100,000) & 6/23/1987 (\$183,954) & 12/22/1987 (\$90K) & 3/13/1990 (\$550K)

Fiscal Year	Maximum Annual Loan Payment Remaining	Principal Balance 1,723,954	Annual Interest Rate	Annual Interest	Accrued Interest	Principal Payment	Interest Payment	Total Payment
<b>1 1986</b>								
<b>34 2019</b>								
Q1 - Jan		1,723,954	0.75%	\$12,930	\$1,633,771			
Q2 - Apr		1,723,954	0.75%	\$12,930	\$1,646,700			
Q3 - Jul \$	-	1,723,954	0.75%	\$12,930	\$1,659,630	-	-	-
Q4 - Oct		1,723,954	0.75%	\$12,930	\$1,672,560			
<b>35 2020</b>								
Q1 - Jan		1,723,954	0.75%	\$12,930	\$1,685,489			
Q2 - Apr		1,723,954	0.75%	\$12,930	\$1,698,419			
Q3 - Jul \$	-	1,723,954	0.75%	\$12,930	\$1,711,349	-	-	-
Q4 - Oct		1,723,954	0.75%	\$12,930	\$1,724,278			
<b>36 2021</b>								
Q1 - Jan		1,723,954	0.75%	\$12,930	\$1,737,208			
Q2 - Apr		1,723,954	0.75%	\$12,930	\$1,750,138			
Q3 - Jul \$	-	1,723,954	0.75%	\$12,930	\$1,763,067	-	-	-
Q4 - Oct		1,723,954	0.75%	\$12,930	\$1,775,997			
<b>37 2022</b>								
Q1 - Jan		1,723,954	0.75%	\$12,930	\$1,788,927			
Q2 - Apr		1,723,954	0.75%	\$12,930	\$1,801,856			
Q3 - Jul \$	-	1,723,954	0.75%	\$12,930	\$1,814,786	-	-	-
Q4 - Oct		1,723,954	0.75%	\$12,930	\$1,827,716			
<b>38 2023</b>								
Q1 - Jan		1,723,954	0.75%	\$12,930	\$1,840,645			
Q2 - Apr		1,723,954	0.75%	\$12,930	\$1,853,575			
Q3 - Jul \$	1,347,567	376,387	0.75%	\$2,823	\$1,856,398	1,347,567	-	1,347,567
Q4 - Oct		376,387	0.75%	\$2,823	\$1,859,221			
<b>39 2024</b>								
Q1 - Jan		376,387	0.75%	\$2,823	\$1,862,044			
Q2 - Apr		376,387	0.75%	\$2,823	\$1,864,867			
Q3 - Jul \$	1,834,227	-	0.75%	\$0	\$1,864,867	376,387	1,457,840	1,834,227
Q4 - Oct		-	0.75%	\$0	\$407,027			
<b>40 2025</b>								
Q1 - Jan		-	0.75%	\$0	\$407,027			
Q2 - Apr		-	0.75%	\$0	\$407,027			
Q3 - Jul \$	2,035,939	-	0.75%	\$0	\$407,027	-	407,027	407,027
Q4 - Oct		-	0.75%	\$0	\$0			



**CITY OF EL MONTE**  
CITY MANAGER'S OFFICE  
OVERSIGHT BOARD AGENDA REPORT

OVERSIGHT BOARD SPECIAL MEETING OF JUNE 14, 2018

June 7, 2018

The Honorable Chair and Oversight Board Members  
Oversight Board for the Successor Agency to the  
Former El Monte Community Redevelopment Agency  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Chair and Oversight Board Members:

**MAKE A FINDING THAT AMENDMENTS NO. 5 AND NO. 6 TO THE WEST VALLEY BOULEVARD REDEVELOPMENT PROJECT PROPERTY ACQUISITION LOAN NO. 1 FROM THE CITY TO THE FORMER REDEVELOPMENT AGENCY WERE ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES.**

**IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

1. Consider and adopt a resolution making a finding that Amendments No. 5 and No. 6 to the West Valley Boulevard Redevelopment Project Property Acquisition Loan No. 1 to the former El Monte Community Redevelopment Agency by the City of El Monte were entirely for legitimate redevelopment purposes (Attachment 1).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Prior to the dissolution of redevelopment, the City of El Monte ("City") made a loan to the former El Monte Community Redevelopment Agency ("Agency") to help implement the Redevelopment Plan for the Northwest El Monte Redevelopment Project Area. The Dissolution Act, enacted by Assembly Bill ("AB") x1 26 in 2011, and subsequently amended by AB 1484 in 2012 and Senate Bill ("SB") 107 in 2015 and codified in the California Health and Safety Code ("HSC"), permits loans between cities and former redevelopment agencies to be repaid through Recognized Obligation Payment Schedules ("ROPS") if certain conditions are met. Conditions include: (a) the successor agency receiving a Finding of Completion from the California Department of Finance ("DOF"); and (b) the successor agency's oversight board making a finding that the loan was for legitimate redevelopment purposes.

**ITEM 10**

## **LEGISLATIVE BACKGROUND**

The Dissolution Act established a strict definition of “enforceable obligations” that may be paid through a ROPS. Certain loans between cities and former redevelopment agencies (“City/Agency Loans”) are eligible for repayment if a successor agency has received its finding of completion from DOF, and if the oversight board makes a finding that the City/Agency Loans were made for legitimate redevelopment purposes. Pursuant to HSC Section 34191.4(b), City/Agency Loans eligible for repayment include:

- A. Cash Advances. Loans where a city transferred money to the former redevelopment agency (“RDA”) for a lawful purpose, and the RDA was obligated to repay the city pursuant to a required repayment schedule.
- B. Property Transfer. Agreements where a city transferred real property to the RDA, and the RDA was obligated to pay the city for the property.
- C. Third-Party Infrastructure Development. Agreements where a city contracted with a third party to develop infrastructure, and the RDA was obligated to reimburse the city. Repayments on this type of loan are capped at \$5 million.

In 1991, the City amended a 1986 loan agreement, in which the City loaned \$800,000 to the former Agency to purchase property from Penske Realty, to loan \$150,000 for costs related to the additional interest owed on the Dai-Ichi Kangyo Bank note, which was taken by the Agency in relation to the sale of the Longo Toyota Site. In 1992, the City amended the original 1986 loan again, to loan the Agency \$350,000 to help with the December debt service payment on the Dai-Ichi Kangyo Bank note. The loan amendments were cash advances from the City to the former Agency for lawful purposes (option A as described above).

