

**SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION
OF THE CITY OF HUNTINGTON PARK**



**Regular Meeting Agenda
Tuesday, February 6, 2018**

6:00 p.m.
City Hall Council Chambers
6550 Miles Avenue
Huntington Park, CA 90255

CALL TO ORDER

ROLL CALL

Chair Marilyn Sanabria
Vice Chair Jhonne Pineda
Board Member Karina Macias
Board Member Graciela Ortiz
Board Member Manuel "Manny" Avila

PUBLIC COMMENT

Pursuant to Government Code Section 54954.3(a) Members of the public will have an opportunity to address the Board Members on items listed on this agenda. For items on this agenda each speaker will be limited to three minutes per Huntington Park Municipal Code Section 2-1.207. Time limits may not be shared with other speakers and may not accumulate from one period of public comment to another or from one meeting to another.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar for separate action.

1. Approve Minute(s) of the following Successor Agency Meeting:

1-1 Successor Agency Regular Meeting held Tuesday, January 16, 2018.

REGULAR AGENDA

2. Continued from the January 16, 2018 Regular Meeting of the Successor Agency to the Community Development Commission- Ratify Extension of Loan Agreements with MUFG Union Bank, N.A. a National Banking Association, formerly known as Union Bank, N.A. (Union Bank)

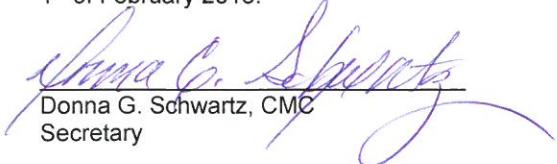
RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Ratify Amendment No. 2 Extending Loan Agreement by and between the Successor Agency to the Community Development Commission of the City of Huntington Park and MUFG Union Bank, N.A. in reference to the 2007, Neighborhood Preservation Project loan in the amount of \$ 6,700,000; and
2. Ratify Amendment No. 3 Extending Loan Agreement by and between the Successor Agency to the Community Development Commission of the City of Huntington Park and MUFG Union Bank, N.A. in reference to the 2007, Santa Fe Project loan in the amount of \$3,037,000; and
3. Authorize Executive Director to execute agreements.

ADJOURNMENT

The Successor Agency to the Community Development Commission of the City of Huntington Park will adjourn to a Regular Meeting on Tuesday, February 20, 2018, at 6:00 p.m.

I, Donna G. Schwartz, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at City of Huntington Park City Hall and made available at www.hpca.gov on the 1st of February 2018.



Donna G. Schwartz, CMC
Secretary

MINUTES
Regular Meeting of the
Successor Agency to the Community Development Commission
Of the City of Huntington Park
Tuesday, January 16, 2018, at 6:00 p.m.

Sergeant at Arms read the Rules of Decorum before the start of both Successor Agency to the Community Development Commission and the City of Huntington Park City Council Regular Meeting.

The regular meeting of the Successor Agency to the Community Development Commission of the City of Huntington Park, California was called to order at 6:01 p.m. on Tuesday, January 16, 2018, in the Council Chambers of City Hall at 6550 Miles Avenue, Huntington Park, California; Chair Marilyn Sanabria presiding.

PRESENT: Board Member(s): Manuel "Manny" Avila, Graciela Ortiz, Karina Macias, Vice Chair Jhonny Pineda and Chair Marilyn Sanabria.

CITY OFFICIALS/STAFF: Ricardo Reyes, Interim Executive Director; Cosme Lozano, Chief of Police; Arnold Alvarez-Glasman, City Attorney; Cynthia Norzagaray, Director of Parks and Recreation; Martha Castillo, Human Resources Director; Daniel Hernandez, Director of Public Works; Annie Ruiz, Finance Manager; Fernanda Palacios, Project Manager and Donna G. Schwartz, Agency Secretary, City Clerk. **ABSENT:** Sergio Infanzon, Community Development Director.

