

**SUCCESSOR AGENCY RESOLUTION NO. 23**

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE APPROVING THE MODIFIED RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR THE 15-16A SIX-MONTH FISCAL PERIOD OF JULY 1, 2015 TO DECEMBER 31, 2015, AS MODIFIED AND DIRECTED BY THE OVERSIGHT BOARD, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE DOF PURSUANT TO THE DISSOLUTION LAW, CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85; AUTHORIZE POSTING AND TRANSMITTAL THEREOF**

**WHEREAS**, the Community Development Commission of the City of South Gate ("former 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, 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 & 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 other subsequent legislation (together, the "Dissolution Law"); and

**WHEREAS**, as of February 1, 2012 the former Agency was dissolved pursuant to 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), 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(m) of the Dissolution Law requires that the ROPS for the 15-16A six-month fiscal period of July 1, 2015 to December 31, 2015 ("ROPS 15-16A") shall be submitted to the DOF by the successor agency, after approval by the oversight board, no later than March 1, 2015 (actually March 2, 2015 as the first business day of March); and

**WHEREAS**, the attached ROPS 15-16A includes a separate line of \$120,000 for estimated litigation expenses ("Litigation Expenses") for the pending legal action by the City and Successor Agency against the DOF and other parties ("Action"), which expenses are expected to be incurred by litigation counsel, Burke, Williams & Sorensen ("BWS"), which law firm is now handling the Action as selected by and supervised by the City Attorney; and

**WHEREAS**, ROPS 15-16A was approved by the Successor Agency at the February 10, 2015 regular meeting; however, the item for the Litigation Expenses for the Action had not yet been requested by BWS; and

**WHEREAS**, the Oversight Board has approved ROPS 15-16A by resolution adopted on February 23, 2015 and directed the Successor Agency to include the Litigation Expenses on ROPS 15-16A; and

**WHEREAS**, the Successor Agency has reviewed ROPS 15-16A as modified by the Oversight Board and desires to approve ROPS 15-16A, including the Litigation Expenses as a separate, new line item; and

**WHEREAS**, the Successor Agency shall post the ROPS 15-16A on the Successor Agency website.

**NOW, THEREFORE, BE IT RESOLVED BY 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.

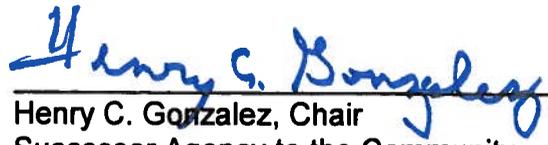
**Section 2.** Pursuant to the Dissolution Law, the Successor Agency approves the ROPS 15-16A as modified and directed by the Oversight Board submitted herewith as Attachment 1 and incorporated by this reference; provided however, that the ROPS 15-16A is approved subject to transmittal per the statutory requirements and DOF's review. Further, the Director of Administrative Services, or her authorized designee, in consultation with legal counsel, shall be authorized to request and complete meet and confer session(s) 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.** The Successor Agency authorizes transmittal of the ROPS 15-16A to the DOF and other entities required by the Dissolution Law.

**Section 4.** The Director of Administrative Services, or her authorized designee, is directed to post this Resolution, including the ROPS 15-16A, as modified, on the Successor Agency website pursuant to the Dissolution Law.

**Section 5.** The Secretary of the Successor Agency shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 24<sup>th</sup> day of February 2015.

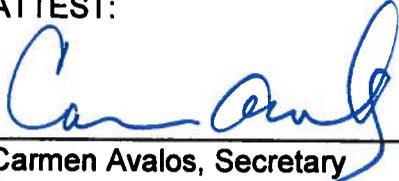


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Henry C. Gonzalez, Chair  
Successor Agency to the Community  
Development Commission of the City of  
South Gate

(SEAL)

ATTEST:



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

APPROVED AS TO FORM:



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

**Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary**  
 Filed for the July 1, 2015 through December 31, 2015 Period

