

**RESOLUTION NO. 1**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF SOUTH GATE ACTING AS SUCCESSOR AGENCY TO  
THE COMMUNITY DEVELOPMENT COMMISSION  
APPROVING A RECOGNIZED OBLIGATION SCHEDULE  
AND AUTHORIZING CERTAIN OTHER ACTIONS  
PURSUANT SECTION 34177 OF PART 1.85 OF THE  
DISSOLUTION ACT**

**WHEREAS**, the Community Development Commission (“Agency”) was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Sections 33000, *et seq.* (“CRL”), and previously authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of 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 & Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies (“Dissolution Act”); and

**WHEREAS**, on December 29, 2011, in the petition *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld the Dissolution Act and thereby all redevelopment agencies in California were dissolved as of and on February 1, 2012 under the dates in the Dissolution Act that were reformed and extended thereby (“Supreme Court Decision”); and

**WHEREAS**, the Agency is now a dissolved community redevelopment agency pursuant to the Dissolution Act; and

**WHEREAS**, by a resolution considered and approved by the City Council at an open public meeting the City chose to become and serve as the “successor agency” to the dissolved Agency under the Dissolution Act; and

**WHEREAS**, as of and on and after February 1, 2012, the City serves as the “Successor Agency” and will perform its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the Agency and otherwise unwind the Agency’s affairs, all subject to the review and approval by a seven-member Oversight Board formed thereunder; and

**WHEREAS**, under Part 1.8 of the Dissolution Act, the Agency prior to its dissolution adopted an original and an amended enforceable obligation payment schedule (“EOPS”) and authorized the City Manager and/or Finance Director or their authorized designee to augment or modify the EOPS and transmitted the EOPS to the City (to be serving as Successor Agency) and

to the County Auditor-Controller, the Department of Finance and the State Controller's Office; and

**WHEREAS**, under Part 1.8 of the Dissolution Act, the Agency prior to its dissolution adopted an initial recognized payment schedule ("IROPS") and authorized the City Manager and/or Finance Director or their authorized designee to augment or modify the IROPS and transmitted such IROPS to the City (to be serving as Successor Agency) and to the County Auditor-Controller, the Department of Finance and the State Controller's Office; and

**WHEREAS**, pursuant to Part 1.85 of the Dissolution Act, Section 34171(g), a "Recognized Obligation Payment Schedule" means the document setting forth shall include the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivision (m) of Section 34177; and

**WHEREAS**, pursuant to the dates in the Dissolution Act, Section 34177(k), as reformed by the Supreme Court Decision, every successor agency is required to consider and adopt a Recognized Obligation Payment Schedule by March 1, 2012, which, as attached to this Resolution, is comparable to the IROPS previously adopted by the former Agency; and

**WHEREAS**, the City, as Successor Agency, has prepared its initial Recognized Obligation Payment Schedule ("ROPS") appended as Attachment A to this Resolution and incorporated herein by this reference; and

**WHEREAS**, by this Resolution, the City Council, serving as and on behalf of the Successor Agency, approves the ROPS and authorizes the transmittal of the ROPS to the Oversight Board when formed; and

**WHEREAS**, pursuant to Section 34177 a copy of the ROPS will also be submitted to the County Auditor-Controller for review and certification, as to its accuracy, by an external auditor designated pursuant to Section 34182; and

**WHEREAS**, pursuant to Section 34177 a copy of the ROPS will also be submitted to the State Controller's Office and the Department of Finance and shall be posted on the Successor Agency's Website.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL SERVING AS THE SUCCESSOR AGENCY:**

**SECTION 1.** The foregoing recitals are incorporated into this resolution by this reference, and constitute a material part hereof.

**SECTION 2.** The ROPS is approved together with such augmentation, modification, additions or revisions as the City Manager and/or the Finance Director or their authorized designees may make thereto.