PUBLIC COMMENT - None

CONSENT CALENDAR

Motion: Board Member Ortiz motioned to approve Consent Calendar, seconded by Board Member Macias. Motion passed 5-0 by the following vote:

ROLL CALL:

AYES:	Board Member(s): Avila, Ortiz, Macias, Vice Chair Pineda and Chair Sanabria
NOES:	Board Member(s): None

1. Approved Minute(s) of the following Successor Agency Meeting:

1-1 Successor Agency Regular Meeting held Tuesday, July 18, 2017.

REGULAR AGENDA

2. **Ratify Extension of Loan Agreements with MUFG Union Bank, N.A. a National Banking Association, formerly known as Union Bank, N.A. (Union Bank)**

RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Ratify Amendment No. 2 Extending Loan Agreement by and between the Successor Agency to the Community Development Commission of the City of Huntington Park and MUFG Union Bank, N.A. in reference to the 2007, Neighborhood Preservation Project loan in the amount of \$ 6,700,000; and
2. Ratify Amendment No. 3 Extending Loan Agreement by and between the Successor Agency to the Community Development Commission of the City of Huntington Park and MUFG Union Bank, N.A. in reference to the 2007, Santa Fe Project loan in the amount of \$3,037,000; and
3. Authorize Executive Director to execute agreements.

Interim Executive Director Ricardo Reyes announced the item and introduced Finance Manager Annie Ruiz who presented a brief overview.

Motion: Board Member Ortiz motioned to table, seconded by Chair Sanabria. Motion passed 5-0 by the following vote:

ROLL CALL:

AYES: Board Member(s): Avila, Ortiz, Macias, Vice Chair Pineda and Chair Sanabria
NOES: Board Member(s): None

3. **Resolution Approving Recognized Obligation Payment Schedule (ROPS) for the Successor Agency of the Community Development Commission of the City of Huntington Park**

Interim Executive Director Ricardo Reyes announced the item and introduced Project Manager Fernanda Palacios who presented the staff report.

Board Member Macias suggested this item come before the Board sooner next time and for the incoming new finance director to review before submitting to the State.

Staff explained the information from the State isn't received until the end of December.

Vice Chair Pineda noted there is a penalty if not submitted by the deadline, which is February 1st and that the Oversight Committee will be approving this item on Thursday.

Board Member Ortiz advise that Vice Mayor Pineda sits on the Oversight Committee.

Mayor Sanabria agrees to have incoming new finance director review before submitting to the State.

Staff informed the Board if there is any additional information to be added after the deadline it can always be amended by the Successor Agency Board, brought back to the Oversight Committee to approve any amendments and forward back to the State.

City Attorney Arnold Alvarez-Glasman reiterated that the Successor Agency Board has the ability to make amendments after the deadline.

Motion: Vice Chair Pineda motioned to adopt Resolution No. SA2018-01, of the Successor Agency to the Community Development Commission of the City of Huntington Park approving a Recognized Obligation Payment Schedule 18-19 for the period of July 1, 2018 through June 30, 2019 and if there are any amendments to bring back to a special meeting before approval by the Oversight Committee and to have new Finance Director review before being submitted to the State, seconded by Board Member Ortiz. Motion passed 5-0 by the following vote:

ROLL CALL:

AYES: Board Member(s): Avila, Ortiz, Macias, Vice Chair Pineda and Chair Sanabria
NOES: Board Member(s): None

ADJOURNMENT

At 6:31 p.m. Chair Sanabria adjourned the Successor Agency to the Community Development Commission of the City of Huntington Park to a Regular Meeting on Tuesday, February 6, 2018, at 6:00 p.m.

