



CITY OF SOUTH GATE
SERVING AS THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE
CITY OF SOUTH GATE

REGULAR MEETING AGENDA

Tuesday, January 23, 2018 at 5:30 p.m.

I. Call To Order/Roll Call

CALL TO ORDER

Maria Davila, Vice Chairperson

ROLL CALL

Carmen Avalos, Recording Secretary

II. City Officials

CHAIRPERSON

EXECUTIVE DIRECTOR

Michael Flad

VICE CHAIRPERSON

Maria Davila

RECORDING SECRETARY

Carmen Avalos

AGENCY MEMBERS

Maria Belen Bernal

Denise Diaz

Jorge Morales

Al Rios

SECRETARY

Joe Perez

AUTHORITY COUNSEL

Raul F. Salinas

III. Meeting Compensation Disclosure

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

IV. Closed Session: (ATTY)

1. CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION

Pursuant to Government Code Section 54956.9(a), 54954.9(b)(3)(C)

a. Silvia Lainez v. City of South Gate

V. Open Session Agenda

1. Successor Agency Re-Organization

The Successor Agency will appoint a Chairperson and Vice Chairperson and ratify the re-organization. (CLERK)

Documents:

[ITEM 1 REPORT 01232018SA.PDF](#)

2. Appointment To The Oversight Board To The Successor Agency

The Successor Agency will make an appointment to fill the City of South Gate seat on the Oversight Board of the Successor Agency; the appointment will be ratified by a majority vote of the Successor Agency. (ADMIN SVCS)

Documents:

[ITEM 2 REPORT 01232018SA.PDF](#)

3. Resolution Approving The ROPS

The Successor Agency 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 Oversight Board and 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 3 REPORT 01232018.PDF](#)

4. Minutes

The Successor Agency will consider approving the Regular Meeting minutes of January 24, 2017. (CLERKS)

Documents:

[ITEM 4 REPORT 01232018SA.PDF](#)

VI. Comments From The Audience

VII. Comments From The Board Members

VIII. Adjournment

I, Carmen Avalos, Secretary, certify that a true and correct copy of the foregoing Meeting Agenda was posted on January 17, 2018, at 5:35 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

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

Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility.

City of South Gate

Item No. 1

SERVING AS THE **SUCCESSOR AGENCY** TO THE
COMMUNITY DEVELOPMENT COMMISSION OF
THE CITY OF SOUTH GATE

RECEIVED

JAN 17 2018

CITY OF SOUTH GATE
OFFICE OF THE CITY MANAGER

8:30am

AGENDA BILL

For the Regular Meeting of January 23, 2018

Originating Department: Office of the City Clerk

City Clerk


Carmen Avazios

City Manager


Michael Flad

SUBJECT: SERVING AS THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE RE-ORGANIZATION

PURPOSE: The Successor Agency needs to make appointments that reflect its current organizational structure and allow for the continuance of the Agency to adhere to its by-laws.

RECOMMENDED ACTION: The Successor Agency will appoint a Chairperson and Vice Chairperson and ratify the re-organization.

FISCAL IMPACT: None

ANALYSIS: None

BACKGROUND: Annually, the Successor Agency following traditional protocol re-organizes and selects a new Chairperson and Vice Chairperson. The selection corresponds and follows the selection of the Mayor and Vice Mayor. The City Council, at its meeting of April 11, 2017, voted to select Maria Davila as Mayor and Maria Belen Bernal as Vice Mayor.

ATTACHMENT: None

City of South Gate

SERVING AS THE **SUCCESSOR AGENCY** TO THE
COMMUNITY DEVELOPMENT COMMISSION OF
THE CITY OF SOUTH GATE

RECEIVED AGENDA BILL

JAN 17 2018

For the Regular Meeting of: January 23, 2018

3:00pm

Originating Department: Administrative Services

CITY OF SOUTH GATE
OFFICE OF THE CITY MANAGER

Department Head:


Jackie Acosta

City Manager:


Michael Flad

SUBJECT: APPOINTMENT TO THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY

PURPOSE: To make an appointment to the Oversight Board to fill the seat previously held by W.H. (Bill) De Witt.