The Successor Agency received its Finding of Completion from DOF on April 26, 2013. The Successor Agency to the Former El Monte Community Redevelopment Agency (“Successor Agency”) believes that the loan is eligible for repayment pursuant to HSC Section 34191.4(b).

The Loan amendments are already included on the Successor Agency’s ROPS as Line Item 50; however, the Successor Agency is not permitted to request payment for the line item until DOF approves an Oversight Board resolution that makes a finding that the Loan was made for legitimate redevelopment purposes. At this time, the Successor Agency requests that the Oversight Board make a finding to confirm that the Loan was made for legitimate redevelopment purposes. If the Oversight Board approves the proposed resolution making this finding, the resolution will be sent to DOF for review and approval.

### **AMENDMENTS NO. 5 AND NO. 6 TO THE PROPERTY ACQUISITION LOAN**

Agency Resolution No. R-411, approved on March 26, 1991, permitted an agreement between the City and the Agency, whereby the City agreed to amend the loan agreement passed with Resolution R-221, and advance \$150,000 to the Agency to assist with interest payments for the Dai-Ichi Kangyo Bank note. The term of the bank note was extended by 180 days in the same resolution (R-411), causing a higher interest amount and resulting in the Agency's need of the City's funds.

Agency Resolution R-465, approved November 24, 1992, permitted another amendment to Resolution R-221, advancing the Agency \$350,000 to help the Agency make its debt service payment for December of that year on the Dai-Ichi Kangyo Bank note. The note was originally taken in relation to the Agency's sale of the former Longo Toyota site.

The former Agency was established to improve, rehabilitate, and redevelop blighted areas, pursuant to the Redevelopment Plans for the redevelopment project areas. HSC Sections 33132 and 33601 authorized a redevelopment agency to accept financial assistance from any public or private source for the agency's activities. The Loan was advanced to assist the Agency with undertaking its redevelopment activities, pursuant to and as authorized under the Community Redevelopment Law, the Redevelopment Plan for the Northwest El Monte Redevelopment Project Area.

### **LOAN REPAYMENT**

If the Oversight Board and DOF find that the Loan is an enforceable obligation, repayment is subject to specific requirements and limitations in accordance with HSC Section 34191.4(b)(3):

1. The accumulated interest on the principal amount of the loan must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest;
2. Supplemental Educational Revenue Augmentation Fund ("SERAF") loans and deferred housing set-aside repayments are senior to City/Agency Loans and must be repaid first;
3. Scheduled repayments on the ROPS cannot exceed 50% of the annual incremental growth of residual Redevelopment Property Tax Trust Fund ("RPTTF") revenues, using a Fiscal Year ("FY") 2012-13 base year; and
4. Twenty percent (20%) of City/Agency Loan repayments must be deducted and transferred to the Housing Successor Agency's Low and Moderate Income

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

Page 4

Housing Asset Fund for use on affordable housing activities, as required by law. The remaining balance may be deposited in the City's General Fund.

To date, none of the \$500,000 total Loan amendment amount has been repaid to the City. Pursuant to the first point, the accumulated interest on the \$500,000 principal amount of the loan as of the February 1, 2019 ROPS 19-20 deadline will be \$405,375. Accordingly, the \$905,375 sum of the principal and interest will be included on ROPS 19-20 for repayment. However, DOF will approve repayment only if the loan is found to be enforceable obligations by the Oversight Board and DOF. It should be noted that any interest rate previously specified is no longer valid, as the Successor Agency must calculate interest as detailed in the first point above.

To elaborate on the third point, the maximum City repayment in any given year is:

$$\frac{(\text{Prior Fiscal Year Residual RPTTF} - \text{FY 2012-13 Residual RPTTF})}{2}$$

For example, if residual RPTTF was \$1 million in FY 2018-19 and \$500,000 in FY 2012-13, the maximum loan repayment in FY 2019-20 would be:

$$\frac{(\$1,000,000 - \$500,000)}{2} = \$250,000$$

In the Successor Agency's case, the FY 2012-13 Residual RPTTF was zero. The maximum loan repayment amount in FY 2018-19 is \$985,190; the amount cannot be calculated for FY 2019-20 until after the second FY 2018-19 RPTTF distribution. The Successor Agency does not have any SERAF loans or deferred housing set-aside that require repayment before the Loan. An estimated repayment schedule is included as an exhibit to the attached resolution, but the annual loan repayment amount in any given year cannot be determined until the completion of the prior fiscal year. Actual payments will depend on the final amount of RPTTF available to fund approved enforceable obligations in each ROPS period.

**FISCAL IMPACT**

Adoption of the proposed resolution is required to repay the City the balance on the Amendments No. 5 and No. 6 to Resolution R-221, which will be \$905,375 as of the February 1, 2019 deadline for the ROPS 19-20.

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

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**CONCLUSION**

Staff recommends that the Oversight Board consider and adopt a resolution making a finding that the Amendments No. 5 and No. 6 to the West Valley Boulevard Redevelopment Project Property Acquisition Loan No. 1 to the former El Monte Community Redevelopment Agency by the City of El Monte were entirely for legitimate redevelopment purposes (Attachment No. 1).

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

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Respectfully submitted,



ALEX HAMILTON  
Executive Director

Attachment:

1. Resolution Making a Finding that the Amendments No. 5 and No. 6 to the West Valley Boulevard Redevelopment Project Property Acquisition Loan No. 1 Entered into by and between the Former El Monte Community Redevelopment Agency and the City of El Monte Were Entirely for Legitimate Redevelopment Purposes (with Exhibits)
2. Estimated Recalculation of Loan Payment Schedule.