Respectfully submitted,

Donna G. Schwartz, CMC
Agency Secretary



CITY OF HUNTINGTON PARK

Finance Department

Successor Agency Agenda Report

February 6, 2018

Honorable Chair and Members of the Successor Agency Board
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Members of the Successor Agency to the Community Development Commission of the City of Huntington Park:

RATIFY EXTENSION OF LOAN AGREEMENTS WITH MUFG UNION BANK, N.A. A NATIONAL BANKING ASSOCIATION, FORMERLY KNOWN AS UNION BANK, N.A. (UNION BANK)

IT IS RECOMMENDED THAT THE SUCCESSOR AGENCY BOARD:

1. Ratify Amendment No. 2 Extending Loan Agreement by and between the Successor Agency to the Community Development Commission of the City of Huntington Park and MUFG Union Bank, N.A. in reference to the 2007, Neighborhood Preservation Project loan in the amount of \$ 6,700,000; and
2. Ratify Amendment No. 3 Extending Loan Agreement by and between the Successor Agency to the Community Development Commission of the City of Huntington Park and MUFG Union Bank, N.A. in reference to the 2007, Santa Fe Project loan in the amount of \$3,037,000; and
3. Authorize Executive Director to execute agreements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In 2007, the Former CDC incurred two loans (“**2007 Loans**”) from Union Bank: (i) one for the Santa Fe Project Area for refunding prior debt (the “**Santa Fe Loan**”), and (ii) one for the Neighborhood Preservation Project Area for financing new projects (the “**Neighborhood Preservation Loan**”). The Santa Fe Loan had an original maturity date of February 3, 2014. The Neighborhood Preservation Loan had an original maturity date of February 1, 2017. On the respective maturity dates, there would be a balloon payment of the outstanding principal amount. The Former CDC contemplated that there would be opportunities to refund the 2007 Loans before the balloon payments became due.

RATIFY EXTENSION OF LOAN AGREEMENTS WITH MUFG UNION BANK, N.A. A NATIONAL BANKING ASSOCIATION, FORMERLY KNOWN AS UNION BANK, N.A. (UNION BANK)

February 6, 2018

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FISCAL IMPACT/FINANCING

During the past few years, Union Bank has given the Successor Agency extensions with respect to the 2007 Loans. Union Bank agreed to one last extension to August 1, 2018, with the understanding that the Successor Agency would work quickly to find a replacement lender to refund the 2007 Loans. The outstanding principal amount of the Santa Fe Loan is approximately \$1.84 million. The outstanding principal amount of the Neighborhood Preservation Loan is approximately \$3.99 million. Also, each 2007 Loan was structured as a variable rate loan, with a swap. The swap for Santa Fe Loan is approximately \$214,079. The swap for the Neighborhood Preservation Loans is approximately \$411,057.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

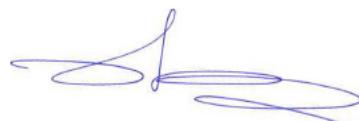
The Successor Agency is putting forth its best efforts to find a replacement lender for a loan (the “**Refunding Loan**”) to refund the 2007 Loans and terminate the related swaps. It is anticipated that the Refunding Loan will be a fixed rate loan, with a ten-year repayment term. The Refunding Loan will be secured by a pledge of property tax revenues (formerly, tax increment) from the Santa Fe Project Area and the Neighborhood Preservation Project Area.

The Successor Agency must also obtain approval of the Oversight Board and the State Department of Finance (the “**DOF**”) for the proposed Refunding Loan. Under Health and Safety Code Section 34177.5, the DOF’s review process may take a little over 65 days.

CONCLUSION

Upon Successor Agency approval, staff will proceed with the recommended actions

Respectfully submitted,



RICARDO REYES
City Manager/Executive Director

ATTACHMENT(S)

- A. Amendment No. 2 to Loan Agreement (Neighborhood Preservation)
- B. Amendment No. 3 to Loan Agreement (Santa Fe)
- C. Successor Agency to the Community Development Commission of the City of Huntington Park Incumbency and Signature Certificate of the Successor Agency

ATTACHMENT "A"

**AMENDMENT NO. 2 TO LOAN AGREEMENT
(NEIGHBORHOOD PRESERVATION)**

THIS AMENDMENT NO. 2 TO LOAN AGREEMENT (NEIGHBORHOOD PRESERVATION) (this “Amendment”), dated as of January 30, 2018, is entered into by and between **THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF HUNTINGTON PARK**, a public body corporate and politic (“Borrower”) and **MUFG UNION BANK, N.A.**, a national banking association, formerly known as Union Bank, N.A. (“MUFG”).