**SECTION 3.** The City Manager or his authorized designees on behalf of the Successor Agency shall cause the ROPS to be transmitted to the Oversight Board at such time as the Oversight Board has been established and to be transmitted to the County Auditor-Controller, the

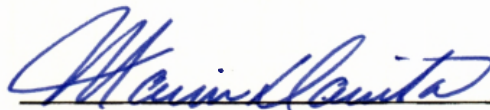


State Controller's Office, and the Department of Finance; further, the City Manager or his authorized designees on behalf of the Successor Agency shall cause the ROPS to be posted on the City's website.

**SECTION 4.** The City Clerk on behalf of the Successor Agency shall certify to the adoption of this Resolution, which shall be effective upon adoption.

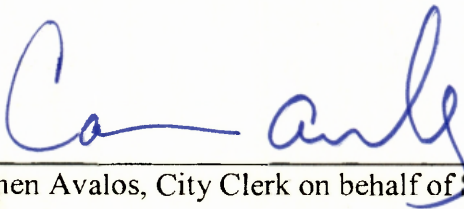
**PASSED, APPROVED AND ADOPTED** this 28<sup>th</sup> day of February 2012.

**CITY OF SOUTH GATE SERVING AS  
SUCCESSOR AGENCY:**



\_\_\_\_\_  
Maria Davila, Mayor

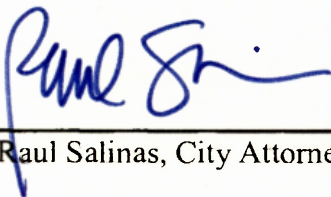
**ATTEST:**



\_\_\_\_\_  
Carmen Avalos, City Clerk on behalf of Successor Agency

(SEAL)

**APPROVED AS TO FORM:**



\_\_\_\_\_  
Raul Salinas, City Attorney on behalf of Successor Agency

**ATTACHMENT A**

Name of Redevelopment Agency Community Development Commission of the City of South Gate  
 Project Area(s) South Gate Redevelopment Project No. 1

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
**February 2012 - June 2012**  
 Per AB 26 - Section 34177(l)

