



**Oversight Board of the Successor Agency  
for South Gate Community Development Commission  
Special Meeting Agenda**

Monday, January 29, 2018 at 9:00 a.m.

**I. City Officials**

**CHAIRPERSON**

**DIRECTOR OF ADMINISTRATIVE SERVICES**

Jackie Acosta

**VICE CHAIRPERSON**

**SECRETARY**

Mitchell Liday

Carmen Avalos

**BOARD MEMBERS**

Alina Bokde

Wally G. Shidler

Abel Torres

Noorali Delawalla

Ruben Frutos

**II. Meeting Compensation Disclosure**

Pursuant to Government Code Section 54952.3: Disclosure of compensation for meeting attendance by Oversight Board Members is \$0 monthly regardless of the amount of meetings.

**III. Open Session Agenda**

**1. RE-ORGANIZATION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE**

The Oversight Board will appoint a Chairperson and Vice Chairperson and ratify the re-organizational. (ADMIN SVCS)

Documents:

[ITEM 1 REPORT 01292018 OVERSIGHT.PDF](#)

**2. RESOLUTION APPROVING THE RECOGNIZED OBLIGATION**

## **PAYMENT SCHEDULE FOR THE 18-19 FISCAL PERIOD OF JULY 1, 2018 TO JUNE 30, 2019**

The Oversight Board will consider adopting a **Resolution \_\_\_\_\_** approving the Recognized Obligation Payment Schedule for the 18-19 Fiscal Period of July 1, 2018 to June 30, 2019, including the Administrative Budget included therewith, subject to submittal to, and review by, the State Department of Finance under the Dissolution Law, California Health and Safety Code, Division 24, Part 1.85, as amended, and authorizing posting and transmittal thereof. (ADMIN SVCS)

Documents:

[ITEM 2 REPORT 01292018 OVERSIGHT.PDF](#)

### **IV. Comments From The Audience**

### **V. Comments From The Board Memebers**

### **VI. Adjournment**

I, Carmen Avalos, Secretary, certify that a true and correct copy of the foregoing Meeting Agenda was posted on January 25, 2018, at 6:05 p.m., as required by law.

Carmen Avalos,  
City Clerk

Materials related to an item on this Agenda after distribution of the agenda packet are available for public inspection in the City Clerk's Office

8650 California Avenue, South Gate, California 90280  
(323) 563-9510 \* fax (323) 563-5411 \* [www.cityofsouthgate.org](http://www.cityofsouthgate.org)

In compliance with the American with Disabilities Act, if you need special assistance to participate in the Oversight Board Meetings, please contact the Office of the City Clerk.

Notification 48 hours prior to the Oversight Board Meeting will enable the City to make reasonable arrangements to assure accessibility.

*City of South Gate*  
**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT COMMISSION OF  
THE CITY OF SOUTH GATE**

**AGENDA BILL**

*For the Regular Meeting of: January 29, 2018*

*Originating Department: Administrative Services*

Department Head: Jackie Acosta City Manager: Michael Flad  
Jackie Acosta Michael Flad

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**SUBJECT: RE-ORGANIZATION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE**

**PURPOSE:** To reorganize the Oversight Board to select a Chairperson and a Vice-Chairperson.

**RECOMMENDED ACTION:** The Oversight Board will appoint a Chairperson and Vice Chairperson and ratify the re-organizational.

**FISCAL IMPACT:** None

**ANALYSIS:** None

**BACKGROUND:** At the meeting of January 23, 2018, the Successor Agency appointed Mayor Maria Davila to serve as the City's representative on the Oversight Board to replace W. H. (Bill) De Witt who retired from the City Council last year. As Mr. De Witt was the Chairperson of the Oversight Board, it is appropriate for the Oversight Board to reorganize and select a Chairperson and Vice Chairperson.

**ATTACHMENTS:** None

# City of South Gate

## OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE

# AGENDA BILL

For the Regular Meeting of: January 29, 2018

Originating Department: Administrative Services

Department Head: Jackie Acosta City Manager: Michael Flad  
Jackie Acosta Michael Flad

**SUBJECT: RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE 18-19 FISCAL PERIOD OF JULY 1, 2018 TO JUNE 30, 2019**

**PURPOSE:** To approve the annual Recognized Obligation Payment Schedule (“ROPS”) for the 18-19 Fiscal Period, as required by Dissolution Law.

**RECOMMENDED ACTION:** Adopt Resolution approving the Recognized Obligation Payment Schedule for the 18-19 Fiscal Period of July 1, 2018 to June 30, 2019, including the Administrative Budget included therewith, subject to submittal to, and review by, the State Department of Finance under the Dissolution Law, California Health and Safety Code, Division 24, Part 1.85, as amended, and authorizing posting and transmittal thereof.