RECITALS

A. Borrower, through its predecessor, the Community Development Commission of Huntington Park, and MUFG Union Bank, N.A., formerly known as Union Bank, N.A., through its predecessor, the Union Bank of California, N.A., have previously entered into that certain Loan Agreement (Neighborhood Preservation) dated as of February 1, 2007, as amended on January 30, 2017 (collectively, the “**Loan Agreement**”). All terms used and not otherwise defined in this Amendment shall have the meanings set forth in the Loan Agreement.

B. Borrower and MUFG have, subject to the terms and conditions hereof, agreed to further extend the period during which MUFG will make the Loan available to Borrower.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Agreement to Extend. Borrower and MUFG hereby agree that, pursuant to Section 9.13, the Loan has been extended to August 1, 2018. For purposes of further extensions, August 1, 2018 shall be deemed the “**Stated Maturity Date**” and the other terms and conditions of Section 9.13 shall continue to apply.

2. Extension Fee. In consideration of the extension herein granted and as authorized and permitted under Section 5.15 of the Loan Agreement, Borrower shall pay to MUFG a fee of Five Thousand Dollars (\$5,000.00) (the “**Extension Fee**”), which shall be due on the date of this Amendment.

3. Miscellaneous.

(a) Effect on the Loan Agreement and Other Loan Documents.

(i) Except as specifically amended by this Amendment and the documents executed and delivered in connection herewith, the Loan Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed by MUFG in all respects.

(ii) The execution and delivery of this Amendment and performance of the Loan Agreement, as amended hereby, shall not, except as expressly provided herein,

constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of Borrower under, the Loan Agreement or any of the other Loan Documents.

(iii) This Amendment shall be construed as one with the Loan Agreement, and the Loan Agreement shall, where the context requires, be read and construed throughout so as to incorporate this Amendment.

(iv) If there is any conflict between the terms and provisions of this Amendment and the terms and provisions of the Loan Agreement and the other Loan Documents as in effect on the date hereof, the terms and provisions of this Amendment shall govern.

(b) Headings. Section and subsection headings in this Amendment are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

(c) Counterparts. This Amendment may be executed in any number of identical counterparts, any set of which signed by all the parties hereto shall be deemed to constitute a complete, executed original for all purposes. Transmission by telecopier (or by email of a PDF or similar electronic image file) of an executed counterpart of this Amendment shall be deemed to constitute due and sufficient delivery of such counterpart.

(d) Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA; PROVIDED THAT BORROWER AND MUFG SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

**THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT
COMMISSION OF HUNTINGTON PARK,
a public body corporate and politic**

By: _____
Name:
Title:

**MUFG UNION BANK, N.A.,
a national bank association**

By: _____
Name:
Title:

ATTACHMENT “B”

**AMENDMENT NO. 3 TO LOAN AGREEMENT
(SANTA FE)**

THIS AMENDMENT NO. 3 TO LOAN AGREEMENT (SANTA FE) (this “Amendment”), dated as of January 30, 2018, is entered into by and between **THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF HUNTINGTON PARK**, a public body corporate and politic (“**Borrower**”) and **MUFG UNION BANK, N.A.**, a national banking association, formerly known as UNION BANK, N.A. (“**MUFG**”).

RECITALS

A. Borrower, through its predecessor, the Community Development Commission of Huntington Park, and MUFG Union Bank, N.A., formerly known as Union Bank, N.A., through its predecessor, the Union Bank of California, N.A., have previously entered into that certain Loan Agreement (Santa Fe) dated as of February 1, 2007, as amended on January 30, 2014 and on January 30, 2017 (collectively, the “**Loan Agreement**”). All terms used and not otherwise defined in this Amendment shall have the meanings set forth in the Loan Agreement.

