

Lawndale Successor Agency
OVERSIGHT BOARD
REGULAR MEETING

AGENDA

February 20, 2014

4:00 PM

Lawndale City Council Chambers
14717 Burin Avenue, Lawndale, California 90260

- A. CALL TO ORDER**

- B. ROLL CALL / INTRODUCTIONS - Board Members: Patricia Flynn, Joann Higdon, Steve Mandoki, Michael Stewart, Greg Tsujiuchi, John Vinke, Barry Waite.**

- C. PLEDGE OF ALLEGIANCE**

- D. ADMINISTRATION – NEW BUSINESS**
 - 1. UPDATE
 - 2. REACTIVATE CITY LOAN AGREEMENTS
 - 3. ROPS 14-15A
 - 4. SERAF LOAN REPAYMENT SCHEDULE

- E. CONSENT CALENDAR**
 - 1. MINUTES OF September 4, 2013, MEETING

- F. PUBLIC COMMENTS**

- G. ITEMS FROM SECRETARY/ADMINISTRATIVE CLERK**

- H. ITEMS FROM BOARD MEMBERS**

Oversight Board Agenda
February 20, 2014

I. ADJOURNMENT

The next scheduled Oversight Board meeting is **Thursday, September 18, 2014.**

Copies of staff reports or other written documentation relating to each agenda item are on file with the Oversight Board and are available for public inspection prior to the meeting.

It is the intention of the Oversight Board to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Board will attempt to accommodate you in every reasonable manner. Please contact the Lawndale Community Development Department at (310) 973-3230, at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible.

CERTIFICATION

Pursuant to the requirements of Government Code Section 54954.2, agendas for each Oversight Board meeting must be posted at least 72 hours in advance in a location that is freely accessible to members of the public. As the Secretary/Administrative Clerk of the Oversight Board, I declare under penalty of perjury that I caused the Oversight Board Agenda to be posted on **February 13, 2014** in accordance with the provisions of State Law and local regulations.

Otis W. Ginoza, Secretary/Administrative Clerk



OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY

14717 BURIN AVENUE, LAWDALE, CALIFORNIA 90260
PHONE (310) 973-3200, FAX (310) 644-4556
www.lawndalecity.org

DATE: February 20, 2014

TO: Honorable Chairman and Agency Members

FROM: Otis Ginoza, Deputy City Manager *OWG*
Ken Louie, Finance Director

SUBJECT: Approve Resolutions Finding That City Loans to the Redevelopment Agency
Were for a Legitimate Redevelopment Purpose

BACKGROUND

During the former Lawndale Redevelopment Agency's (Agency) existence it borrowed money from the City of Lawndale (City) and from time to time repaid funds to the City. The City and Agency entered into loan agreements which are referred to as cooperation agreements. The Agency and the City entered into thirteen cooperation agreements which are described in the attached Summary of Loans from the City to the Agency. Of the thirteen loan agreements, five have unpaid balances. Eight of the loan agreements have either been repaid or were agreements that only adjusted interest rates on prior loans.

At the time the loans were made, Community Redevelopment Law permitted cities to lend redevelopment agencies funds for redevelopment projects and programs. New redevelopment project areas are slow to generate tax increment, and most redevelopment agencies borrowed funds from cities for initial redevelopment efforts. The Agency borrowed funds from the City to pay for staff, environmental reviews, the studies required to establish Lawndale's one redevelopment project area, other administrative costs, the costs for capital projects, and for land acquisition.

In June of 2011, the State Legislature approved ABx1 26 which resulted in the end of redevelopment in California and the dissolution of redevelopment agencies. ABx1 26 also sought to invalidate most cooperation agreements between redevelopment agencies and sponsoring cities. The California Department of Finance (DOF) has taken the position that most of the outstanding loans from the City to the Agency are invalid.

AB1484 was approved in June of 2012 and was intended to encourage successor agencies to quickly relinquish the funds of the liquidated redevelopment agencies by offering benefits to successor agencies that did so. One of the benefits is the ability to reactivate city loans to redevelopment agencies. The Lawndale Successor Agency has provided all of the required payments and as a result received a Finding of Completion (FOC) from the DOF. Receipt of the FOC allows the Lawndale

Successor Agency to ask the Oversight Board and DOF to reinstate the loans from the City to the Agency.

AB 1484 requires that reinstated loans utilize a specified interest rate and also contain a repayment schedule. Staff believed that the best way to meet the requirements of AB 1484 was to combine all of the loans into a single new agreement which incorporated the interest rate and repayment schedule requirements of AB 1484. On September 4, 2013, the Oversight Board adopted Resolution 2013-16 which approved the Amended and Restated Loan Agreement between the City and Successor Agency on September 4, 2013. The DOF reviewed Oversight Board Resolution 2013-16 and in a letter (attached) dated October 18, 2013, disallowed the Oversight Board action. The DOF stated that the Successor Agency and City could not enter into new loan agreements and could not combine the existing loans into a single loan.

STAFF REVIEW

Staff has discussed the reinstatement of City to Agency loans with the DOF. DOF informed staff that the City and Agency should not enter into new loan agreements and not combine the existing loans. The October 18, 2013, letter from DOF also indicated that each loan would be examined individually and those loans with inadequate documentation may not be approved. DOF also informed staff that it is not necessary for the Oversight Board to confirm the AB 1484 required interest rate, repayment schedule, or new loan balance.

Following the recommendations of DOF, new resolutions have been prepared (attached) that merely approve the reinstatement of the loans and find that they were made for a legitimate redevelopment purpose. Since DOF may elect to approve some of the loans and disallow some, there is a separate resolution for each loan.

The Successor Agency requests that the Oversight Board approve resolutions for the following City loans to the Successor Agency:

1. 2000 Cooperation and Loan Agreement – Resolution 2014-1

On July 10, 2000, the City and Agency approved an agreement in which the City agreed to advance the Agency funds for expenditures related to the adoption of the redevelopment plan, for Agency operating expenditures and for capital projects. The City agreed to loan the Agency funds for expenditures that occurred before the date of the agreement and through the end of FY 2000-2001 (June 30, 2001). The City loaned the Agency a total of \$4,306,584 at an interest rate of 8%.

2. 2000 Financing Agreement – Resolution 2014-2

In the year 2000, the Agency had not yet begun to receive tax increment, but wished to begin among other projects the acquisition of parcels for a car dealership. Using the authority provided in the 2000 Cooperation and Loan Agreement, the City and Agency approved the 2000 Financing Agreement in which the City agrees to loan the Agency \$7,000,000 at an interest rate of 8%.

3. 2001 Amendment to the Cooperation and Loan Agreement – Resolution 2014-3

On June 18, 2001, the City and Agency approved an amendment that extended City funding for Agency operations and capital expenditures to the end of FY 2002 (June 30, 2002) at an interest rate of 8%. The City advanced the Agency a total of \$4,185,977.

