

OVERSIGHT BOARD RESOLUTION NO. 2012-08

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE RECEIVING FROM THE SUCCESSOR AGENCY, AND CONVENING A PUBLIC COMMENT SESSION OF, THE INDEPENDENT ACCOUNTANT'S REPORT RE THE HOUSING DUE DILIGENCE REVIEW CONDUCTED PURSUANT TO SECTION 34179.5 FOR THE LOW AND MODERATE INCOME HOUSING FUND; DIRECTING SUCCESSOR AGENCY STAFF TO MAKE SUCH REPORT AVAILABLE TO THE PUBLIC FOR REVIEW AND COMMENT FOR NOT LESS THAN FIVE (5) BUSINESS DAYS HEREAFTER; DIRECTING SUCCESSOR AGENCY STAFF TO RECEIVE FROM THE COUNTY AUDITOR-CONTROLLER (CAC) THE RESULTS OF THE CAC'S REVIEW OF SUCH REPORT AND DIRECTING TRANSMITTAL THEREOF TO THE OVERSIGHT BOARD FOR CONSIDERATION WITH PUBLIC'S COMMENTS, IF ANY; AND, DIRECTING SUCCESSOR AGENCY STAFF THAT AFTER SUCH REVIEWS AND PRIOR TO OCTOBER 15, 2012 (SUBJECT TO DELAY AS HEREIN DESCRIBED) THAT THE REPORT BE PRESENTED AGAIN TO THE OVERSIGHT BOARD FOR FINAL REVIEW AND ACTION TAKING INTO CONSIDERATION THE PUBLIC COMMENTS AND CACA'S OPINIONS, IF ANY, ALL PURSUANT TO SECTION 34179.5 AND 34179.6 OF THE DISSOLUTION ACT

WHEREAS, the Community Development Commission of the City of South Gate ("Agency") was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL"), and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of South Gate ("City"); and

WHEREAS, Assembly Bill x1 26 chaptered and effective on June 27, 2011 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 chaptered and effective on June 27, 2012 (together, the "Dissolution Act"); and

WHEREAS, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Act and as a separate legal entity the City serves as the Successor Agency to the Community Development Commission of the City of South Gate ("Successor Agency"); and

WHEREAS, the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and

WHEREAS, pursuant to Section 34179 the Successor Agency's Oversight Board has been formed and the initial meeting has 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 Act; and

WHEREAS, on August 27, 2012 by Resolution the Oversight Board approved ROPS III in the form attached to the resolution approving such ROPS III; and

WHEREAS, Section 34179.5 requires the Successor Agency to employ a licensed accountant approved by the Los Angeles County Auditor-Controller to perform a due diligence review and report on the amount of funds transferred from the former Community Development Commission of the City of South Gate; and

WHEREAS, on July 19, 2012, the Los Angeles County Auditor-Controller provided written approval to Successor Agency staff of their selection of Lance Soll and Lunghard LLP as the licensed accountant to perform the due diligence review for the Successor Agency; and

WHEREAS, on August 30, 2012, the Department of Finance posted on its official website the agreed-upon procedures to conduct the due diligence reviews; and

WHEREAS, in accordance with the provisions of the agreed-upon procedures and provisions of Section 34179.5, Lance Soll and Lunghard LLP has completed the housing due diligence review and report a copy of which is attached hereto and incorporated by this reference; and

WHEREAS, due to the DOF's delay in finalizing and posting the standards/procedures and the crossover with the timing for the City's annual audit the *Lance Soll and Lunghard LLP* could not complete the engagement and transmit the housing due diligence review report to the Successor Agency prior to October 1, 2012 and thus receiving the report, convening the public review session, and reviewing the CAC's results/opinions offered, and final review of the report have been delayed a brief period past the statutory time frames. Successor Agency staff informed the DOF in September of the anticipated delay in completion, review and approval of the housing due diligence review report; and, DOF informed staff there would other successor agencies and oversight boards that may not complete the reports within the statutory time frames.

WHEREAS, pursuant to Section 34179(h) as amended by Assembly Bill 1484 effective June 27, 2012, written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. Generally, 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 the subject report will be considered and acted on pursuant to the process and timing of Sections 34179.5 and 34179.6.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE:

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

Section 2. Pursuant to the Dissolution Act, the Oversight Board (a) receives the Housing Due Diligence Review Report as submitted herewith as Attachment 1, (b) convenes a public comment session on such report, directs Successor Agency staff to make such report available to the public for review and comment for not less than five (5) business days hereafter, (c) directs Successor Agency staff to receive from the County Auditor-Controller (CAC) the results/opinions offered from the CAC's review of such report, (d) directs transmittal thereof back to this Oversight Board for consideration with the public's comments, if any, (e) directs Successor Agency staff that after such reviews and prior to October 15, 2012 (or as soon thereafter as reasonably possible) that the report be presented again to this Oversight Board for final review and action taking into consideration the public comments and CAC's results/opinions, if any, all pursuant to sections 34179.5 and 34179.6 of the Dissolution Act.

Section 3. The Assistant City Manager/Director of Finance of the Successor Agency or his authorized designee is directed to post this Resolution on the Successor Agency website pursuant to the Dissolution Act.

Section 4. Pursuant to Section 34179(h) as amended by Assembly Bill 1484 effective June 27, 2012, written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. Generally, 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 the subject report will be considered and acted on pursuant to the process and timing of Sections 34179.5 and 34179.6.

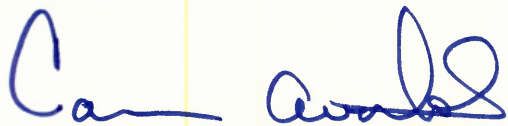
Section 5. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 8th day of October, 2012.



W. H. (Bill) De Witt, Chair
Oversight Board of the Successor Agency to the
Community Development Commission of the
City of South Gate

ATTEST:



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

(SEAL)

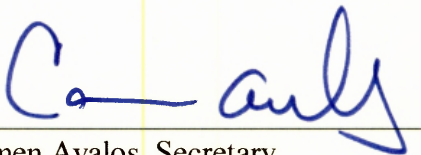
RESOLUTION CERTIFICATION PAGE

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SOUTH GATE)

I, Carmen Avalos, Secretary of the Oversight Board of the Successor Agency to the Community Development Commission of the City of South Gate, California, hereby certify that the whole number of Members of the Oversight Board of said City is seven; that Resolution No. 2012-08 was adopted by the Oversight Board at their Meeting held on October 8, 2012, by the following vote:

Ayes: Council Members: De Witt, Payne, Torres, Verdugo, Shidler, Liday and Bokde
Noes: Council Members: None
Absent: Council Members: None
Abstain: Council Members: None

Witness my hand and the seal of said City on October 8, 2012.



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