RECOMMENDED ACTION: The Successor Agency will make an appointment to fill the City of South Gate seat on the Oversight Board of the Successor Agency; the appointment will be ratified by a majority vote of the Successor Agency.

FISCAL IMPACT: None

ANALYSIS: Due to the retirement of former Chairperson W.H. (Bill) De Witt, there is a vacancy on the seven-member Oversight Board to the Successor Agency which needs to be filled.

BACKGROUND: The Oversight Board serves to review and approve the actions of the Successor Agency as it manages the enforceable obligations and unwinds the business of the former Community Development Commission of the City of South Gate.

ATTACHMENTS: None

City of South Gate

SERVING AS THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF
THE CITY OF SOUTH GATE

RECEIVED

JAN 23 2018

AGENDA BILL

Revised

CITY OF SOUTH GATE
OFFICE OF THE CITY MANAGER

For the Regular Meeting of: January 23, 2018

Originating Department: Administrative Services

Department Head:


Jackie Acosta

City Manager:


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 Oversight Board and 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. As part of that process, the Successor Agency has to annually adopt the ROPS, as required by Dissolution Law.

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 and approval by the 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 Successor Agency 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 Successor Agency Board may have about this ROPS and related Successor Agency matters.

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 Successor Agency adopt the Resolution approving ROPS 18-19 (attached) and authorize the City Manager/Executive Director and/or his authorized designees to transmit the ROPS to the Oversight Board for its review and approval under the Dissolution Law, and to send concurrently a copy of ROPS 18-19 to the DOF, 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: Proposed Resolution Approving ROPS 18-19 (including FY 18-19 Administrative Budget)

SUCCESSOR AGENCY RESOLUTION NO. 18-__

CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA

A RESOLUTION 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 OVERSIGHT BOARD AND 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, 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, under Sections 34179.6 and 34177(k)(2)(B) of the Dissolution Law, the Successor Agency is required to submit a copy of the draft ROPS 18-19 to the County Administrative Officer (“CAO”), the County Auditor-Controller (“CAC”), the State Controller’s

Office (“SCO”) and the DOF at the same time that the Successor Agency submits such draft ROPS to the Oversight Board for review; and

WHEREAS, the Successor Agency has reviewed the draft ROPS 18-19 and desires to approve the ROPS 18-19, including the FY 18-19 Administrative Budget included therewith, and to authorize the Successor Agency to transmit such ROPS to the Oversight Board; and

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

NOW, THEREFORE, 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 Successor Agency hereby approves the ROPS 18-19 submitted herewith as Exhibit No. 1 and incorporated by this reference, including the FY 18-19 Administrative Budget included therewith; provided however, that the ROPS 18-19 is approved subject to the condition that such ROPS 18-19 be transmitted to the Oversight Board for review and approval and a copy of such draft ROPS 18-19 also concurrently be sent to the CAO, CAC, SCO, and 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. After approval by the Oversight Board, the Successor Agency hereby authorizes transmittal of the ROPS 18-19 again to the CAC, SCO and DOF.

[Remainder of page left blank intentionally]

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. The Recording Secretary of the Successor Agency shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED and ADOPTED this 23rd day of January 2018.

Maria Davila, Chair
Successor Agency to the Community Development
Commission of the City of South Gate

ATTEST:

Carmen Avalos, Recording Secretary
Successor Agency to the Community Development
Commission of the City of South Gate
(SEAL)

APPROVED AS TO FORM:

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

Recognized Obligation Payment Schedule (ROPS 18-19) - Summary

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency: South Gate
County: Los Angeles

	18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 1,565,000	\$ -	\$ 1,565,000
B Bond Proceeds	-	-	-
C Reserve Balance	1,565,000	-	1,565,000
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 2,760,696	\$ 2,528,962	\$ 5,289,658
F RPTTF	2,635,696	2,403,962	5,039,658
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 4,325,696	\$ 2,528,962	\$ 6,854,658

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I
hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named successor
agency.