4. **2009 Loan Agreement – Acquisition of 4432 Manhattan Beach Boulevard – Resolution 2014-4**

The Agency owned a number of vacant parcels of land at the southwest corner of Hawthorne and Manhattan Beach Boulevards. The site had an unusual configuration which hampered the Agency's efforts to sell it for retail development. The Agency wanted to purchase an adjoining trailer court to create a more developable site. The Agency had insufficient funds for the purchase and borrowed \$980,000 at 5% from the City. The City and Agency approved the "Loan Agreement-Acquisition of 4432 Manhattan Beach Boulevard" on December 7, 2009.

5. **2009 Agreement for Purchase and Sale of Real Property –Community Center Site – Resolution 2014-5**

The Agency wished to construct a new community center for use by residents of the redevelopment project area. Portions of the selected site were owned by the Lawndale and portions were owned by the Agency. On December 2009, the City and Agency entered into an agreement in which the City agreed to sell its parcels to the Agency. Under the agreement, the Agency paid the City a portion of the purchase price in cash and the City agreed to loan the Agency the remainder of the purchase price. The original loan to the Agency was \$912,000.

FUNDING

None required at this time.

RECOMMENDATION

Staff recommends that the Oversight Board adopt Resolution 2014-1, Resolution 2014-2, Resolution 2014-3, Resolution 2014-4, and Resolution 2014-5, approving loans from the City to the Agency and finding that the loan indebtedness of the former Agency is an enforceable obligation and finding that the loans were for legitimate redevelopment purposes.

Attachments: DOF October 18, 2013 Letter
Resolution 2014-1
Resolution 2014-2
Resolution 2014-3
Resolution 2014-4
Resolution 2014-5



October 18, 2013

Mr. Otis Ginoza, Deputy City Manager
City of Lawndale
14717 Burin Avenue
Lawndale, CA 90260

Dear Mr. Ginoza:

Subject: Objection of Oversight Board Action

The City of Lawndale Successor Agency (Agency) notified the California Department of Finance (Finance) on September 5, 2013 of its Oversight Board (OB) resolution dated September 4, 2013. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, the Agency's OB Resolution No. 2013-16 related to finding seven loans between the former Redevelopment Agency (RDA) and the City of Lawndale (City) were for legitimate redevelopment purposes and approving an Amended and Restated Cooperation Agreement (Agreement) combining the loans for repayment, is not approved.

Finance issued a Finding of Completion on April 12, 2013 which allows the Agency to place loan agreements between the former RDA and the City on the Recognized Obligation Payment Schedule (ROPS) as enforceable obligations, provided the OB makes a finding the loans were for legitimate redevelopment purposes. However, HSC section 34191.4 does not authorize the Agency to enter into new agreements with the City. The OB should make findings and recalculations for each specific individual loan.

In addition, it is not clear all the loans contemplated in the Agreement would be considered a valid loan agreement. For example, one of the requested loan components of the Agreement was supported by City Resolution CC-9805-37. A City Resolution committing funds does not by itself create a loan, without a separate agreement signed by both entities evidencing the repayment terms and the Agency's agreement to repay.

As authorized by HSC section 34179 (h), Finance is returning your OB action to the board for reconsideration.

Mr. Otis Ginoza
October 18, 2013
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Please direct inquiries to Kylie Le, Supervisor, or Brian Dunham, Lead Analyst at
(916) 445-1546.

Sincerely,



Justyn Howard
Assistant Program Budget Manager

cc: Mr. Ken Louie, Finance Director, City of Lawndale
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office

RESOLUTION NO. 2014 -1

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
LAWNDALE SUCCESSOR AGENCY FINDING THAT THE LOAN INDEBTEDNESS OF THE
FORMER LAWNDALE REDEVELOPMENT AGENCY TO THE CITY OF LAWNDALE
CREATED BY THE COOPERATION AND LOAN AGREEMENT BETWEEN THE CITY OF
LAWNDALE AND THE LAWNDALE REDEVELOPMENT AGENCY FOR FUNDING
CAPITAL IMPROVEMENT PROJECTS AND ADMINISTRATIVE EXPENSES IS AN
ENFORCEABLE OBLIGATION OF THE LAWNDALE SUCESSOR AGENCY AND THAT
THE LOAN WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES**

WHEREAS, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*), the City Council of the City of Lawndale, activated the former Redevelopment Agency of the City of Lawndale (the "Former RDA") and adopted the Redevelopment Plan (the "Redevelopment Plan") for the Lawndale Economic Revitalization Project (the "Project"); and

WHEREAS, pursuant to the Community Redevelopment Law, prior to February 1, 2012, the Former RDA was performing a public function and had access to services and facilities of the City; and

WHEREAS, on July 10, 2000, the Former RDA and the City approved the Cooperation and Loan Agreement Between the City of Lawndale and the Lawndale Redevelopment Agency for Funding Capital Improvement Projects and Administrative Expenses ("2000 Cooperation Agreement") which authorized the City to loan to the Former RDA funds for expenditures related to the adoption of the redevelopment plan, for operating expenditures, and for capital projects; and

WHEREAS, using the authority of the 2000 Cooperation Agreement, the City loaned the Former RDA \$4,306,584 (Three million two hundred sixty thousand eight hundred and eighty-four dollars); and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted, and the Governor signed, companion bills ABx1 26 and ABx1 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments. On December 29, 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of ABx1 26 and invalidated ABx1 27. The Court's decision resulted in the implementation of ABx1 26, which dissolved all redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, by operation of law under ABx1 26, the Successor Agency serves as the entity to which all powers and duties of the Former RDA inured, with the Successor Agency being charged primarily with the function of winding down the redevelopment activities of the Former RDA under AB 26; and

WHEREAS, the redevelopment dissolution laws purport to invalidate contracts executed between cities and their former redevelopment agencies, except where such interagency agreements

were entered within two years of the former redevelopment agencies' formation. (Health & Safety Code § 34171(d)(2).) Under this precept, the 2000 Cooperation Agreement between the Former RDA and the City was deemed by the State Department of Finance ("DOF") to be invalid; and

WHEREAS, even though DOF considers the 2000 Cooperation Agreement to be currently invalid, Health & Safety Code § 34191.4 provides that a successor agency that secures a "finding of completion" from the DOF pursuant to Section 34179.7 may thereafter reinstate "loan agreements entered into between the redevelopment agency and the city, county, or city and county that created by the redevelopment agency. . ." Such reinstated interagency agreements "shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes", and thus payable from Real Property Tax Trust Funds over time, subject to certain limitations (Health & Safety Code § 34191.4(b)(1); and