DATE: June 14, 2018	
PRESENTED TO THE OVERSIGHT BOARD	
<input type="checkbox"/>	APPROVED
<input type="checkbox"/>	DENIED
<input type="checkbox"/>	PULLED
<input type="checkbox"/>	RECEIVED AND FILE
<input type="checkbox"/>	CONTINUED
<input type="checkbox"/>	REFERRED TO
CHIEF DEPUTY CITY CLERK	

**RESOLUTION NO. OB-90**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY MAKING A FINDING THAT THE AMENDMENTS NO. 5 AND NO. 6 TO THE WEST VALLEY BOULEVARD REDEVELOPMENT PROJECT PROPERTY ACQUISITION LOAN NO. 1 ENTERED INTO BY AND BETWEEN THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF EL MONTE WERE ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4(b)(1)**

WHEREAS, by virtue of the enactment of Health and Safety Code ("HSC") Section 34173(d), the City of El Monte ("City") is the successor agency to the former El Monte Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency ("Agency") in accordance with HSC Section 34179, et seq.; and

WHEREAS, prior to the dissolution of redevelopment, the City Council of the City ("City Council") adopted and amended from time to time the Redevelopment Plan ("Redevelopment Plan") for the Northwest El Monte Redevelopment Project Area ("Project Area"); and

WHEREAS, in keeping with the goals of the Agency to eliminate blight in the Project Area, the City and the Agency worked cooperatively to implement the Redevelopment Plan; and

WHEREAS, the City and the Agency previously entered into transactions whereby the City undertook activities and incurred costs on behalf of the Agency, and whereby the Agency agreed to repay the cost of such activities to the City, or the amount of such funds paid, or moneys loaned; and

WHEREAS, Agency Resolution No. R-411, approved on March 26, 1991, permitted an agreement between the City and the Agency, whereby the City agreed to amend the loan agreement passed with Resolution R-221, and advanced \$150,000 to the Agency to assist with interest payments for the Dai-Ichi Kangyo Bank note; and

WHEREAS, Agency Resolution R-465, approved November 24, 1992, permitted another amendment to Resolution R-221, advancing the Agency \$350,000 to help the

Agency make its debt service payment for December of that year on the Dai-Ichi Kangyo Bank note; and

WHEREAS, HSC Section 34191.4(b)(3) specifies that the accumulated interest on the principal amount of loans between the redevelopment agency and the city, county, or city and county that created the redevelopment agency must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest; and

WHEREAS, none of the \$500,000 amended Loan amount has been repaid to the City, and the accumulated interest on the \$500,000 combined principal amount of the loan as of the February 1, 2019 deadline of Recognized Obligation Payment Schedule ("ROPS") 19-20 will be \$405,375, pursuant to HSC Section 34191.4(b)(3); and

WHEREAS, the Successor Agency wishes to repay the Loan through the ROPS process; and

WHEREAS, in accordance with HSC Section 34191.4(b), upon receiving a finding of completion by the California Department of Finance ("DOF"), loan agreements entered into between a redevelopment agency and the city that created it shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a finding of completion from DOF on April 26, 2013; and

WHEREAS, the Oversight Board desires to make a finding that the Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b).

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency hereby finds that Amendments No. 5 and No. 6 to the West Valley Boulevard Redevelopment Project Property Acquisition Loan No. 1 were for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b). This finding is based on the information and evidence set out in the Oversight Board staff report dated June 7, 2018, as well as the Exhibit to this Resolution.

SECTION 3. The Oversight Board hereby approves repayment of the amendments to the Loans by placing them as an enforceable obligation on the ROPS.

SECTION 4. The officers of the Oversight Board and the 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 responding to additional requests for review by DOF and any such actions previously taken by such officers, and staff are hereby ratified and confirmed.

SECTION 5. The Oversight Board authorizes Successor Agency staff to abide by the attached estimated repayment schedule for the amendments to the Loan and amend it from time to time in recognition that the annual maximum repayment amount cannot be determined until the completion of the prior fiscal year, based on the formula mandated by HSC Section 34191.4(b)(2).

SECTION 6. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of June, 2018.

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Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-90 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Chair of the Oversight Board

## EXHIBIT A

### AMENDMENTS NO. 5 AND NO. 6 TO THE WEST VALLEY BOULEVARD REDEVELOPMENT PROJECT PROPERTY ACQUISITION LOAN NO. 1 ESTIMATED LOAN REPAYMENT SCHEDULE

Loan Date: 3/26/1991 (\$150K) & 11/24/1992 (\$350K)

Fiscal Year	Maximum Annual Loan Payment Remaining	Principal Balance 500,000	Annual Interest Rate	Annual Interest	Accrued Interest	Principal Payment	Interest Payment	Total Payment
<b>1 1991</b>								
<b>29 2019</b>								
Q1 - Jan		500,000	0.75%	\$3,750	\$405,375			
Q2 - Apr		500,000	0.75%	\$3,750	\$409,125			
Q3 - Jul \$	-	500,000	0.75%	\$3,750	\$412,875	-	-	-
Q4 - Oct		500,000	0.75%	\$3,750	\$416,625			
<b>30 2020</b>								
Q1 - Jan		500,000	0.75%	\$3,750	\$420,375			
Q2 - Apr		500,000	0.75%	\$3,750	\$424,125			
Q3 - Jul \$	-	500,000	0.75%	\$3,750	\$427,875	-	-	-
Q4 - Oct		500,000	0.75%	\$3,750	\$431,625			
<b>31 2021</b>								
Q1 - Jan		500,000	0.75%	\$3,750	\$435,375			
Q2 - Apr		500,000	0.75%	\$3,750	\$439,125			
Q3 - Jul \$	-	500,000	0.75%	\$3,750	\$442,875	-	-	-
Q4 - Oct		500,000	0.75%	\$3,750	\$446,625			
<b>32 2022</b>								
Q1 - Jan		500,000	0.75%	\$3,750	\$450,375			
Q2 - Apr		500,000	0.75%	\$3,750	\$454,125			
Q3 - Jul \$	-	500,000	0.75%	\$3,750	\$457,875	-	-	-
Q4 - Oct		500,000	0.75%	\$3,750	\$461,625			
<b>33 2023</b>								
Q1 - Jan		500,000	0.75%	\$3,750	\$465,375			
Q2 - Apr		500,000	0.75%	\$3,750	\$469,125			
Q3 - Jul \$	-	500,000	0.75%	\$3,750	\$472,875	-	-	-
Q4 - Oct		500,000	0.75%	\$3,750	\$476,625			
<b>34 2024</b>								
Q1 - Jan		500,000	0.75%	\$3,750	\$480,375			
Q2 - Apr		500,000	0.75%	\$3,750	\$484,125			
Q3 - Jul \$	-	500,000	0.75%	\$3,750	\$487,875	-	-	-
Q4 - Oct		500,000	0.75%	\$3,750	\$491,625			
<b>35 2025</b>								
Q1 - Jan		500,000	0.75%	\$3,750	\$495,375			
Q2 - Apr		500,000	0.75%	\$3,750	\$499,125			
Q3 - Jul \$	1,628,912	-	0.75%	\$0	\$499,125	500,000	499,125	999,125
Q4 - Oct		-	0.75%	\$0	\$0			



