

OVERSIGHT BOARD RESOLUTION NO. 2012-06

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE APPROVING THE LOAN AGREEMENT BETWEEN THE CITY OF SOUTH GATE AND THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE

WHEREAS, The City of South Gate ("City") is a municipal corporation organized and operating under the laws of the State of California; and

WHEREAS, The Successor Agency of the Community Development Commission of the City of South Gate ("Successor Agency") is a public entity corporate and politic, organized and operating under Part 1.85 of Division 24 of the California Health and Safety Code ("H&SC"); and

WHEREAS, H&SC Section 34177(a) permits the Successor Agency to make payments due for enforceable obligations; and

WHEREAS, H&SC Section 34177(l) requires the Successor Agency to prepare a Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period that lists its enforceable obligations; and

WHEREAS, The Successor Agency adopted a ROPS for the July to December 2012 period ("ROPS II"), which was approved by the Oversight Board on April 30, 2012 and by the California Department of Finance on May 31, 2012; and

WHEREAS, On June 1, 2012, the County of Los Angeles Auditor-Controller remitted \$3,730,180 in Redevelopment Property Tax Trust Fund ("RPTTF") money to the Successor Agency to fund \$4,182,594 in enforceable obligations approved on ROPS II. The Successor Agency anticipates a budget shortfall of \$452,414 between July 1, 2012 and December 31, 2012; and

WHEREAS, H&SC Section 34173(h) provides that the City may loan funds to the Successor Agency for administrative costs, enforceable obligations, or project-related expenses at the city's discretion, and that the loan must be reflected on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS"), which is subject to the approval of the Successor Agency's Oversight Board. Further H&SC Sections 34178 and 34180 also authorize certain contracts to be entered into between the Successor Agency and the City, as its sponsoring community; and

WHEREAS, Relying on this authority, the City is prepared to extend a temporary loan ("Loan") to the Successor Agency in an amount not to exceed FOUR HUNDRED FIFTY-TWO THOUSAND AND FOUR HUNDRED AND FOURTEEN DOLLARS (\$452,414.00) ("Loan Amount") to be used to pay for enforceable obligations listed on ROPS II; and

WHEREAS, The Successor Agency, in preparing the Recognized Obligation Payment Schedule for the January to June 2013 period ("ROPS III"), will list the Loan as an enforceable obligation.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD TO 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 approves the Loan Agreement between the City and Successor Agency, in the form attached hereto and authorizes the Successor Agency to list this obligation on the third ROPS to be submitted to the Department of Finance.

Section 3. Pursuant to Section 34179(h) as amended by Assembly Bill 1484, 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. 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(m) 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.

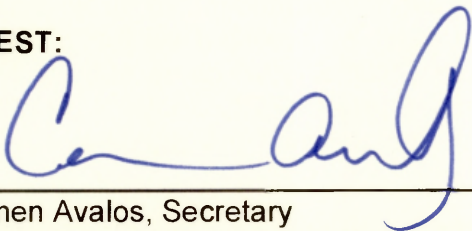
Section 4. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 27th day of August 2012.



W.H. (Bill) De Witt, Chair
Oversight Board to 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)

ATTACHMENT 1

Proposed Loan Agreement between the City of South Gate and the Successor Agency to the Community Development Commission of the City of South Gate

(attached)

**LOAN AGREEMENT BETWEEN CITY OF SOUTH GATE AND
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF SOUTH GATE**

This **LOAN AGREEMENT** ("Agreement") is entered into and effective as of August __, 2012 and is made by and between the **CITY OF SOUTH GATE**, a municipal corporation ("City") and the **SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE**, a public body corporate and politic ("Successor Agency").

RECITALS

- A.** The City is a municipal corporation organized and operating under the laws of the State of California.
- B.** The Successor Agency is a public entity corporate and politic, organized and operating under Part 1.85 of Division 24 of the California Health and Safety Code ("H&SC").
- C.** H&SC Section 34177(a) permits the Successor Agency to make payments due for enforceable obligations.
- D.** H&SC Section 34177(l) requires the Successor Agency to prepare a Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period that lists its enforceable obligations.
- E.** The Successor Agency adopted a ROPS for the July to December 2012 period ("ROPS II"), which was approved by the Oversight Board on April 30, 2012 and by the California Department of Finance on May 31, 2012.
- F.** On June 1, 2012, the County of Los Angeles Auditor-Controller remitted \$3,730,180 in Redevelopment Property Tax Trust Fund ("RPTTF") money to the Successor Agency to fund \$4,182,594 in enforceable obligations approved on ROPS II. The Successor Agency anticipates a budget shortfall of \$452,414 between July 1, 2012 and December 31, 2012.
- G.** H&SC Section 34173(h) provides that the City may loan funds to the Successor Agency for administrative costs, enforceable obligations, or project-related expenses at the city's discretion, and that the loan must be reflected on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS"), which is subject to the approval of the Successor Agency's Oversight Board. Further H&SC Sections 34178 and 34180 also authorize certain contracts to be entered into between the Successor Agency and the City, as its sponsoring community.
- H.** Relying on this authority, the City is prepared to extend a temporary loan ("Loan") to the Successor Agency in an amount not to exceed **FOUR HUNDRED FIFTY-TWO THOUSAND AND FOUR HUNDRED AND FOURTEEN DOLLARS (\$452,414.00)** ("Loan Amount") to be used to pay for enforceable obligations listed on ROPS II.
- I.** The Successor Agency, in preparing the Recognized Obligation Payment Schedule for the January to June 2013 period ("ROPS III"), will list the Loan as an enforceable obligation.