WHEREAS, 1) Health & Safety Code § 33220 which authorizes any public body to enter into an agreement with a redevelopment agency for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects located within the jurisdiction in which such public body is authorized to act, upon the terms and with or without consideration as such public body determined; 2) Health & Safety Code § 33220 and municipal police powers which provide cities with the authority to aid and cooperate with redevelopment agencies in the planning, undertaking, construction or operation of redevelopment projects within the area in which city and agency were authorized to act; and 3) Health & Safety Code § 33126(b), which allowed redevelopment agencies to enter into a contract with any other public agency pursuant to which such public agency furnishes necessary staff services associated with or required by redevelopment and these are the precise purposes for which the 2000 Cooperation Agreement between the City and the Former RDA was developed and implemented; and

WHEREAS, on April 12, 2013, the Agency received a "finding of completion" from the DOF and on February 20, 2014, the Successor Agency applied to the Lawndale Oversight Board to have the 2000 Cooperation Agreement established as enforceable obligation; and

WHEREAS, Health & Safety Code § 34191.4 (b) specifies the interest rate that must be used to calculate the balance of the loan authorized by the 2000 Cooperation Agreement and also describes a method to determine a repayment schedule.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWNDALE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The recitals above are true and correct and incorporated herein by this reference and the 2000 Cooperation Agreement is incorporated herein as Exhibit A.

SECTION 2. The Oversight Board hereby finds (1) that the City advanced funds under the 2000 Cooperation Agreement to pay for redevelopment projects and programs; (2) that the obligation to repay those funds was a loan indebtedness of the Former RDA; (3) that the obligation to repay such indebtedness with interest is an enforceable obligation of the Successor Agency to the City under Health and Safety Code Section 34191.4(b); and (4) that these funds were used for legitimate redevelopment purposes for the reasons set forth above and in the 2000 Cooperation Agreement.

SECTION 3. The Oversight Board hereby approves the request by the Successor Agency to recognize such loan indebtedness as an enforceable obligation of the Successor Agency under Health and Safety Code Section 34191.4(b).

SECTION 4. The Oversight Board directs the Successor Agency to place the 2000 Cooperation Agreement on the Recognized Obligation Payment Schedule and recalculate the loan balance and determine a repayment schedule in accordance with HSC 34191.4 (b).

SECTION 5. That, pursuant to California Health and Safety Code Section 34179(h), this action by the Lawndale Oversight Board shall be effective five business days from the date of this Resolution, pending a request for review by the California Department of Finance.

SECTION 6 The Finance Director of the Lawndale Successor Agency or the authorized designee is directed to post this Resolution on the Lawndale Successor Agency's website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 20th day of February, 2014.

Chair

ATTEST:

State of California)
County of Los Angeles) SS
City of Lawndale)

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 14-1 at a regular meeting of said Oversight Board held on the 20th day of February, 2014, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Secretary

**COOPERATION AND LOAN AGREEMENT BETWEEN THE CITY OF LAWNSDALE
AND THE LAWNSDALE REDEVELOPMENT AGENCY FOR FUNDING CAPITAL
IMPROVEMENT PROJECTS AND ADMINISTRATIVE EXPENSES**

This COOPERATION AND LOAN AGREEMENT (the "Agreement") is entered into this 10th day of July, 2000, by and between the CITY OF LAWNSDALE (the "City") and the LAWNSDALE REDEVELOPMENT AGENCY (the "Agency").

RECITALS:

A. On June 21, 1999, the City Council of the City adopted Ordinance No. 860-99, adopting the redevelopment plan (the "Redevelopment Plan") for the Lawnsdale Economic Revitalization Project Area (the "Project Area"), and authorizing the Agency to undertake certain activities necessary for the implementation of the Redevelopment Plan.

B. The City and the Agency desire to enter into this Agreement whereby the City will advance funds to the Agency or expend funds on behalf of the Agency for certain administrative expenses of Agency and public capital improvement projects, and the Agency will reimburse the City for such amounts from tax increment monies allocated to and received by the Agency, where feasible.

C. Health and Safety Code Sections 33220(e) and 33601 authorize the Agency to borrow money or accept financial or other assistance from the City in implementing the Redevelopment Plan for the Project Area.

D. Health and Safety Code Section 33610 authorizes the City Council of the City to appropriate to the Agency such amounts as the City Council deems necessary for the administrative expenses and overhead of the Agency, which amounts may be paid to the Agency as a loan to be repaid upon such terms and conditions as the City Council may provide.

E. Health and Safety Code Sections 33445 and 33679 authorize the Agency to enter into a contract with the City pursuant to which the Agency agrees to reimburse the City for all or part of the land for and the cost of the installation and construction of any public facility or improvement either within or without the Project Area, provided that certain prescribed procedures are followed and the findings are made by the Board of Directors of the Agency and the City Council of the City that: (i) the facilities or improvements are of benefit to the Project Area or the immediate neighborhood in which the project is located, (ii) no other reasonable means of financing such facilities or improvements are available to the community, and (iii) the payment of funds for the acquisition of land or the cost of the facilities or improvements will assist in the elimination of one or more blighting conditions within the Project Area or provide housing for low- or moderate-income persons, and is consistent with the implementation plan adopted pursuant to Health and Safety Code Section 33490.

F. The City proposes to construct or has constructed certain public capital improvement projects that will be of benefit to the Project Area or the immediate neighborhood in which the project is located (the "Capital Improvements"). With respect to those Capital Improvements funded by the City from July 6, 1998, the date on which the Agency approved the preliminary plan for the Project Area, through the end of the City's and Agency's 2000-2001 fiscal year (the "Reimbursable Capital Improvements"), the City Council of the City and the Board of Directors of the Agency have determined, by their respective approvals of this Agreement, that: (i) such improvements are of benefit to the Project Area or to the immediate neighborhood in which the project is located, (ii) no other reasonable means of financing the improvements are available to the community, and (iii) the payment of funds for the acquisition of land or the cost of the improvements will assist in the elimination of one or more blighting

conditions within the Project Area or provide housing for low- or moderate-income persons, and is consistent with the implementation plan. The Reimbursable Capital Improvements are identified in Exhibit "A" attached hereto.

G. The City Council of the City and the Agency's Board of Directors have further determined, by their respective approvals of this Agreement, that fulfillment of the purposes of this Agreement are in the vital and best interests of the City and the welfare of its residents, and in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements.

H. Prior to the approval of this Agreement, the City Council of the City and the Board of Directors held a duly noticed public hearing as required by Health and Safety Code Section 33679 before the Agency commits tax increment monies for the purpose of paying all or part of the value of land for or the cost of the installation and construction of any publicly owned building. Prior to the public hearing, the Agency made available for public review a summary setting forth the following: (i) an estimate of the amount of such taxes proposed to be used to pay for such land and construction of any publicly owned building, (ii) the facts supporting the determinations required to be made by the City Council pursuant to Health and Safety Code Section 33445, and (iii) the redevelopment purpose for which such taxes are being used to pay for the land and construction of such publicly owned buildings.