**CITY OF EL MONTE**  
CITY MANAGER'S OFFICE  
OVERSIGHT BOARD AGENDA REPORT

OVERSIGHT BOARD SPECIAL MEETING OF JUNE 14, 2018

June 7, 2018

The Honorable Chair and Oversight Board Members  
Oversight Board for the Successor Agency to the  
Former El Monte Community Redevelopment Agency  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Chair and Oversight Board Members:

**MAKE A FINDING THAT AMENDMENT NO. 7 TO THE WEST VALLEY BOULEVARD REDEVELOPMENT PROJECT PROPERTY ACQUISITION LOAN NO. 1 FROM THE CITY TO THE FORMER REDEVELOPMENT AGENCY WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES.**

**IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

1. Consider and adopt a resolution making a finding that Amendment No. 7 to the West Valley Boulevard Redevelopment Project Property Acquisition Loan No. 1 to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment 1).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Prior to the dissolution of redevelopment, the City of El Monte ("City") made a loan to the former El Monte Community Redevelopment Agency ("Agency") to help implement the Redevelopment Plan for the Northwest El Monte Redevelopment Project Area. The Dissolution Act, enacted by Assembly Bill ("AB") x1 26 in 2011, and subsequently amended by AB 1484 in 2012 and Senate Bill ("SB") 107 in 2015 and codified in the California Health and Safety Code ("HSC"), permits loans between cities and former redevelopment agencies to be repaid through Recognized Obligation Payment Schedules ("ROPS") if certain conditions are met. Conditions include: (a) the successor agency receiving a Finding of Completion from the California Department of Finance ("DOF"); and (b) the successor agency's oversight board making a finding that the loan was for legitimate redevelopment purposes.

**ITEM 11**

## **LEGISLATIVE BACKGROUND**

The Dissolution Act established a strict definition of “enforceable obligations” that may be paid through a ROPS. Certain loans between cities and former redevelopment agencies (“City/Agency Loans”) are eligible for repayment if a successor agency has received its finding of completion from DOF, and if the oversight board makes a finding that the City/Agency Loans were made for legitimate redevelopment purposes. Pursuant to HSC Section 34191.4(b), City/Agency Loans eligible for repayment include:

- A. Cash Advances. Loans where a city transferred money to the former redevelopment agency (“RDA”) for a lawful purpose, and the RDA was obligated to repay the city pursuant to a required repayment schedule.
- B. Property Transfer. Agreements where a city transferred real property to the RDA, and the RDA was obligated to pay the city for the property.
- C. Third-Party Infrastructure Development. Agreements where a city contracted with a third party to develop infrastructure, and the RDA was obligated to reimburse the city. Repayments on this type of loan are capped at \$5 million.

In 1993, the City amended a 1986 loan agreement, in which the City loaned \$800,000 to the former Agency to purchase property from Penske Realty, to loan \$350,000 for the Agency’s June debt service on the Dai-Ichi Kangyo Bank note, which was taken by the Agency in relation to the sale of the Longo Toyota Site. The loan amendment was a cash advance from the City to the former Agency for lawful purposes (option A as described above).

The Successor Agency received its Finding of Completion from DOF on April 26, 2013. The Successor Agency to the Former El Monte Community Redevelopment Agency (“Successor Agency”) believes that the loan is eligible for repayment pursuant to HSC Section 34191.4(b).

The Loan amendment is already included on the Successor Agency’s ROPS as Line Item 51; however, the Successor Agency is not permitted to request payment for the line item until DOF approves an Oversight Board resolution that makes a finding that the Loan amendment was made for legitimate redevelopment purposes. At this time, the Successor Agency requests that the Oversight Board make a finding to confirm that the Loan was made for legitimate redevelopment purposes. If the Oversight Board approves the proposed resolution making this finding, the resolution will be sent to DOF for review and approval.

### **AMENDMENTS NO. 5 AND NO. 6 TO THE PROPERTY ACQUISITION LOAN**

Agency Resolution No. R-484, approved on May 25, 1993, permitted an agreement between the City and the Agency, whereby the City agreed to amend the loan agreement passed with Resolution R-221, and advance \$350,000 to the Agency to assist with the June debt service payment for the Dai-Ichi Kangyo Bank note. The note was originally taken in relation to the Agency's sale of the former Longo Toyota site.

The former Agency was established to improve, rehabilitate, and redevelop blighted areas, pursuant to the Redevelopment Plans for the redevelopment project areas. HSC Sections 33132 and 33601 authorized a redevelopment agency to accept financial assistance from any public or private source for the agency's activities. The Loan was advanced to assist the Agency with undertaking its redevelopment activities, pursuant to and as authorized under the Community Redevelopment Law, the Redevelopment Plan for the Northwest El Monte Redevelopment Project Area.

### **LOAN REPAYMENT**

If the Oversight Board and DOF find that the Loan is an enforceable obligation, repayment is subject to specific requirements and limitations in accordance with HSC Section 34191.4(b)(3):

1. The accumulated interest on the principal amount of the loan must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest;
2. Supplemental Educational Revenue Augmentation Fund ("SERAF") loans and deferred housing set-aside repayments are senior to City/Agency Loans and must be repaid first;
3. Scheduled repayments on the ROPS cannot exceed 50% of the annual incremental growth of residual Redevelopment Property Tax Trust Fund ("RPTTF") revenues, using a Fiscal Year ("FY") 2012-13 base year; and
4. Twenty percent (20%) of City/Agency Loan repayments must be deducted and transferred to the Housing Successor Agency's Low and Moderate Income Housing Asset Fund for use on affordable housing activities, as required by law. The remaining balance may be deposited in the City's General Fund.

To date, none of the \$350,000 Loan amendment has been repaid to the City. Pursuant to the first point, the accumulated interest on the \$350,000 principal amount of the loan as of the February 1, 2019 ROPS 19-20 deadline will be \$273,000. Accordingly, the \$623,000 sum of the principal and interest will be included on ROPS 19-20 for repayment. However, DOF will approve repayment only if the loan is found to be

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

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enforceable obligations by the Oversight Board and DOF. It should be noted that any interest rate previously specified is no longer valid, as the Successor Agency must calculate interest as detailed in the first point above.