Name Title
/s/ _____
Signature Date

**MINUTES FOR THE REGULAR MEETING OF THE
SUCCESSOR AGENCY OF THE CITY OF SOUTH GATE**

TUESDAY, JANUARY 24, 2017

CALL TO ORDER The regular meeting of the Successor Agency of the City of South Gate was called to order by Chairman De Witt at 5:32 p.m.

ROLL CALL Carmen Avalos, Recording Secretary

PRESENT Chairman W.H. (Bill) De Witt, Vice Chairwoman Maria Davila, Agency Member Maria Belen Bernal, Agency Member Gil Hurtado and Agency Member Jorge Morales; Executive Director Michael Flad, Authority Counsel Raul F. Salinas, Secretary Joe Perez

**1
REDEVELOPMENT
ROPS 17-18**

The Successor Agency unanimously adopted Resolution No. 30 entitled - A Resolution of the Successor Agency to the Community Development Commission of the City of South Gate approving the Recognized Obligation Payment Schedule for the 17-18 Fiscal Period of July 1, 2017 to June 30, 2018, including the Administrative Budget included therewith, subject to submittal to, and review by, the Oversight Board and 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, by motion of Vice Chairwoman Davila and seconded by Agency Member Hurtado.

Mike Flad, Executive Director stated that Ms. Acosta, Director of Administrative Services will give an overview.

Jackie Acosta, Director of Administrative Services stated that we are doing an annual ROPS; previously we had to do one every six months. These are our second annual ROPS and are for our enforceable obligations that will occur between July 2017 and June 30, 2018.

Chairman De Witt asked if anyone in the audience wished to speak on this item. Seeing no one step forward; Chairman De Witt closed the audience portion.

**2
ENVIRONMENTAL
QUALITY CONTROL**

The Successor Agency unanimously adopted Resolution No. 31 entitled - A Resolution of the Successor Agency to the Community Development Commission of the City of South Gate approving a Professional Services Agreement with Tetra Tech (Contract No. 8) related to environmental conditions at 3500-3506 Tweedy Boulevard, subject to submittal to, and review by, the Oversight Board and the State Department of Finance under the Dissolution Law, California Health and Safety Code, Division 24, Part

2
ENVIRONMENTAL
QUALITY CONTROL
CONT'D

1.85, as amended, and authorizing posting and transmittal thereof, by motion of Agency Member Morales and seconded by Agency Member Hurtado.

Chairman De Witt inquired on the plans for this old gas station.

Jackie Acosta, Director of Administrative Services stated trying to follow the Regional Water Quality Control Board's direction related to environmental conditions at 3500-3506 Tweedy Boulevard. Staff had originally gotten a proposal from The Reynolds Group to work on this project, but it was determined from one of our prior meetings to go out to RFP. Staff is recommending using a different firm which is Tetra Tech to conduct the work.

Chairman De Witt asked if anyone in the audience wished to speak on this item. Seeing no one step forward; Chairman De Witt closed the audience portion.

3
MINUTES

The Successor Agency unanimously approved the Regular Meeting minutes of August 23, 2016, by motion of Vice Chairwoman Davila and seconded by Agency Member Hurtado.

Chairman De Witt asked if anyone in the audience wished to speak on this item. Seeing no one step forward; Chairman De Witt closed the audience portion.

4
COMMENTS FROM
THE AUDIENCE

None

5
COMMENTS FROM
THE BOARD MEMBERS

None

ADJOURNMENT

Vice Chairwoman Davila unanimously adjourned the meeting at 5:47 p.m., and seconded by Agency Member Hurtado.

PASSED and **APPROVED** this 23rd day of January, 2018.

Maria Davila, Chairwoman

Carmen Avalos, City Clerk