C O V E N A N T S:

Based upon the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by both parties, the City and Agency hereby agree as follows:

1. Recitals Incorporated.

The above Recitals are true and correct and are incorporated into this Agreement by this reference.

2. City Funding.

From the effective date of this Agreement through the end of the City's and Agency's 2000-2001 fiscal year, the City has provided funding to Agency as follows:

a. The City shall advance and loan to the Agency the amounts required by the Agency for the personnel and administrative expenses (the "Administrative Costs") associated with (i) the formation and implementation of the Redevelopment Plan for the Project Area through the end of 1998-1999 fiscal year, (ii) the preparation of the Hawthorne Specific Plan, and (iii) the comprehensive update to the portion of the City's Zoning Code in which the proposed Project Area is located, in a total cumulative sum not to exceed One Million Dollars (\$1,000,000.00), or such additional amounts as may be approved by the City Council of City for such tasks. Said figure is intended to include, without limitation, the cost for legal services and staff time for the redevelopment projects described in clauses (i), (ii), and (iii) hereinabove; the cost for environmental reports for the redevelopment projects described in clauses (i) and (ii) hereinabove; and the cost for notification/printing for the redevelopment project described in clause (i) hereinabove. In addition, the City shall advance to the Agency the Administrative Costs associated with the operation of the Agency and implementation of the Redevelopment Plan for the Project Area through the end of the 2000-2001 fiscal year, as identified in the City's and/or Agency's budget for the 2000-2001 fiscal year. Payments by the City to the Agency shall be made promptly upon the City's receipt of the Agency's written request for payment. In the alternative, and as may be determined by the City in its sole and absolute discretion, the City

shall pay the Administrative Costs itself, subject to reimbursement from the Agency as provided herein.

b. The City has expended and/or shall expend on behalf of the Agency the funds for the Reimbursable Capital Improvements to be funded through the end of the City's and Agency's 2000-20001 fiscal year, as described in Recital F, not to exceed the total sum of Six Million Five Hundred Seventy Thousand Dollars (\$6,570,000.00), or such additional amounts as may be approved by the City Council of the City. The City shall be responsible for the design and actual construction of the Reimbursable Capital Improvements.

3. Agency's Use of City Funds.

The Agency shall apply the entire amount of any payments received from the City pursuant to this Agreement to the Administrative Costs described in Section 2 of this Agreement. Any sums advanced by the City to the Agency hereunder that are not required to be expended by the Agency for such purposes shall be promptly refunded to the City.

4. Agency Repayment.

The Agency shall reimburse the City for the amounts advanced or expended by the City pursuant to this Agreement (the "Reimbursable Amount"). The Reimbursable Amount shall equal the sum of (i) the total Administrative Costs, and (ii) the costs for the Reimbursable Capital Improvements. The unpaid balance of the Reimbursable Amount shall bear interest at the rate of eight percent (8 %) per annum from the date the City advances or expends such amounts through the date that accrued interest and the Reimbursable Amount are paid in full. Both the Reimbursable Amount and accrued interest shall be payable out of property tax increment revenues allocated to the Agency from the Project Area pursuant to Health and Safety Code Section 33670(b), as said statute now exists or may hereafter be amended. Payments by

the Agency to the City shall be made promptly upon the Agency's receipt of the City's written request for payment. The amount of each payment shall be the total amount of the unpaid Reimbursable Amount and accrued interest then owing, provided that the source of the Agency's payments shall be limited solely and exclusively (i) to property tax increment revenues allocated to the Agency from the Project Area pursuant to Health and Safety Code Section 33670(b) in the 2000-2001 fiscal year and subsequent fiscal years less (ii) that portion of such property tax increment revenues utilized by the Agency to pay indebtedness incurred by the Agency for other valid redevelopment purposes.

5. Subordination.

The Agency's indebtedness hereunder shall be junior and subordinate to (i) all Agency tax allocation bonds or other direct long-term indebtedness of the Agency, (ii) all pledges by the Agency of tax increment monies for tax allocation bonds or other direct long-term indebtedness of the Agency, and (iii) Agency financial agreements and other contractual obligations of the Agency.

6. Agency Indebtedness.

The obligation of the Agency under this Agreement to pay to City the Reimbursement Amount shall constitute an indebtedness of the Agency for the purpose of carrying out the Redevelopment Plan for the Project Area.

7. Entire Agreement; Amendment.

This Agreement shall constitute the entire agreement of the parties with respect to the subject matter hereof. This Agreement may be modified or amended only by an agreement in writing signed by the authorized representatives of the parties after any and all required actions by the parties' respective governing bodies.

8. Non-Liability of City and Agency Officials, Officers, and Employees.

No officer, official, employee, agent, representative, or volunteer of the City of Agency shall be personally liable for any amount that may become due to the City or Agency hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date and year first written above.

CITY OF LAWNDALE

By: Harold E. Hofmann
Harold E. Hofmann, Mayor

ATTEST:

Pamela L. Giamario
Pamela L. Giamario, City Clerk

APPROVED AS TO FORM:
RUTAN & TUCKER, LLP

By: William W. Wyndler
William W. Wyndler, City Attorney

LAWNDALE REDEVELOPMENT AGENCY

By: Harold E. Hofmann
Harold E. Hofmann, Chairperson

ATTEST:

Pamela L. Giamario
Pamela L. Giamario, Secretary

EXHIBIT "A"

REIMBURSABLE CAPITAL IMPROVEMENTS

THROUGH THE 1999-2000 FISCAL YEAR

	<u>Projects</u>	<u>Estimated Costs</u>
1.	Burlington Northern Santa Fe Railroad Crossing Improvements at Manhattan Beach Boulevard	\$ 30,000
2.	Sidewalk Repair & Reconstruction	\$1,000,000
3.	Public Works Underground Tanks	\$ 150,000
4.	Marine Avenue Improvements	\$ 250,000
5.	Americans with Disabilities Act (ADA) Improvements	\$1,050,000
6.	Bus Pad Construction	\$ 405,000
7.	Hawthorne Boulevard Improvements (design)	\$1,500,000
8.	Addams/Green-Refurbish, Fence wading pool	\$ 150,000
9.	Hogan-Create Tot Lot/ADA Access	\$ 235,000
10.	Addams-New Snack Bar	\$ 100,000
11.	Rogers-Anderson Gymnasium (Teen Center)	\$ 800,000
12.	Community Center Expansion	\$ 900,000

