

RESOLUTION NO. 5

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE APPROVING THE INDEPENDENT ACCOUNTANT'S REPORT RE THE HOUSING DUE DILIGENCE REVIEW CONDUCTED PURSUANT TO SECTION 34179.5 FOR THE LOW AND MODERATE INCOME HOUSING FUND AND AUTHORIZING STAFF TO TRANSMIT THE REPORT, ALONG WITH THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE, TO THE OVERSIGHT BOARD AND TO THE CAC, SCO, AND DOF PURSUANT TO SECTION 34179.6 OF THE DISSOLUTION ACT

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, 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 chaptered and effective on June 27, 2011 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 winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 chaptered and effective on June 27, 2012 (together, the "Dissolution Act"); and

WHEREAS, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Act and as a separate legal entity the City serves as the Successor Agency to the Community Development Commission of the City of South Gate ("Successor Agency"); and

WHEREAS, the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds 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 has 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, Sections 34177(m), and 34179 provide that each Recognized Obligation Payment Schedule is prepared, submitted to reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board; and

WHEREAS, the Dissolution Act, as amended by AB 1484, in particular Section 34177(m) requires that the "Recognized Obligation Payment Schedule for the period of

January 1, 2013, to June 30, 2013" ("ROPS III"), shall be submitted by the successor agency, after approval by the oversight board, no later than September 1, 2012"; and

WHEREAS, on August 27, 2012 by Resolution the Oversight Board approved ROPS III in the form attached hereto; and

WHEREAS, Section 34179.5 requires the Successor Agency to employ a licensed accountant approved by the Los Angeles County Auditor-Controller to perform a due diligence review and report on the amount of funds transferred from the former Community Development Commission of the City of South Gate; and

WHEREAS, on July 19, 2012, the Los Angeles County Auditor-Controller provided written approval to Successor Agency staff of their selection of Lance Soll and Lunghard LLP P.C. as the licensed accountant to perform the due diligence review for the Successor Agency; and

WHEREAS, on August 30, 2012, the Department of Finance posted on its official website the agreed-upon procedures to conduct the due diligence reviews; and

WHEREAS, in accordance with the provisions of the agreed-upon procedures and provisions of Section 34179.5, Lance Soll and Lunghard LLP P.C. has completed the housing due diligence review and report a copy of which is attached hereto and incorporated by this reference.

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 Act, the Successor Agency approves the Housing Due Diligence Review Report as submitted herewith as Attachment 1.

Section 3. The Successor Agency authorizes transmittal of the Housing Due Diligence Review Report to the Oversight Board for its review and approval and also directs staff to send such report to the County Auditor-Controller, State Controller's Office, and Department of Finance, as required by Section 34179.6.

Section 4. The Successor Agency further directs staff to submit to the Oversight Board, County Administrative Officer, County Auditor-Controller, and Department of Finance a copy of the Recognized Obligation Payment Schedule, as attached hereto as Attachment 2 and incorporated by this reference, at the same time as the Housing Due Diligence Review Report.

Section 5. The Assistant City Manager/Finance Director or his authorized designee is directed to post this Resolution on the Successor Agency website pursuant to the Dissolution Act.

Section 6. The City Clerk shall certify to the adoption of this Resolution.

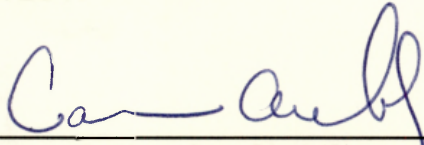
APPROVED AND ADOPTED this 2nd day of October, 2012.

**Successor Agency to the Community Development
Commission of the City of South Gate:**



W.H. (Bill) De Witt, Chair

ATTEST:



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

(SEAL)

APPROVED AS TO FORM:



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

ATTACHMENT 1
to Successor Agency Resolution No. 5
Housing Due Diligence Review Report
(attached)