To elaborate on the third point, the maximum City repayment in any given year is:

$$\frac{(\text{Prior Fiscal Year Residual RPTTF} - \text{FY 2012-13 Residual RPTTF})}{2}$$

For example, if residual RPTTF was \$1 million in FY 2018-19 and \$500,000 in FY 2012-13, the maximum loan repayment in FY 2019-20 would be:

$$\frac{(\$1,000,000 - \$500,000)}{2} = \$250,000$$

In the Successor Agency's case, the FY 2012-13 Residual RPTTF was zero. The maximum loan repayment amount in FY 2018-19 is \$985,190; the amount cannot be calculated for FY 2019-20 until after the second FY 2018-19 RPTTF distribution. The Successor Agency does not have any SERAF loans or deferred housing set-aside that require repayment before the Loan. An estimated repayment schedule is included as an exhibit to the attached resolution, but the annual loan repayment amount in any given year cannot be determined until the completion of the prior fiscal year. Actual payments will depend on the final amount of RPTTF available to fund approved enforceable obligations in each ROPS period.

### **FISCAL IMPACT**

Adoption of the proposed resolution is required to repay the City the balance on the Amendments No. 7 to Resolution R-221, which will be \$623,000 as of the February 1, 2019 deadline for the ROPS 19-20.

### **CONCLUSION**

Staff recommends that the Oversight Board consider and adopt a resolution making a finding that the Amendment No. 7 to the West Valley Boulevard Redevelopment Project Property Acquisition Loan No. 1 to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment No. 1).

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

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Respectfully submitted,



ALEX HAMILTON  
Executive Director

Attachment:

1. Resolution Making a Finding that the Amendment No. 7 to the West Valley Boulevard Redevelopment Project Property Acquisition Loan No. 1 Entered into by and between the Former El Monte Community Redevelopment Agency and the City of El Monte Was Entirely for Legitimate Redevelopment Purposes (with Exhibits)
2. Estimated Recalculation of Loan Payment Schedule

DATE: June 14, 2018	
PRESENTED TO THE OVERSIGHT BOARD	
<input type="checkbox"/>	APPROVED
<input type="checkbox"/>	DENIED
<input type="checkbox"/>	PULLED
<input type="checkbox"/>	RECEIVED AND FILE
<input type="checkbox"/>	CONTINUED
<input type="checkbox"/>	REFERRED TO
CHIEF DEPUTY CITY CLERK	

## RESOLUTION NO. OB-91

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY MAKING A FINDING THAT AMENDMENT NO. 7 TO THE WEST VALLEY BOULEVARD REDEVELOPMENT PROJECT PROPERTY ACQUISITION LOAN NO. 1 ENTERED INTO BY AND BETWEEN THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF EL MONTE WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4(b)(1)**

WHEREAS, by virtue of the enactment of Health and Safety Code ("HSC") Section 34173(d), the City of El Monte ("City") is the successor agency to the former El Monte Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency ("Agency") in accordance with HSC Section 34179, et seq.; and

WHEREAS, prior to the dissolution of redevelopment, the City Council of the City ("City Council") adopted and amended from time to time the Redevelopment Plan ("Redevelopment Plan") for the Northwest El Monte Redevelopment Project Area ("Project Area"); and

WHEREAS, in keeping with the goals of the Agency to eliminate blight in the Project Area, the City and the Agency worked cooperatively to implement the Redevelopment Plan; and

WHEREAS, the City and the Agency previously entered into transactions whereby the City undertook activities and incurred costs on behalf of the Agency, and whereby the Agency agreed to repay the cost of such activities to the City, or the amount of such funds paid, or moneys loaned; and

WHEREAS, Agency Resolution No. R-484, approved on May 25, 1993, permitted an agreement between the City and the Agency, whereby the City agreed to amend the loan passed with Resolution R-221, and advance \$350,000 to the Agency to assist with debt service payments for the Dai-Ichi Kangyo Bank note; and

WHEREAS, HSC Section 34191.4(b)(3) specifies that the accumulated interest on the principal amount of loans between the redevelopment agency and the city, county, or city and county that created the redevelopment agency must be recalculated

from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest; and

WHEREAS, none of the \$350,000 amended Loan amount has been repaid to the City, and the accumulated interest on the \$350,000 combined principal amount of the loan as of the February 1, 2019 deadline of Recognized Obligation Payment Schedule ("ROPS") 19-20 will be \$273,000, pursuant to HSC Section 34191.4(b)(3); and

WHEREAS, the Successor Agency wishes to repay the Loan amendment through the ROPS process; and

WHEREAS, in accordance with HSC Section 34191.4(b), upon receiving a finding of completion by the California Department of Finance ("DOF"), loan agreements entered into between a redevelopment agency and the city that created it shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a finding of completion from DOF on April 26, 2013; and

WHEREAS, the Oversight Board desires to make a finding that the Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b).

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency hereby finds that Amendment No. 7 to the West Valley Boulevard Redevelopment Project Property Acquisition Loan No. 1 was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b). This finding is based on the information and evidence set out in the Oversight Board staff report dated June 7, 2018, as well as the Exhibit to this Resolution.

SECTION 3. The Oversight Board hereby approves repayment of the amendment to the Loan by placing it as an enforceable obligation on the ROPS.

SECTION 4. The officers of the Oversight Board and the 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 responding to additional requests for review by DOF and any such actions previously taken by such officers, and staff are hereby ratified and confirmed.

SECTION 5. The Oversight Board authorizes Successor Agency staff to abide by the attached estimated repayment schedule for the amendments to the Loan and amend it from time to time in recognition that the annual maximum repayment amount cannot be determined until the completion of the prior fiscal year, based on the formula mandated by HSC Section 34191.4(b)(2).

SECTION 6. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of June, 2018.

