

OVERSIGHT BOARD RESOLUTION NO. 2012-04

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE APPROVING THE SUCCESSOR AGENCY'S PROPOSED ADMINISTRATIVE BUDGETS PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j), AND AUTHORIZING THE SUCCESSOR AGENCY TO ENTER INTO AN AGREEMENT WITH THE CITY OF SOUTH GATE FOR ADMINISTRATIVE SUPPORT PURSUANT TO HEALTH AND SAFETY CODE SECTION 34171; AND MAKING OTHER FINDINGS IN CONNECTION THEREWITH

WHEREAS, the Community Development Commission of the City of South Gate ("Agency") previously 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, and 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.* ("CRL"), 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 & 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; and

WHEREAS, the Agency is now a dissolved 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 and acts as the Successor Agency and is performing 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 ("Oversight Board"); and

WHEREAS, pursuant to Section 34179 the Successor Agency's Oversight Board has been formed and the initial meeting occurred on April 23, 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, Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget covering the period from February 1, 2012 through June 30, 2012 and submit it to the Oversight Board for approval and for each six-month period and fiscal year thereafter; and

WHEREAS, pursuant to Section 34177(j), each Successor Agency "Administrative Budget" is to include all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the up-coming six month fiscal period; (b) the proposed sources of payment for the costs identified in (a); and (c) proposals for arrangements for administrative and operations services provided by the city serving as Successor Agency; and

WHEREAS, the Successor Agency's proposed Administrative Budgets for the period February 1, 2012 through June 30, 2012 and for the period July 1, 2012 through December 31, 2012 have been submitted to the Oversight Board for its review and approval; and

WHEREAS, the Administrative Budgets, as approved by the Oversight Board, will be provided to the County of Los Angeles Auditor Controller pursuant to Section 34177(k) so that the Successor Agency's estimated administrative costs in the approved Administrative Budgets will be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund for each upcoming fiscal period; and

WHEREAS, pursuant to Section 34180(h) the Successor Agency may request authorization from the Oversight Board for the Successor Agency and the City of South Gate to enter into an agreement to ensure provision of the necessary services from the City to support the Successor Agency's responsibilities in winding down the activities of the former community redevelopment agency, including the estimated costs set forth in the Administrative Budget; and

WHEREAS, the Successor Agency desires to enter into that certain "*Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan*" ("*Costs Reimbursement Agreement*"), which agreement will authorize the reimbursement of costs incurred by the City to support Successor Agency operations and obligations; and

WHEREAS, the Oversight Board desires to approve the Successor Agency's proposed Administrative Budget and to authorize the Successor Agency to enter into the Costs Reimbursement Agreement; and

WHEREAS, pursuant to the Dissolution Act, the actions of the Oversight Board, including those approved by this Resolution, do not become effective for three (3) business days pending any request for review by the DOF, and if the DOF requests review hereof, DOF will have 10 days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by DOF.

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 approves the Successor Agency's proposed Administrative Budgets, attached hereto as Attachment No. 1 and incorporated by this reference.

Section 3. Pursuant to the Dissolution Act, the Oversight Board authorizes the Successor Agency's to enter into *Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan*, substantially in the form of Attachment No. 2 and incorporated by this reference.

Section 4. The Oversight Board authorizes the Successor Agency to transmit the Administrative Budgets and Costs Reimbursement Agreement, when/if approved and entered into between the City and the Successor Agency, to the County Auditor-Controller ("CAC"), the State Department of Finance ("DOF"), and the State Controller's Office ("SCO").

Section 5. The Assistant City Manager/Finance Director of the Successor Agency or an authorized designee is directed to post the Administrative Budgets and Costs Reimbursement Agreement (when/if entered into) on the City/Successor Agency website.

Section 6. This Resolution shall be effective after transmittal of this Resolution with the Administrative Budgets and Costs Reimbursement Agreement attached to the DOF and the expiration of three (3) business days pending a request for review by the DOF within the time periods set forth in the Dissolution Act; in this regard, if the DOF requests review hereof it will have 10 days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by DOF.

Section 7. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 30th day of April 2012.

W.H. (Bill) De Witt, Chair

Oversight Board of the Successor Agency to the
Community Development Commission of the City
of South Gate

(SEAL)

ATTEST:

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

ATTACHMENT NO. 1

Successor Agency Administrative Budgets

(attached)

ATTACHMENT NO. 2

**Agreement for Reimbursement of Costs and
City/Successor Agency Operations Loan**

(attached)