B. Borrower and MUFG have, subject to the terms and conditions hereof, agreed to further extend the period during which MUFG Bank will make the Loan available to Borrower.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Agreement to Extend. Borrower and MUFG hereby agree that, pursuant to Section 9.13 of the Loan Agreement, the Loan has been extended to August 3, 2018. For purposes of further extensions, August 3, 2018 shall be deemed the “**Stated Maturity Date**” and the other terms and conditions of Section 9.13 of the Loan Agreement shall continue to apply.

2. Extension Fee. In consideration of the extension herein granted and as authorized and permitted under Section 5.15 of the Loan Agreement, Borrower shall pay to MUFG a fee of Five Thousand Dollars (\$5,000.00) (the “**Extension Fee**”), which shall be due on the date of this Amendment.

3. Miscellaneous.

(a) Effect on the Loan Agreement and Other Loan Documents.

(i) Except as specifically amended by this Amendment and the documents executed and delivered in connection herewith, the Loan Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed by MUFG in all respects.

(ii) The execution and delivery of this Amendment and performance of the Loan Agreement, as amended hereby, shall not, except as expressly provided herein,

constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of Borrower under, the Loan Agreement or any of the other Loan Documents.

(iii) This Amendment shall be construed as one with the Loan Agreement, and the Loan Agreement shall, where the context requires, be read and construed throughout so as to incorporate this Amendment.

(iv) If there is any conflict between the terms and provisions of this Amendment and the terms and provisions of the Loan Agreement and the other Loan Documents as in effect on the date hereof, the terms and provisions of this Amendment shall govern.

(b) Headings. Section and subsection headings in this Amendment are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

(c) Counterparts. This Amendment may be executed in any number of identical counterparts, any set of which signed by all the parties hereto shall be deemed to constitute a complete, executed original for all purposes. Transmission by telecopier (or by email of a PDF or similar electronic image file) of an executed counterpart of this Amendment shall be deemed to constitute due and sufficient delivery of such counterpart.

(d) Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA; PROVIDED THAT BORROWER AND MUFG SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

[Signatures on the following pages]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

**THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT
COMMISSION OF HUNTINGTON PARK,
a public body corporate and politic**

By: _____
Name:
Title:

MUFG UNION BANK, N.A.,
a national bank association

By: _____
Name:
Title:

ATTACHMENT "C"

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF HUNTINGTON PARK
INCUMBENCY AND SIGNATURE CERTIFICATE OF THE SUCCESSOR AGENCY**
With reference to
2007 Santa Fe Redevelopment Project Loan
2007 Neighborhood Preservation Project Loan

The undersigned hereby states and certifies:

1. That she is the duly appointed, qualified and Acting Secretary of the Successor Agency to the Community Development Commission of the City of Huntington Park (the "Successor Agency"), an agency established pursuant to Health and Safety Code Section 34173 of the State of California, and, as such, is familiar with the facts herein certified and is authorized to certify the same;

2. That the signatures of the officials of the Successor Agency authorized to execute documents on behalf of the Agency in connection with the execution and delivery of the above-referenced Bonds and the disbursement of funds from the Project Fund are hereinafter set forth, and the signatures are true and correct specimens of their signatures.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Ricardo Reyes	Executive Director	_____
Donna Schwartz	Secretary	_____
John Ornelas	Finance Officer/ Treasurer	_____

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the ____ day of January, 2018.

Donna Schwartz, Secretary of
SUCCESSOR AGENCY

The undersigned, Executive Director of the Successor Agency to the Community Development Commission of the City of Huntington Park, hereby certifies that the above signatures are the true and correct signatures of John Ornelas, Finance Officer/Treasurer, and Donna Schwartz, Secretary of the Successor Agency to the Community Development Commission of the City of Huntington Park.

Ricardo Reyes, Executive Director