**FISCAL IMPACT:** None until approved by the DOF. If the DOF approves the ROPS as submitted, it is anticipated that the Successor Agency will receive \$6,854,658 (which includes the \$250,000 for administrative expenses) to pay the Successor Agency’s enforceable obligations for the July 1, 2018 to June 30, 2019 fiscal year.

**ANALYSIS:** As a result of the dissolution of redevelopment, the Successor Agency was created to administer the enforceable obligations and unwind the affairs of the former redevelopment agency, all subject to the review by, and approval of, this seven-member Oversight Board. As part of that process, the Successor Agency must annually adopt the ROPS, as required by Dissolution Law, which it did at its regular meeting of January 23, 2018. A copy of the Successor Agency resolution approving ROPS 18-19 is included in Attachment 2 to this agenda bill.

**BACKGROUND:** The Successor Agency to the Community Development Commission of the City of South Gate is performing its functions under Parts 1.8 and 1.85, Division 24 of the California Health and Safety Code, as amended by Assembly Bill 1484 and other subsequent legislation (together, as amended, the “Dissolution Law”), to administer the enforceable obligations and otherwise unwind the former Agency's affairs, all subject to the review by, and approval by, this seven-member Oversight Board.

At previous meetings of the Successor Agency, under the Dissolution Law, the prior Recognized Obligation Payment Schedules (“ROPS”) were approved and thereafter submitted to the Oversight Board and then to the DOF, and ultimately approved with modifications. Until ROPS 16-17, the prior

ROPS were for six-month fiscal periods, but there is now an annual ROPS process; and ROPS 18-19 is the third annual ROPS. Under Section 34171(h), as amended, the ROPS is “the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each fiscal year as provided in subdivision (o) of Section 34177.”

Under the dates in the Dissolution Law, the Successor Agency is required to consider and adopt the ROPS for the 18-19 fiscal period of July 1, 2018 to June 30, 2019, and submit such approved ROPS 18-19 to the DOF on or before February 1, 2018.

Section 34177(l) requires the Successor Agency to take actions with regard to each ROPS as follows:

“(l) (1) ... For each recognized obligation, the Recognized Obligation Payment Schedule shall identify one or more of the following sources of payment:

- (A) Low and Moderate Income Housing Fund.
- (B) Bond proceeds.
- (C) Reserve balances.
- (D) Administrative cost allowance.
- (E) The Redevelopment Property Tax Trust Fund, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of this part.
- (F) Other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the oversight board in accordance with this part.

...

(o) (1) Commencing with the Recognized Obligation Payment Schedule covering the period from July 1, 2016 to June 30, 2017, inclusive, and for each period from July 1 to June 30, inclusive, thereafter, a successor agency shall submit an oversight board-approved Recognized Obligation Payment Schedule to the department and to the county auditor-controller no later than February 1, 2016, and each February 1 thereafter...”

Based on the City and Successor Agency’s successful legal action against the DOF, which court decision was issued in June 2016 and was not appealed by the DOF, the HUD Section 108 Loan is now a DOF-approved enforceable obligation. Both payments, one due in August 2018 and the second due in February 2019, are listed on this ROPS 18-19.

The Successor Agency and Oversight Board’s annual Administrative Budget is now a part of the ROPS and is no longer submitted separately to the DOF. Subsection (h)(1) to Section 34179 provides:

“Without abrogating the department’s authority to review all matters related to the Recognized Obligation Payment Schedule pursuant to Section 34177, oversight boards are not required to submit the following oversight board actions for department approval:

- (A) Meeting minutes and agendas.
- (B) Administrative budgets.
- (C) Changes in oversight board members, or the selection of an oversight board chair or vice chair.
- (D) Transfers of governmental property pursuant to an approved long-range property management plan.

(E) Transfers of property to be retained by the sponsoring entity for future development pursuant to an approved long-range property management plan.

The draft ROPS 18-19, attached to the Oversight Board resolution included with this agenda bill, sets forth comparable listings of Enforceable Obligations listed in prior ROPS and includes a copy of the FY 18-19 Administrative Budget. During the presentation of this item, staff will explain ROPS 18-19 and answer any questions the Oversight Board may have about this ROPS and related Successor Agency matters. At its regular meeting of January 23, 2018, the Successory Agency considered and approved ROPS 18-19. A copy of the Successor Agency resolution approving ROPS 18-19 is included as Attachment 2 to this agenda bill.

The timing for DOF's review of each annual ROPS is set forth in subsection (o) of Section 34177 which provides:

“the department shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than April 15, 2016, and each April 15 thereafter. Within five business days of the department's determination, a successor agency may request additional review by the department and an opportunity to meet and confer on disputed items, except for those items which are the subject of litigation disputing the department's previous or related determination. An untimely submittal of a Recognized Obligation Payment Schedule may result in a meet and confer period of less than 30 days. The department shall notify the successor agency and the county auditor-controller as to the outcome of its review at least 15 days before the date of the first property tax distribution for that period.”