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Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-91 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Chair of the Oversight Board

## EXHIBIT A

### AMENDMENT NO. 7 TO THE WEST VALLEY BOULEVARD REDEVELOPMENT PROJECT PROPERTY ACQUISITION LOAN NO. 1 ESTIMATED LOAN REPAYMENT SCHEDULE

Loan Date: 5/25/1993

Fiscal Year	Maximum Annual Loan Payment Remaining	Principal Balance 350,000	Annual Interest Rate	Annual Interest	Accrued Interest	Principal Payment	Interest Payment	Total Payment
<b>1 1993</b>								
<b>27 2019</b>								
Q1 - Jan		350,000	0.75%	\$2,625	\$273,000			
Q2 - Apr		350,000	0.75%	\$2,625	\$275,625			
Q3 - Jul \$	-	350,000	0.75%	\$2,625	\$278,250	-	-	-
Q4 - Oct		350,000	0.75%	\$2,625	\$280,875			
<b>28 2020</b>								
Q1 - Jan		350,000	0.75%	\$2,625	\$283,500			
Q2 - Apr		350,000	0.75%	\$2,625	\$286,125			
Q3 - Jul \$	-	350,000	0.75%	\$2,625	\$288,750	-	-	-
Q4 - Oct		350,000	0.75%	\$2,625	\$291,375			
<b>29 2021</b>								
Q1 - Jan		350,000	0.75%	\$2,625	\$294,000			
Q2 - Apr		350,000	0.75%	\$2,625	\$296,625			
Q3 - Jul \$	-	350,000	0.75%	\$2,625	\$299,250	-	-	-
Q4 - Oct		350,000	0.75%	\$2,625	\$301,875			
<b>30 2022</b>								
Q1 - Jan		350,000	0.75%	\$2,625	\$304,500			
Q2 - Apr		350,000	0.75%	\$2,625	\$307,125			
Q3 - Jul \$	-	350,000	0.75%	\$2,625	\$309,750	-	-	-
Q4 - Oct		350,000	0.75%	\$2,625	\$312,375			
<b>31 2023</b>								
Q1 - Jan		350,000	0.75%	\$2,625	\$315,000			
Q2 - Apr		350,000	0.75%	\$2,625	\$317,625			
Q3 - Jul \$	-	350,000	0.75%	\$2,625	\$320,250	-	-	-
Q4 - Oct		350,000	0.75%	\$2,625	\$322,875			
<b>32 2024</b>								
Q1 - Jan		350,000	0.75%	\$2,625	\$325,500			
Q2 - Apr		350,000	0.75%	\$2,625	\$328,125			
Q3 - Jul \$	-	350,000	0.75%	\$2,625	\$330,750	-	-	-
Q4 - Oct		350,000	0.75%	\$2,625	\$333,375			
<b>33 2025</b>								
Q1 - Jan		350,000	0.75%	\$2,625	\$336,000			
Q2 - Apr		350,000	0.75%	\$2,625	\$338,625			
Q3 - Jul \$	629,787	-	0.75%	\$0	\$338,625	350,000	279,787	629,787
Q4 - Oct		-	0.75%	\$0	\$58,838			
<b>34 2026</b>								
Q1 - Jan		-	0.75%	\$0	\$58,838			
Q2 - Apr		-	0.75%	\$0	\$58,838			
Q3 - Jul \$	2,135,339	-	0.75%	\$0	\$58,838	-	58,838	58,838
Q4 - Oct		-	0.75%	\$0	\$0			



**CITY OF EL MONTE**  
CITY MANAGER'S OFFICE  
OVERSIGHT BOARD AGENDA REPORT

OVERSIGHT BOARD SPECIAL MEETING OF JUNE 14, 2018

June 7, 2018

The Honorable Chair and Oversight Board Members  
Oversight Board for the Successor Agency to the  
Former El Monte Community Redevelopment Agency  
11333 Valley Boulevard  
El Monte, CA 91731

Dear Chair and Oversight Board Members:

**MAKE A FINDING THAT THE NORTHWEST EL MONTE REDEVELOPMENT PROJECT LOAN NO. 91-1 AND AMENDMENT NO. 1 FROM THE CITY TO THE FORMER REDEVELOPMENT AGENCY WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES.**

**IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

1. Consider and adopt a resolution making a finding that the Northwest El Monte Redevelopment Project Loan No. 91-1 and Amendment No. 1 to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment 1).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Prior to the dissolution of redevelopment, the City of El Monte ("City") made a loan to the former El Monte Community Redevelopment Agency ("Agency") to help implement the Redevelopment Plan for the Northwest El Monte Redevelopment Project Area. The Dissolution Act, enacted by Assembly Bill ("AB") x1 26 in 2011, and subsequently amended by AB 1484 in 2012 and Senate Bill ("SB") 107 in 2015 and codified in the California Health and Safety Code ("HSC"), permits loans between cities and former redevelopment agencies to be repaid through Recognized Obligation Payment Schedules ("ROPS") if certain conditions are met. Conditions include: (a) the successor agency receiving a Finding of Completion from the California Department of Finance ("DOF"); and (b) the successor agency's oversight board making a finding that the loan was for legitimate redevelopment purposes.

**ITEM 12**

## **LEGISLATIVE BACKGROUND**

The Dissolution Act established a strict definition of “enforceable obligations” that may be paid through a ROPS. Certain loans between cities and former redevelopment agencies (“City/Agency Loans”) are eligible for repayment if a successor agency has received its finding of completion from DOF, and if the oversight board makes a finding that the City/Agency Loans were made for legitimate redevelopment purposes. Pursuant to HSC Section 34191.4(b), City/Agency Loans eligible for repayment include:

- A. Cash Advances. Loans where a city transferred money to the former redevelopment agency (“RDA”) for a lawful purpose, and the RDA was obligated to repay the city pursuant to a required repayment schedule.
- B. Property Transfer. Agreements where a city transferred real property to the RDA, and the RDA was obligated to pay the city for the property.
- C. Third-Party Infrastructure Development. Agreements where a city contracted with a third party to develop infrastructure, and the RDA was obligated to reimburse the city. Repayments on this type of loan are capped at \$5 million.

In 1991, the City loaned \$100,000 to the former Agency for the Northwest El Monte Redevelopment Project Loan No. 91-1 (“Loan”). In 1992, the City loaned \$90,000 to the former Agency as an amendment to the original \$100,000 loan. The loan and amendment were cash advances from the City to the former Agency for a lawful purpose (option A as described above).

The Successor Agency received its Finding of Completion from DOF on April 26, 2013. The Successor Agency to the Former El Monte Community Redevelopment Agency (“Successor Agency”) believes that the loan is eligible for repayment pursuant to HSC Section 34191.4(b).

The Loan is already included on the Successor Agency’s ROPS as Line Item 52 however the Successor Agency is not permitted to request payment for the line item until DOF approves an Oversight Board resolution that makes a finding that the Loan was made for legitimate redevelopment purposes. At this time, the Successor Agency requests that the Oversight Board make a finding to confirm that the Loan was made for legitimate redevelopment purposes. If the Oversight Board approves the proposed resolution making this finding, the resolution will be sent to DOF for review and approval.