RESOLUTION NO. 2014 -2

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
LAWNDALE SUCCESSOR AGENCY FINDING THAT THE LOAN INDEBTEDNESS OF THE
FORMER LAWNDALE REDEVELOPMENT AGENCY TO THE CITY OF LAWNDALE
CREATED BY THE FINANCING AGREEMENT OF JULY 10, 2000, IS AN ENFORCEABLE
OBLIGATION OF THE LAWNDALE SUCCESSOR AGENCY AND THAT THE LOAN WAS
FOR LEGITIMATE REDEVELOPMENT PURPOSES**

WHEREAS, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*), the City Council of the City of Lawndale, activated the former Redevelopment Agency of the City of Lawndale (the "Former RDA") and adopted the Redevelopment Plan (the "Redevelopment Plan") for the Lawndale Economic Revitalization Project (the "Project"); and

WHEREAS, pursuant to the Community Redevelopment Law, prior to February 1, 2012, the Former RDA was performing a public function and had access to services and facilities of the City; and

WHEREAS, on July 10, 2000, the City and Former RDA approved two agreements one of which authorized loans from the City to the Former RDA and a second agreement which authorized a loan of \$7,000,000 to the Former RDA; and

WHEREAS on July 10, 2000, the Former RDA, adopted Resolution No. LRA-0007-02 and the City Council adopted City Council Resolution Number CC-0007-71 which approved a Cooperation Agreement ("Cooperation Agreement") between the City and Former RDA that authorized loans from the City to the Former RDA; and

WHEREAS, on July 10, 2000, the Former RDA adopted Resolution No. LRA-0007-03 and the City adopted Resolution No. CC-0007-72 which approved a Financing Agreement ("Financing Agreement") which authorized a loan of \$7,000,000 (seven million dollars) from the City to the Former RDA; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted, and the Governor signed, companion bills ABx1 26 and ABx1 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments. On December 29, 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of ABx1 26 and invalidated ABx1 27. The Court's decision resulted in the implementation of ABx1 26, which dissolved all redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, by operation of law under ABx1 26, the Successor Agency serves as the entity to which all powers and duties of the Former RDA inured, with the Successor Agency being charged primarily with the function of winding down the redevelopment activities of the Former RDA under AB 26; and

WHEREAS, the redevelopment dissolution laws purport to invalidate contracts executed between cities and their former redevelopment agencies, except where such interagency agreements were entered within two years of the former redevelopment agencies' formation. (Health & Safety Code § 34171(d)(2).) Under this precept, the Financing Agreement between the Former RDA and the City was deemed by the State Department of Finance ("DOF") to be invalid; and

WHEREAS, even though DOF considers the Financing Agreement to be currently invalid, Health & Safety Code § 34191.4 provides that a successor agency that secures a "finding of completion" from the DOF pursuant to Section 34179.7 may thereafter reinstate "loan agreements entered into between the redevelopment agency and the city, county, or city and county that created by the redevelopment agency. . ." Such reinstated interagency agreements "shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes", and thus payable from Real Property Tax Trust Funds over time, subject to certain limitations (Health & Safety Code § 34191.4(b)(1); and

WHEREAS, Health and Safety Code Section 34191.4(b) requires that the oversight board make a finding that the loan was for legitimate redevelopment purposes; and

WHEREAS, the Former RDA and City relied upon the following portions of the Health and Safety Code for the authority to enter into the Cooperation Agreement and the Financing Agreement: 1) Health & Safety Code § 33220 which authorizes any public body to enter into an agreement with a redevelopment agency for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects located within the jurisdiction in which such public body is authorized to act, upon the terms and with or without consideration as such public body determined; 2) Health & Safety Code § 33220 and municipal police powers which provide cities with the authority to aid and cooperate with redevelopment agencies in the planning, undertaking, construction or operation of redevelopment projects within the area in which city and agency were authorized to act; and 3) Health & Safety Code § 33126(b), which allowed redevelopment agencies to enter into a contract with any other public agency pursuant to which such public agency furnishes necessary staff services associated with or required by redevelopment and these are the precise purposes for which the Financing Agreement between the City and the Former RDA was developed and implemented; and

WHEREAS, on April 12, 2013, the Agency received a "finding of completion" from the DOF and on September 12, 2013, the Successor Agency applied to the Lawndale Oversight Board to have the 2000 Financing Agreement established as enforceable obligation; and

WHEREAS, Health & Safety Code § 34191.4 (b) specifies the interest rate that must be used to calculate the balance of the loan authorized by the Financing Agreement and also describes a method to determine a repayment schedule.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The recital above are true and correct and incorporated herein by this reference and the Financing Agreement is incorporated herein as Exhibit A.

SECTION 2. The Oversight Board hereby finds (1) that the City advanced funds under the Financing Agreement to pay for redevelopment projects and programs; (2) that the obligation to repay those funds was a loan indebtedness of the Former RDA; (3) that the obligation to repay such indebtedness with interest is an enforceable obligation of the Successor Agency to the City under Health and Safety Code Section 34191.4(b); and (4) that these funds were used for legitimate redevelopment purposes for the reasons set forth above and in the Financing Agreement.

SECTION 3. The Oversight Board hereby approves the request by the Successor Agency to recognize such loan indebtedness as an enforceable obligation of the Successor Agency under Health and Safety Code Section 34191.4(b).

SECTION 4. The Oversight Board directs the Successor Agency to place the Financing Agreement on the Recognized Obligation Payment Schedule and recalculate the loan balance and determine a repayment schedule in accordance with HSC 34191.4 (b).

SECTION 5. That, pursuant to California Health and Safety Code Section 34179(h), this action by the Lawndale Oversight Board shall be effective five business days from the date of this Resolution, pending a request for review by the California Department of Finance.

SECTION 6 The Finance Director of the Lawndale Successor Agency or the authorized designee is directed to post this Resolution on the Lawndale Successor Agency's website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 20th day of February, 2014.

Chair

ATTEST:

State of California)
County of Los Angeles) SS
City of Lawndale)

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 14-2 at a regular meeting of said Oversight Board held on the 20th day of February, 2014, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Secretary

FINANCING AGREEMENT

THIS FINANCING AGREEMENT ("Agreement") is made and entered into this 10th day of July, 2000, by and between the LAWNDALE REDEVELOPMENT AGENCY, a public body corporate and politic ("Agency"), and the CITY OF LAWNDALE, a general law city and municipal corporation ("City").

RECITALS

A. Agency is a public body, corporate and politic, organized under the California Community Redevelopment Law (Health and Safety Code §§ 33000 *et seq.*)

B. City is a general law city and municipal corporation.

C. Agency was activated by Ordinance No. 666-91 adopted by the City Council of City on January 24, 1991.

D. Agency, by Redevelopment Agency Resolution No. LRA-0007-02, adopted on July 10, 2000, and City, by City Council Resolution No. CC-0007-71, adopted on July 10, 2000, approved a Cooperation Agreement ("Cooperation Agreement") between City and Agency.