Staff recommends the Oversight Board adopt the Resolution approving ROPS 18-19 (attached) and authorizing the City Manager/Executive Director and/or his authorized designees to transmit ROPS 18-19 to the DOF with copies to the County Auditor-Controller, the County Administrative Officer, and State Controller's Office as required by the Dissolution Law. Further, the Director of Administrative Services and/or her authorized designee(s), in consultation with legal counsel, shall be authorized to request and complete meet and confer session(s), if any, with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF, and changes, if any, will be reported back to the Successor Agency and the Oversight Board.

**ATTACHMENTS:**

1. Proposed Resolution Approving ROPS 18-19 (including the FY 18-19 Administrative Budget)
2. Successor Agency Resolution No. 32 approving ROPS 18-19 (including the FY 18-19 Administrative Budget)

OVERSIGHT BOARD RESOLUTION NO. 18-\_\_

CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE 18-19 FISCAL PERIOD OF JULY 1, 2018 TO JUNE 30, 2019, INCLUDING THE ADMINISTRATIVE BUDGET INCLUDED THEREWITH, SUBJECT TO SUBMITTAL TO, AND REVIEW BY, THE STATE DEPARTMENT OF FINANCE UNDER THE DISSOLUTION LAW, CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85, AS AMENDED, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF**

**WHEREAS**, the Community Development Commission of the City of South Gate (“former Agency”) was a public body, corporate and politic, formed, organized, existing and exercising its powers pursuant to Section 34100, *et seq.* of the California Health and Safety Code, and exercised the powers, authority, functions, jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the California Community Redevelopment Law, Health and Safety Code, Section 33000, *et seq.*, and specifically formed by the City Council (“City Council”) of the City of South Gate (“City”); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (together, as amended, the “Dissolution Law”); and

**WHEREAS**, as of February 1, 2012, the former Agency was dissolved under the Dissolution Law, and as a separate public entity, corporate and politic, the Successor Agency to the Community Development Commission of the City of South Gate (“Successor Agency”) administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency’s affairs, all subject to the review and approval by a seven-member oversight board (“Oversight Board”); and

**WHEREAS**, under Section 34179, the Successor Agency’s Oversight Board was formed and the initial meeting occurred on March 29, 2012; and

**WHEREAS**, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Law; and

**WHEREAS**, Sections 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State Department of Finance (“DOF”); and

**WHEREAS**, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 18-19 fiscal period of July 1, 2018 to June 30, 2019 (“ROPS 18-19”) be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2018; and

**WHEREAS**, the Oversight Board has reviewed the ROPS 18-19 presented by the Successor Agency and desires to approve the ROPS 18-19, including the FY 18-19 Administrative Budget included therewith, and to direct transmittal of such ROPS to the DOF, with copies to the County Administrative Officer, the County Auditor-Controller, and the State Controller’s Office; and

**WHEREAS**, the Oversight Board authorizes the Successor Agency staff to post the ROPS 18-19 on the City’s website: (<http://www.cityofsouthgate.org/247/Successor-Agency>);

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The foregoing recitals are hereby incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**SECTION 2.** The Oversight Board hereby approves the ROPS 18-, including the FY 18-19 Administrative Budget included therewith; submitted herewith as Exhibit No. 1 and incorporated by this reference, provided however, that the ROPS 18-19 is approved subject to the condition that such ROPS 18-19 is to be submitted to, and reviewed by, the DOF, all under the Dissolution Law. Further, the Director of Administrative Services and/or her authorized designee(s), in consultation with legal counsel, shall be authorized to request and complete meet and confer session(s), if any, with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF, and changes, if any, will be reported back to the Successor Agency and the Oversight Board.

**SECTION 3.** The Oversight Board hereby authorizes transmittal of the ROPS 18-19 to the DOF, with copies to the County Administrative Officer, the County Auditor-Controller, and the State Controller’s Office.

**SECTION 4.** The Director of Administrative Services, and/or her authorized designee, is hereby directed to post this Resolution, including the ROPS 18-19, on the City’s website (<http://www.cityofsouthgate.org/247/Successor-Agency>) pursuant to the Dissolution Law.



**SECTION 5.** Pursuant to Section 34179(h), written notice and information about certain actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. An Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review; provided however, that pursuant to Section 34177(o) as to each ROPS submitted, the DOF shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations thereon no later than 45 days after submittal.

**SECTION 6.** The Recording Secretary of the Oversight Board shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 29<sup>th</sup> day of January 2018.

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\_\_\_\_\_, Chair  
Oversight Board of the Successor Agency to the  
Community Development Commission of the City  
of South Gate

**ATTEST:**

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Carmen Avalos, Recording Secretary  
Oversight Board of the Successor Agency  
to the Community Development Commission  
of the City of South Gate

(SEAL)

**APPROVED AS TO FORM:**

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Raul F. Salinas, General Counsel  
Oversight Board of the Successor Agency  
to the Community Development Commission  
of the City of South Gate