Project Name / Debt Obligation	Payee	Revenue Source	Description	Total Outstanding Debt or Obligation	Projected Payment Dates	Obligation Expiration Date	Total Due During Fiscal Year	Projected Payments by month					Subtotal	
								Feb-12	Mar-12	Apr-12	May-12	Jun-12		
1 Tax Allocation Bonds - 2002	US Bank	Redevelopment Property Tax Trust Fund	Bond debt service on CDC Bonds	\$18,671,043	September 1st and March 1st	9/1/24	\$1,335,556	-	340,278	-	-	-	-	\$340,278
2 Tax Allocation Bonds - 2003	US Bank	Redevelopment Property Tax Trust Fund	Bond debt service on CDC Bonds	\$33,653,212	September 1st and March 1st	9/1/24	\$2,405,156	-	590,078	-	-	-	-	\$590,078
3 HUD Section 108 Loan	City of South Gate	Redevelopment Property Tax Trust Fund	Jul '99 loan for Towne Center Plaza	\$3,062,595	August 1st and February 1st	3/312013	\$355,424	79,151	-	-	-	-	-	\$79,151
4 \$12 M City Advance	City of South Gate	Redevelopment Property Tax Trust Fund	Feb '02 advance for improvement costs	\$3,031,933	Monthly Expense	8/1/15	\$731,001	61,456	61,456	61,456	61,456	61,456	61,456	\$307,278
5 2002 COP Series A	City of South Gate	Redevelopment Property Tax Trust Fund	Mar '02 financing for CDC refunding	\$16,244,750	Monthly Expense	9/1/24	\$1,162,200	-	296,100	-	-	-	-	\$296,100
6 2002 COP Series B	City of South Gate	Redevelopment Property Tax Trust Fund	Mar '02 financing for CDC refunding	\$9,097,938	Monthly Expense	9/1/24	\$649,363	-	197,182	-	-	-	-	\$197,182
7 Bond Trustee Fees	US Bank	Redevelopment Property Tax Trust Fund	D/S trustee fees for 2002 TABs	\$72,600	December 1st and June 1st	9/1/24	\$6,600	-	-	-	-	-	3,300	\$3,300
8 Bond Trustee Fees	US Bank	Redevelopment Property Tax Trust Fund	D/S trustee fees for 2003 TABs	\$72,600	December 1st and June 1st	9/1/24	\$6,600	-	-	-	-	-	3,300	\$3,300
9 Trustee Fees	US Bank	Redevelopment Property Tax Trust Fund	D/S trustee fees for COPs	\$72,600	December 1st and June 1st	9/1/24	\$6,600	-	-	-	-	-	3,300	\$3,300
10 Continuing Disclosure Services	City of South Gate	Redevelopment Property Tax Trust Fund	Annual disclosure reports for bonds	\$121,000	January and February	9/1/24	\$11,000	-	-	-	-	-	-	\$0
11 Successor Agency Support	RSG inc	Administrative Cost Allowance	Consulting support for Successor Ag	\$25,000	Monthly Expense	Annual Renewal	\$25,000	7,500	5,000	7,500	5,000	-	-	\$25,000
12 Successor Agency Operations	City of South Gate	Redevelopment Property Tax Trust Fund	2011-12 Admin Allowance	\$276,880	Bi-Weekly	9/1/24	\$276,880	55,376	55,376	55,376	55,376	55,376	55,376	\$276,880
13 Property Tax Auditing Services	HDL Companies	Redevelopment Property Tax Trust Fund	Reports for Continuing Disclosure	\$50,000	Oct, Nov, Dec	9/1/24	\$50,000	-	-	-	-	-	-	\$0
14 CDC Annual Audit	Lance Soil & Lunghard	Redevelopment Property Tax Trust Fund	Annual audit costs	\$13,000	December and January	9/1/24	\$13,000	6,523	-	-	-	-	-	\$6,523
15 Legal Services	SYCR	Redevelopment Property Tax Trust Fund	Agency legal counsel	\$10,000	As Invoiced	Annual Renewal	\$10,000	5,000	5,000	-	-	-	-	\$10,000
16 Other Legal Services	Morrison, Alvarado, CR&D	Redevelopment Property Tax Trust Fund	Special counsel services	\$54,500	Monthly Expense	Annual Renewal	\$54,500	5,000	5,000	5,000	5,000	5,000	5,000	\$25,000
17 Membership / RMDZ	LA Co. Public Works	Redevelopment Property Tax Trust Fund	Annual membership fee	\$1,500	December 1st	Annual Renewal	\$1,500	-	-	-	-	-	-	\$0
18 Enterprise Zone Applic/Rpts	HUD	Redevelopment Property Tax Trust Fund	Enterprise Zone funding	\$4,740	As Invoiced	Annual Renewal	\$4,740	-	-	-	-	-	-	\$0
19 Section 8 Financial Report	HUD	Redevelopment Property Tax Trust Fund	Annual reporting cost	\$840	November 1st	Annual Renewal	\$840	-	-	-	-	-	-	\$0
20 Annual Report Preparation	RSG, Inc.	Redevelopment Property Tax Trust Fund	Consulting fees for annual CDC report	\$5,105	December 15th	Annual Renewal	\$5,105	-	-	-	-	-	-	\$0
21 Other Emp Salary & Benefits	City of South Gate	Redevelopment Property Tax Trust Fund	Obligations under extended CBA MOU	\$733,793	Bi-Weekly	9/1/24	\$733,793	100,779	100,779	100,779	100,779	100,779	100,779	\$503,897
22 Environmental Cleanup	Varies	Redevelopment Property Tax Trust Fund	Potential costs to CDC for cleanup	\$500,000	As Invoiced	Until Remediated	\$500,000	-	-	-	-	-	500,000	\$500,000
23 02 TAB / COPs Reserve	US Bank	Redevelopment Property Tax Trust Fund	Reserves for bonds and COPs	\$4,221,208	February 1st	9/1/24	\$4,221,208	4,221,208	-	-	-	-	-	\$4,221,208
<b>Totals</b>				<b>\$89,996,837</b>			<b>\$12,566,066</b>	<b>4,541,993</b>	<b>1,656,248</b>	<b>230,111</b>	<b>227,611</b>	<b>732,511</b>	<b>732,511</b>	<b>\$7,388,474</b>