E. The Cooperation Agreement requires that any loans from the City to Agency be set forth in a contract between City and Agency specifying certain terms.

F. City and Agency mutually desire to enter into this Agreement to set forth their respective obligations with respect to the loan of Seven Million Dollars (\$7,000,000.00) from City to Agency.

G. Agency, by Redevelopment Agency Resolution No. LRA-0007-03, adopted on July 10, 2000, and City, by City Council Resolution No. CC-0007-72, adopted July 10, 2000, approved this Financing Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter contained, Agency and City agree as follows:

Section 1. City Loan.

City hereby loans to Agency the principal amount of Seven Million Dollars (\$7,000,000.00) ("Loan Principal"), to be appropriated from the City's UDAG Fund and defined as a loan to the Agency from the City's UDAG Fund.

Section 2. Interest.

Interest shall accrue on the outstanding Loan Principal at the rate of eight percent (8.0%) per annum. The initial rate of interest shall be the 8% rate in effect as of the date of this Agreement. Interest shall be compounded on June 30th each year.

Section 3 Agency Repayment.

The Loan Principal and any accrued interest shall be repaid by Agency out of tax increment funds allocated to and received by Agency. Agency shall make such repayments to the extent that excess tax increment funds are available at June 30th of each year. Agency shall be entitled to repay all or part of the Loan Principal and all accrued interest at any time with no other charges, fees, or penalties. All amounts due under this Agreement shall be payable at the offices of City.

Section 4. Indebtedness of Agency.

The Loan Principal and accrued interest described in this Agreement shall constitute an indebtedness of Agency.

Section 5. Subordination.

The repayment of the Loan Principal and accrued interest by Agency shall be junior and subordinate to (i) all Agency tax allocation bonds or other direct long-term indebtedness of Agency, if any, (ii) all pledges by Agency of tax increments for tax allocation bonds or other direct long-term indebtedness of Agency, if any, and (iii) Agency financial agreements and other contractual obligations of Agency, whether any of the foregoing are incurred before or after the date of this Agreement, if any.

Section 6. Non-Recourse Obligation.

No officer, official, employee, agent, or representatives of Agency shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, employee, agent, or representative.

Section 7. Entire Agreement; Amendment.

This Agreement shall constitute the entire agreement of the parties. This Agreement may be amended or modified only an agreement in writing signed by the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their authorized representatives, as of the date first above written.

"AGENCY"

LAWNDALE REDEVELOPMENT AGENCY

By: Harold E. Hofmann
Chair

ATTEST:

Donald A. Giacari
Agency Secretary

APPROVED AS TO FORM:

W. Wye
Agency Counsel

"CITY"

CITY OF LAWNDALE

By: Harold E. Hofmann
Mayor

ATTEST:

Donald A. Giacari
City Clerk

APPROVED AS TO FORM:

W. Wye
City Counsel

RESOLUTION NO. 2014 -3

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
LAWNDALE SUCCESSOR AGENCY FINDING THAT THE LOAN INDEBTEDNESS OF THE
FORMER LAWNDALE REDEVELOPMENT AGENCY TO THE CITY OF LAWNDALE
CREATED BY THE AMENDMENT TO THE COOPERATION AND LOAN AGREEMENT
BETWEEN THE CITY OF LAWNDALE AND THE LAWNDALE REDEVELOPMENT
AGENCY FOR FUNDING CAPITAL IMPROVEMENTS PROJECTS AND ADMINISTRATIVE
EXPENSES IS AN ENFORCEABLE OBLIGATION OF THE LAWNDALE SUCCESSOR
AGENCY AND THAT THE LOAN WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES**

WHEREAS, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*), the City Council of the City of Lawndale, activated the former Redevelopment Agency of the City of Lawndale (the "Former RDA") and adopted the Redevelopment Plan (the "Redevelopment Plan") for the Lawndale Economic Revitalization Project (the "Project"); and

WHEREAS, pursuant to the Community Redevelopment Law, prior to February 1, 2012, the Former RDA was performing a public function and had access to services and facilities of the City; and

WHEREAS, on July 10, 2000, the Former RDA and the City approved the Cooperation and Loan Agreement Between the City of Lawndale and the Lawndale Redevelopment Agency for Funding Capital Improvement Projects and Administrative Expenses ("2000 Cooperation Agreement") which authorized the City to loan to the Former RDA funds for expenditures related to the adoption of the redevelopment plan, for operating expenditures, and for capital projects; and

WHEREAS, on June 18, 2001, the Former RDA and the City amended the 2000 Cooperation Agreement with the approval of the Amendment to the Cooperation and Loan Agreement Between the City of Lawndale and the Lawndale Redevelopment Agency for Funding Capital Improvement Projects and Administrative Expenses ("2001 Cooperation Agreement") which extended City funding for Former RDA administrative and capital expenses through June 30, 2002; and

WHEREAS, using the authority of the 2001 Cooperation Agreement, the City loaned the Former RDA \$4,185,977 (Four million one hundred eighty-five thousand nine hundred and seventy-seven dollars); and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted, and the Governor signed, companion bills ABx1 26 and ABx1 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments. On December 29, 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of ABx1 26 and invalidated ABx1 27. The Court's decision resulted in the implementation of ABx1 26, which dissolved all redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, by operation of law under ABx1 26, the Successor Agency serves as the entity to which all powers and duties of the Former RDA inured, with the Successor Agency being charged primarily with the function of winding down the redevelopment activities of the Former RDA under AB 26; and

WHEREAS, the redevelopment dissolution laws purport to invalidate contracts executed between cities and their former redevelopment agencies, except where such interagency agreements were entered within two years of the former redevelopment agencies' formation. (Health & Safety Code § 34171(d)(2).) Under this precept, the 2001 Cooperation Agreement between the Former RDA and the City was deemed by the State Department of Finance ("DOF") to be invalid; and

WHEREAS, even though DOF considers the 2001 Cooperation Agreement to be currently invalid, Health & Safety Code § 34191.4 provides that a successor agency that secures a "finding of completion" from the DOF pursuant to Section 34179.7 may thereafter reinstate "loan agreements entered into between the redevelopment agency and the city, county, or city and county that created by the redevelopment agency. . ." Such reinstated interagency agreements "shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes", and thus payable from Real Property Tax Trust Funds over time, subject to certain limitations (Health & Safety Code § 34191.4(b)(1); and

WHEREAS, 1) Health & Safety Code § 33220 which authorizes any public body to enter into an agreement with a redevelopment agency for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects located within the jurisdiction in which such public body is authorized to act, upon the terms and with or without consideration as such public body determined; 2) Health & Safety Code § 33220 and municipal police powers which provide cities with the authority to aid and cooperate with redevelopment agencies in the planning, undertaking, construction or operation of redevelopment projects within the area in which city and agency were authorized to act; and 3) Health & Safety Code § 33126(b), which allowed redevelopment agencies to enter into a contract with any other public agency pursuant to which such public agency furnishes necessary staff services associated with or required by redevelopment and these are the precise purposes for which the 2001 Cooperation Agreement between the City and the Former RDA was developed and implemented; and

WHEREAS, on April 12, 2013, the Agency received a "finding of completion" from the DOF and on February 20, 2014, the Successor Agency applied to the Lawndale Oversight Board to have the 2001 Cooperation Agreement established as enforceable obligation; and

WHEREAS, Health & Safety Code § 34191.4 (b) specifies the interest rate that must be used to calculate the balance of the loan authorized by the 2001 Cooperation Agreement and also describes a method to determine a repayment schedule.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The recitals above are true and correct and incorporated herein by this reference and the 2001 Cooperation Agreement is incorporated herein as Exhibit A.