## **ORCHARD STREET EXTENSION PROJECT LOAN**

Agency Resolution No. 7221, approved on September 10, 1991, approved an agreement between the City and the Agency, whereby the City agreed to advance

## HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

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\$100,000 to the Agency to assist with preliminary studies and planning of the new redevelopment area. Agency Resolution No. R-463, approved on October 13, 1992, amended Loan 91-1 to advance the agency \$90,000 for a change order to an environmental impact study contract, and consulting services.

The former Agency was established to improve, rehabilitate, and redevelop blighted areas, pursuant to the Redevelopment Plans for the redevelopment project areas. HSC Sections 33132 and 33601 authorized a redevelopment agency to accept financial assistance from any public or private source for the agency's activities. The Loan was advanced to assist the Agency with undertaking its redevelopment activities, pursuant to and as authorized under the Community Redevelopment Law, the Redevelopment Plan for the Northwest El Monte Redevelopment Project Area.

### **LOAN REPAYMENT**

If the Oversight Board and DOF find that the Loan is an enforceable obligation, repayment is subject to specific requirements and limitations in accordance with HSC Section 34191.4(b)(3):

1. The accumulated interest on the principal amount of the loan must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest;
2. Supplemental Educational Revenue Augmentation Fund ("SERAF") loans and deferred housing set-aside repayments are senior to City/Agency Loans and must be repaid first;
3. Scheduled repayments on the ROPS cannot exceed 50% of the annual incremental growth of residual Redevelopment Property Tax Trust Fund ("RPTTF") revenues, using a Fiscal Year ("FY") 2012-13 base year; and
4. Twenty percent (20%) of City/Agency Loan repayments must be deducted and transferred to the Housing Successor Agency's Low and Moderate Income Housing Asset Fund for use on affordable housing activities, as required by law. The remaining balance may be deposited in the City's General Fund.

To date, none of the \$90,000 Loan has been repaid to the City. Pursuant to the first point, the accumulated interest on the \$90,000 principal amount of the loan as of the February 1, 2019 ROPS 19-20 deadline will be \$71,550. Accordingly, the \$161,550 sum of the principal and interest will be included on ROPS 19-20 for repayment. However, DOF will approve repayment only if the loan is found to be enforceable obligations by the Oversight Board and DOF. It should be noted that any interest rate previously

specified is no longer valid, as the Successor Agency must calculate interest as detailed in the first point above.

To elaborate on the third point, the maximum City repayment in any given year is:

$$\frac{(\text{Prior Fiscal Year Residual RPTTF} - \text{FY 2012-13 Residual RPTTF})}{2}$$

For example, if residual RPTTF was \$1 million in FY 2018-19 and \$500,000 in FY 2012-13, the maximum loan repayment in FY 2019-20 would be:

$$\frac{(\$1,000,000 - \$500,000)}{2} = \$250,000$$

In the Successor Agency's case, the FY 2012-13 Residual RPTTF was zero. The maximum loan repayment amount in FY 2018-19 is \$985,190; the amount cannot be calculated for FY 2019-20 until after the second FY 2018-19 RPTTF distribution. The Successor Agency does not have any SERAF loans or deferred housing set-aside that require repayment before the Loan. An estimated repayment schedule is included as an exhibit to the attached resolution, but the annual loan repayment amount in any given year cannot be determined until the completion of the prior fiscal year. Actual payments will depend on the final amount of RPTTF available to fund approved enforceable obligations in each ROPS period.

### **FISCAL IMPACT**

Adoption of the proposed resolution is required to repay the City the balance on the Northwest El Monte Redevelopment Project Loan No. 91-1 and Amendment No. 1, which will be \$161,550 as of the February 1, 2019 deadline for the ROPS 19-20.

### **CONCLUSION**

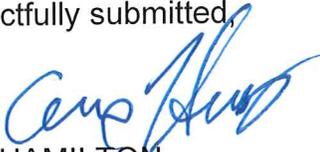
Staff recommends that the Oversight Board consider and adopt a resolution making a finding that the Northwest El Monte Redevelopment Project Loan No. 91-1 and Amendment No. 1 to the former El Monte Community Redevelopment Agency by the City of El Monte was entirely for legitimate redevelopment purposes (Attachment No. 1).

HONORABLE CHAIR AND OVERSIGHT BOARD

June 7, 2018

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Respectfully submitted,



ALEX HAMILTON  
Executive Director

Attachment:

1. Resolution Making a Finding that the Northwest El Monte Redevelopment Project Loan No. 91-1 and Amendment No. 1 Entered into by and between the Former El Monte Community Redevelopment Agency and the City of El Monte Was Entirely for Legitimate Redevelopment Purposes (with Exhibits)
2. Estimated Recalculation of Loan Payment Schedule

DATE: June 14, 2018	
PRESENTED TO THE OVERSIGHT BOARD	
<input type="checkbox"/>	APPROVED
<input type="checkbox"/>	DENIED
<input type="checkbox"/>	PULLED
<input type="checkbox"/>	RECEIVED AND FILE
<input type="checkbox"/>	CONTINUED
<input type="checkbox"/>	REFERRED TO
CHIEF DEPUTY CITY CLERK	

**RESOLUTION NO. OB-92**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY MAKING A FINDING THAT THE NORTHWEST EL MONTE REDEVELOPMENT PROJECT LOAN NO. 91-1 AND AMENDMENT NO. 1 ENTERED INTO BY AND BETWEEN THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF EL MONTE WAS ENTIRELY FOR LEGITIMATE REDEVELOPMENT PURPOSES PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4(b)(1)**

WHEREAS, by virtue of the enactment of Health and Safety Code ("HSC") Section 34173(d), the City of El Monte ("City") is the successor agency to the former El Monte Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency ("Oversight Board") has been established to direct the City as Successor Agency to take certain actions to conclude the business affairs of the dissolved former El Monte Community Redevelopment Agency ("Agency") in accordance with HSC Section 34179, et seq.; and

WHEREAS, prior to the dissolution of redevelopment, the City Council of the City ("City Council") adopted and amended from time to time the Redevelopment Plan ("Redevelopment Plan") for the Northwest El Monte Redevelopment Project Area ("Project Area"); and

WHEREAS, in keeping with the goals of the Agency to eliminate blight in the Project Area, the City and the Agency worked cooperatively to implement the Redevelopment Plan; and