**Name of Successor Agency:** South Gate  
**Name of County:** Los Angeles

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>		
<b>A</b>	<b>Sources (B+C+D):</b>	<b>\$ 827,184</b>
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	827,184
D	Other Funding (ROPS Detail)	-
<b>E</b>	<b>Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 4,501,215</b>
F	Non-Administrative Costs (ROPS Detail)	4,376,215
G	Administrative Costs (ROPS Detail)	125,000
<b>H</b>	<b>Current Period Enforceable Obligations (A+E):</b>	<b>\$ 5,328,399</b>

<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
I	Enforceable Obligations funded with RPTTF (E):	4,501,215
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(42,034)
<b>K</b>	<b>Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 4,459,181</b>

<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
L	Enforceable Obligations funded with RPTTF (E):	4,501,215
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N</b>	<b>Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>4,501,215</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177 (m) 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 agency.

_____	
Name	Title
/s/ _____	
Signature	Date

ATTACHMENT 1 TO  
 SUCCESSOR AGENCY RESO NO. \_\_\_\_\_

**Recognized Obligation Payment Schedule (ROPS 14-16A) - ROPS Detail**  
**July 1, 2015 through December 31, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					O	P							
										L							M	N	O	P			
										Funding Source											RPTTF	Admin	Sub-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)													
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Sub-Month Total								
8	HUD Section 108 Loan	City/County Loans	1/25/2011	3/31/2013	City of South Gate	HUD 108 loan for Lower Center Plaza	Project No. 1	66,493,775	N		827,184			4,379,215	125,000	6,329,889							
9	Successor Agency Operations	Admin Costs	2/1/2012	9/1/2024	City of South Gate	2013-2014B Admin Allowance	Project No. 1	2,500,000	N						125,000	125,000							
12	Property Disposition	Property Dispositions	7/1/2013	7/1/2014	various vendors	Funding for costs associated with disposing of all former RDA properties held by the Successor Agency including completing the Long Range Property Management Plan	Project No. 1	30,000	N				30,000			30,000							
13	CityRDA Loan Repayment	City/County Loans On or Before 8/27/11	2/24/2014	9/30/2022	City of South Gate	Repayment City Loan per H&S Code Section 34181.4 Loan was reinstated by the Oversight Board on 2/24/14	Project No. 1	3,111,631	N					944,725		944,725							
17	City/Successor Agency Loan	RPTTF Shortfall	9/9/2014	5/30/2015	City of South Gate	Shortfall loan pursuant to Section 34173(h) to cover ROPS 14-15A debt service payment on HUD Section 108 Loan	Project Area 1	293,014	N					293,014		293,014							
18	County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds Series 2014A (Tax-exempt)	Refunding Bonds Issued After 8/27/12	7/31/2014	9/1/2024	US Bank	County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds Series 2014A (Tax-exempt)	Project No. 1	37,572,900	N		656,780			2,405,320		3,062,100							
19	County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds Series 2014B (Federally Taxable)	Refunding Bonds Issued After 8/27/12	7/31/2014	9/1/2024	US Bank	County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds Series 2014B (Federally Taxable)	Project No. 1	4,596,682	N		170,404			232,970		403,374							
20	Reserve for County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds Series 2014A (Tax-exempt)	Reserves	7/31/2014	9/1/2024	US Bank	Reserve held as necessary to make next bond payment due 9/1/2015 per HSC 34171(d)(1)	Project No. 1	13,715,000	N														
21	Reserve for County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds Series 2014B (Federally Taxable)	Reserves	7/31/2014	9/1/2024	US Bank	Reserve held as necessary to make next bond payment due 9/1/2015 per HSC 34171(d)(1)	Project No. 1	1,785,000	N														
22	County of Los Angeles Redevelopment Refunding Authority Trustee Fees	Fees	7/31/2014	9/1/2024	US Bank	Trustee Fee for County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds Series 2014A and 2014B	Project No. 1	20,000	N					2,000		2,000							
23	City/Successor Agency Loan	RPTTF Shortfall	1/13/2015	12/31/2015	City of South Gate	Shortfall loan pursuant to Section 34173(h) to cover ROPS 14-15B debt service payment on HUD Section 108 Loan	Project Area 1	54,093	N					54,093		54,093							
24	Legal Services Contract	Legal	1/1/2015	12/31/2015	Burke, Williams & Sorenson	Fees associated with litigation costs related to denial of the HUD Section 108 Loan as an enforceable obligation	Project Area 1	120,000	N					120,000		120,000							

**Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [https://rad.dof.ca.gov/rad-sa/pdf/Cash\\_Balance\\_Agency\\_Tips\\_Sheet.pdf](https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf).

A	B	C	D	E	F	G	H	I	
		<b>Fund Sources</b>							
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>		
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin		
									<b>Comments</b>
<b>Cash Balance Information by ROPS Period</b>									
<b>ROPS 14-15A Actuals (07/01/14 - 12/31/14)</b>									
1	Beginning Available Cash Balance (Actual 07/01/14)					1,759,814	99,217		
2	Revenue/Income (Actual 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014						3,382,788		
3	Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q					410,742	3,377,702		
4	Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						42,034	These funds need to be reserved to cover debt service payments in ROPS 14-15B. The cash balance was overstated in ROPS 14-15B leaving the SA short \$1,069,231	
5	ROPS 14-15A RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S			No entry required					
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 1,348,872	\$ 72,269		
<b>ROPS 14-15B Estimate (01/01/15 - 06/30/15)</b>									
7	Beginning Available Cash Balance (Actual 01/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ 42,034	\$ 1,348,872	\$ 72,269		
8	Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015						373,037		
9	Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)				42,034	945,798	-		
10	Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					403,074	913,246	Reserve required per LA County Bond Refunding Indenture for TARB 2014A and 2014B	
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (467,940)	LA County has agreed to allow the SA to underfund Line Items 20 and 21 by this amount. Items 20 and 21 are reserves for debt service payments shown as Items 18 and 19. Per the bond indenture the SA is required to fund these reserves.	



**Recognized Obligation Payment Schedule (ROPS 15-16A) - Notes**  
July 1, 2015 through December 30, 2015

Item #	Notes/Comments
Summary Page	<p>During approval of ROPS 14-15B, the Successor Agency overstated its estimated starting cash balance on January 1, 2015. As such, the Successor Agency did not receive enough RPTTF to cover its obligations in ROPS 14-15B. Specifically, the Successor Agency is unable to fully fund the debt service reserve (Items 20 and 21) for ROPS 15-16A as required by the Los Angeles County Refunding Bond Official Statement. In order to allow the Successor Agency to fund the required debt service reserve as much as possible and avoid defaulting on debt service payments in ROPS 15-16A, the Successor Agency is asking that it be allowed to retain the Prior Period Adjustment of \$42,034 from ROPS 14-15A instead of using it to offset future RPTTF distributions. This is reflected in the Cash Balance tab but not in the Summary tab.</p>
24	<p>Litigation expenses were calculated based on the following budget: Opening Brief: \$65,000 Reply Brief: \$40,000 Hearing and any subsequent briefing: \$15,000 Total: \$120,000</p>

**RESOLUTION CERTIFICATION PAGE**

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

I, Carmen Avalos, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the Successor Agency of said City is five; that Resolution No. 23 was adopted by the Successor Agency at their Regular Meeting held on February 23, 2015, by the following vote:

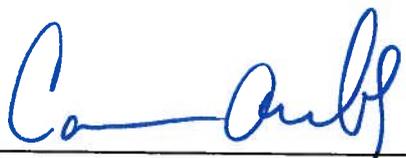
**Ayes:           Agency Members:   Gonzalez, Morales, Davila, De Witt and Hurtado**

**Noes:           Agency Members:   None**

**Absent:         Agency Members:   None**

**Abstain:        Agency Members:   None**

Witness my hand and the seal of said City on March 23, 2015.

  
\_\_\_\_\_  
Carmen Avalos, City Clerk  
City of South Gate, California