SECTION 2. The Oversight Board hereby finds (1) that the City advanced funds under the 2001 Cooperation Agreement to pay for redevelopment projects and programs; (2) that the obligation to repay those funds was a loan indebtedness of the Former RDA; (3) that the obligation to repay such indebtedness with interest is an enforceable obligation of the Successor Agency to the City under Health and Safety Code Section 34191.4(b); and (4) that these funds were used for legitimate redevelopment purposes for the reasons set forth above and in the 2001 Cooperation Agreement.

SECTION 3. The Oversight Board hereby approves the request by the Successor Agency to recognize such loan indebtedness as an enforceable obligation of the Successor Agency under Health and Safety Code Section 34191.4(b).

SECTION 4. The Oversight Board directs the Successor Agency to place the 2001 Cooperation Agreement on the Recognized Obligation Payment Schedule and recalculate the loan balance and determine a repayment schedule in accordance with HSC 34191.4 (b).

SECTION 5. That, pursuant to California Health and Safety Code Section 34179(h), this action by the Lawndale Oversight Board shall be effective five business days from the date of this Resolution, pending a request for review by the California Department of Finance.

SECTION 6 The Finance Director of the Lawndale Successor Agency or the authorized designee is directed to post this Resolution on the Lawndale Successor Agency's website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 20th day of February, 2014.

Chair

ATTEST:

State of California)
County of Los Angeles) SS
City of Lawndale)

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 14-3 at a regular meeting of said Oversight Board held on the 20th day of February, 2014, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Secretary

**AMENDMENT TO THE COOPERATION AND LOAN AGREEMENT BETWEEN
THE CITY OF LAWDALE AND THE LAWDALE REDEVELOPMENT AGENCY
FOR FUNDING CAPITAL IMPROVEMENT PROJECTS
AND ADMINISTRATIVE EXPENSES**

This Amendment to the Cooperation and Loan Agreement (the "Amendment") is entered into this 18th day of June, 2001, by and between the CITY OF LAWDALE (the "City") and the LAWDALE REDEVELOPMENT AGENCY (the "Agency").

RECITALS:

A. On June 21, 1999, the City Council of the City adopted Ordinance No. 860-99, adopting the redevelopment plan (the "Redevelopment Plan") for the Lawndale Economic Revitalization Project Area (the "Project Area"), and authorizing the Agency to undertake certain activities necessary for the implementation of the Redevelopment Plan.

B. On July 10, 2000, the City and the Agency entered into a Cooperation and Loan Agreement (the "Agreement") whereby the City will advance funds to the Agency or expend funds on behalf of the Agency for certain administrative expenses of Agency and public capital improvement projects, and the Agency will reimburse the City for such amounts from tax increment monies allocated to and received by the Agency, where feasible.

C. Health and Safety Code Sections 33220(e) and 33601 authorize the Agency to borrow money or accept financial or other assistance from the City in implementing the Redevelopment Plan for the Project Area.

D. Health and Safety Code Section 33610 authorizes the City Council to appropriate to the Agency such amounts as the City Council deems necessary for the administrative expenses and overhead of the Agency, which amounts may be paid to the Agency as a loan to be repaid upon such terms and conditions as the City Council may provide.

E. Health and Safety Code Sections 33445 and 33679 authorize the Agency to enter into a contract with the City pursuant to which the Agency agrees to reimburse the City for all or part of the land for and the cost of the installation and construction of any public facility or improvement either within or without the Project Area, provided that certain prescribed procedures are followed and the findings are made by the Board of Directors of the Agency and the City that: (i) the facilities or improvements are of benefit to the Project Area or the immediate neighborhood in which the project is located, (ii) no other reasonable means of financing such facilities or improvements are available to the community, and (iii) the payment of funds for the acquisition of land or the cost of the facilities or improvements will assist in the elimination of one or more blighting conditions within the Project Area or provide housing for low or moderate-income persons, and is consistent with the implementation plan adopted pursuant to Health and Safety Code Section 33490.

F. The City desires to amend the Agreement to add certain public capital improvement projects that will be of benefit to the Project Area or the immediate neighborhood in which the project is located (the "Capital Improvements"). With respect to those additional improvements to be constructed during the City and Agency's 2001-2002 fiscal year, (the "Additional Reimbursable Capital Improvements"), the City and the Agency have determined, by their respective approvals of this Agreement, that (i) such improvements are of benefit to the Project Area or to the immediate neighborhood in which the project is located, (ii) no other reasonable means of financing the improvements are available to the community, and (iii) the payment of funds for the acquisition of land or the cost of the improvements will assist in the elimination of one or more blighting conditions within the Project Area or provide housing for low- or moderate-income persons, and is consistent with the implementation plan. The Additional Reimbursable Capital Improvements are identified in Exhibit "A" attached hereto.

G. The City and the Agency have further determined, by their respective approvals of this Amendment, that fulfillment of the purposes of this Amendment are in the vital and best interests of the City and the welfare of its residents, and in accordance with the public purposes and provision of applicable federal, state, and local laws and requirements.

COVENANTS:

Based upon the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by both parties, the City and Agency hereby agree as follows:

1. Recitals Incorporated.

The above Recitals are true and correct and are incorporated into this Amendment by this reference.

2. City Funding.

From the effective date of this Amendment through the end of the City's and Agency's 2001-2002 fiscal year, the City will provide funding as follows:

a. The City shall advance to the Agency the Administrative Costs associated with the operation of the Agency and implementation of the Redevelopment Plan for the Project Area through the end of the 2001-2002 fiscal year, as identified in the City's and/or Agency's budget for the 2001-2002 fiscal year. Payments by the City to the Agency shall be made promptly upon the City's receipt of the Agency's written request for payment. In the alternative, and as may be determined by the City in its sole and absolute discretion, the City shall pay the Administrative Costs itself, subject to reimbursement from the Agency as provided herein.

b. The City has expended and/or shall expend on behalf of the Agency the funds for the Additional Reimbursable Capital Improvements to be funded through the end of the City's and the Agency's 2001-2002 fiscal year, as described in Recital F, not to exceed the total sum of Two Million Five Hundred Thousand Dollars (\$2,500,000.00), or such additional amounts as may be approved by the City . The City shall be responsible for the design and actual construction of the Reimbursable Capital Improvements.