WHEREAS, the City and the Agency previously entered into transactions whereby the City undertook activities and incurred costs on behalf of the Agency, and whereby the Agency agreed to repay the cost of such activities to the City, or the amount of such funds paid, or moneys loaned; and

WHEREAS, Agency Resolution No. 7221, approved on September 10, 1991, authorized an agreement between the City and the Agency, whereby the City agreed to advance \$100,000 to the Agency to assist with preliminary studies and planning of the new redevelopment area. ("Loan"); and

WHEREAS, Agency Resolution No. R-463, approved on October 13, 1992, amended Loan 91-1 to advance the agency \$90,000 for a change order to the

environmental impact study contract, and consulting services related to the preliminary studies for the new redevelopment area; and

WHEREAS, HSC Section 34191.4(b)(3) specifies that the accumulated interest on the principal amount of loans between the redevelopment agency and the city, county, or city and county that created the redevelopment agency must be recalculated from origination, on a quarterly basis, at a simple interest rate of three percent (3%), and moneys repaid shall be applied first to the principal, and second to the interest; and

WHEREAS, none of the \$90,000 Loan has been repaid to the City, and the accumulated interest on the \$90,000 principal amount of the loan as of the February 1, 2019 deadline of Recognized Obligation Payment Schedule ("ROPS") 19-20 will be \$71,550, pursuant to HSC Section 34191.4(b)(3); and

WHEREAS, the Successor Agency wishes to repay the Loan through the ROPS process; and

WHEREAS, in accordance with HSC Section 34191.4(b), upon receiving a finding of completion by the California Department of Finance ("DOF"), loan agreements entered into between a redevelopment agency and the city that created it shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a finding of completion from DOF on April 26, 2013; and

WHEREAS, the Oversight Board desires to make a finding that the Loan was for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b).

**NOW THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:**

SECTION 1. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Oversight Board for the Successor Agency to the former El Monte Community Redevelopment Agency here by finds that the Northwest El Monte Redevelopment Project Loan No. 91-1 and Amendment No. 1 were for legitimate redevelopment purposes pursuant to HSC Section 34191.4(b). This finding is based on the information and evidence set out in the Oversight Board staff report dated June 7, 2018, as well as the Exhibit to this Resolution.

SECTION 3. The Oversight Board hereby approves repayment of the Loan by placing it as an enforceable obligation on the ROPS.

SECTION 4. The officers of the Oversight Board and the 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 responding to additional requests for review by DOF and any such actions previously taken by such officers, and staff are hereby ratified and confirmed.

SECTION 5. The Oversight Board authorizes Successor Agency staff to abide by the attached estimated repayment schedule for the Loan and amendment No. 1 and amend it from time to time in recognition that the annual maximum repayment amount cannot be determined until the completion of the prior fiscal year, based on the formula mandated by HSC Section 34191.4(b)(2).

SECTION 6. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency at its regular meeting on this 14th of June, 2018.

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Chair of the Oversight Board

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF EL MONTE             )

I, Chair of the Oversight Board, do hereby certify that the above and foregoing Resolution No. OB-92 was passed, approved, and adopted by the Oversight Board to the Successor Agency to the former El Monte Community Redevelopment Agency, signed by the Chair and attested by the Chair at a special meeting of said Oversight Board held on this 14th day of June 2018, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Chair of the Oversight Board

## EXHIBIT A

### NORTHWEST EL MONTE REDEVELOPMENT PROJECT LOAN NO. 91-1 AND AMENDMENT NO. 1 LOAN REPAYMENT SCHEDULE

Loan Date: 10/13/1992

Fiscal Year	Maximum Annual Loan Payment Remaining	Principal Balance 90,000	Annual Interest Rate	Annual Interest	Accrued Interest	Principal Payment	Interest Payment	Total Payment
<b>1 1992</b>								
<b># 2019</b>								
Q1 - Jan		90,000	0.75%	\$675	\$71,550			
Q2 - Apr		90,000	0.75%	\$675	\$72,225			
Q3 - Jul \$	-	90,000	0.75%	\$675	\$72,900	-	-	-
Q4 - Oct		90,000	0.75%	\$675	\$73,575			
<b># 2020</b>								
Q1 - Jan		90,000	0.75%	\$675	\$74,250			
Q2 - Apr		90,000	0.75%	\$675	\$74,925			
Q3 - Jul \$	-	90,000	0.75%	\$675	\$75,600	-	-	-
Q4 - Oct		90,000	0.75%	\$675	\$76,275			
<b># 2021</b>								
Q1 - Jan		90,000	0.75%	\$675	\$76,950			
Q2 - Apr		90,000	0.75%	\$675	\$77,625			
Q3 - Jul \$	-	90,000	0.75%	\$675	\$78,300	-	-	-
Q4 - Oct		90,000	0.75%	\$675	\$78,975			
<b># 2022</b>								
Q1 - Jan		90,000	0.75%	\$675	\$79,650			
Q2 - Apr		90,000	0.75%	\$675	\$80,325			
Q3 - Jul \$	-	90,000	0.75%	\$675	\$81,000	-	-	-
Q4 - Oct		90,000	0.75%	\$675	\$81,675			
<b># 2023</b>								
Q1 - Jan		90,000	0.75%	\$675	\$82,350			
Q2 - Apr		90,000	0.75%	\$675	\$83,025			
Q3 - Jul \$	-	90,000	0.75%	\$675	\$83,700	-	-	-
Q4 - Oct		90,000	0.75%	\$675	\$84,375			
<b># 2024</b>								
Q1 - Jan		90,000	0.75%	\$675	\$85,050			
Q2 - Apr		90,000	0.75%	\$675	\$85,725			
Q3 - Jul \$	-	90,000	0.75%	\$675	\$86,400	-	-	-
Q4 - Oct		90,000	0.75%	\$675	\$87,075			
<b># 2025</b>								
Q1 - Jan		90,000	0.75%	\$675	\$87,750			
Q2 - Apr		90,000	0.75%	\$675	\$88,425			
Q3 - Jul \$	-	90,000	0.75%	\$675	\$89,100	-	-	-
Q4 - Oct		90,000	0.75%	\$675	\$89,775			
<b># 2026</b>								
Q1 - Jan		90,000	0.75%	\$675	\$90,450			
Q2 - Apr		90,000	0.75%	\$675	\$91,125			
Q3 - Jul \$	2,076,502	-	0.75%	\$0	\$91,125	90,000	91,125	181,125
Q4 - Oct		-	0.75%	\$0	\$0			