3. Agency Repayment.

The Agency shall reimburse the City for the amounts advanced or expended by the City pursuant to this Amendment (the "Reimbursable Amount"). The Reimbursable Amount shall equal the sum of (i) the total Administrative Costs, and (ii) the costs for the Additional Reimbursable Capital Improvements. The unpaid balance of the Reimbursable Amount shall bear interest at the rate of eight percent (8%) per annum from the date the City advances or expends such amounts through the date that accrued interest and the Reimbursable Amount are paid in full. Both the Additional Reimbursable Amount and accrued interest shall be paid out of property tax increment revenues allocated to the Agency from the Project Area pursuant to Health and Safety Code Section 33670(b), as said statute now exists or may hereafter be amended. Payments by the Agency to the City shall be made promptly upon the Agency's receipt of the City's written request for payment. The amount of each payment shall be the total amount of the unpaid Reimbursable Amount and accrued interest then owing, provided that the source of the Agency's payments shall be limited solely and exclusively (i) to property tax increment revenues allocated to the Agency from the Project Area pursuant to Health and Safety Code Section 33670(b) in the 2000-2001 fiscal year and subsequent

fiscal years less (ii) that portion of such property tax increment revenues utilized by the Agency to pay indebtedness incurred by the Agency for other valid redevelopment purposes.

4. Subordination.

The Agency's indebtedness hereunder shall be junior and subordinate to (i) all Agency tax allocation bonds or other direct long-term indebtedness of the Agency, (ii) all pledges by the Agency of tax increment monies for tax allocation bonds or other direct long-term indebtedness of the Agency, and (iii) Agency financial agreements and other contractual obligations of the Agency.

5. Agency Indebtedness.

The obligation of the Agency under this Amendment to pay to City the Reimbursement Amount shall constitute an indebtedness of the Agency for the purpose of carrying out the Redevelopment Plan for the Project Area.

6. Entire Agreement; Amendment.

The Agreement, as amended, shall constitute the entire agreement of the parties with respect to the subject matter hereof. The Agreement may be modified or amended only by an agreement in writing signed by the authorized representatives of the parties after any and all required actions by the parties' respective governing bodies.

7. Non-Liability of City and Agency Officials, Officers, and Employees.

No officer, official, employee, agent or representative of the City or Agency shall be personally liable for any amount that may become due to the City or Agency hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to be effective as of the date and year first written above.

CITY OF LAWNSDALE

By: Harold E. Hofmann
Harold E. Hofmann, Mayor

ATTEST:

Paula Hartwill
Paula Hartwill, City Clerk

APPROVED AS TO FORM:
Burke, Williams & Sorensen

W. W. Wynder
William W. Wynder, City Attorney

LAWNSDALE REDEVELOPMENT AGENCY

By: Harold E. Hofmann
Harold E. Hofmann, Chairperson

ATTEST:

Paula Hartwill
Paula Hartwill, Secretary

EXHIBIT "A"

ADDITIONAL REIMBURSABLE CAPITAL IMPROVEMENT PROJECTS
2001-2002

Hawthorne Boulevard Street Improvement	\$2,500,000
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RESOLUTION NO. 2014 -4

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
LAWNDALE SUCCESSOR AGENCY FINDING THAT THE LOAN INDEBTEDNESS OF THE
FORMER LAWNDALE REDEVELOPMENT AGENCY TO THE CITY OF LAWNDALE
CREATED BY THE LOAN AGREEMENT –ACQUISITION OF 4432 MANHATTAN BEACH
BOULEVARD IS AN ENFORCEABLE OBLIGATION OF THE LAWNDALE SUCESSOR
AGENCY AND THAT THE LOAN WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES**

WHEREAS, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*), the City Council of the City of Lawndale, activated the former Redevelopment Agency of the City of Lawndale (the “Former RDA”) and adopted the Redevelopment Plan (the “Redevelopment Plan”) for the Lawndale Economic Revitalization Project (the “Project”); and

WHEREAS, pursuant to the Community Redevelopment Law, prior to February 1, 2012, the Former RDA was performing a public function and had access to services and facilities of the City; and

WHEREAS, on December 7, 2009, the Former RDA and the City approved the Loan Agreement - Acquisition of 4432 Manhattan Beach Boulevard (“2009 Loan Agreement”) which authorized a loan in the amount of \$980,000 (nine hundred eighty thousand dollars) from the City to the Former RDA; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted, and the Governor signed, companion bills ABx1 26 and ABx1 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments. On December 29, 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of ABx1 26 and invalidated ABx1 27. The Court’s decision resulted in the implementation of ABx1 26, which dissolved all redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, by operation of law under ABx1 26, the Successor Agency serves as the entity to which all powers and duties of the Former RDA inured, with the Successor Agency being charged primarily with the function of winding down the redevelopment activities of the Former RDA under AB 26; and

WHEREAS, the redevelopment dissolution laws purport to invalidate contracts executed between cities and their former redevelopment agencies, except where such interagency agreements were entered within two years of the former redevelopment agencies’ formation. (Health & Safety Code § 34171(d)(2).) Under this precept, the 2009 Loan Agreement between the Former RDA and the City was deemed by the State Department of Finance (“DOF”) to be invalid; and

WHEREAS, even though DOF considers the 2009 Loan Agreement to be currently invalid, Health & Safety Code § 34191.4 provides that a successor agency that secures a “finding of completion” from the DOF pursuant to Section 34179.7 may thereafter reinstate “loan agreements

entered into between the redevelopment agency and the city, county, or city and county that created by the redevelopment agency. . ." Such reinstated interagency agreements "shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes", and thus payable from Real Property Tax Trust Funds over time, subject to certain limitations (Health & Safety Code § 34191.4(b)(1); and

WHEREAS, 1) Health & Safety Code § 33220 which authorizes any public body to enter into an agreement with a redevelopment agency for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects located within the jurisdiction in which such public body is authorized to act, upon the terms and with or without consideration as such public body determined; 2) Health & Safety Code § 33220 and municipal police powers which provide cities with the authority to aid and cooperate with redevelopment agencies in the planning, undertaking, construction or operation of redevelopment projects within the area in which city and agency were authorized to act; and 3) Health & Safety Code § 33126(b), which allowed redevelopment agencies to enter into a contract with any other public agency pursuant to which such public agency furnishes necessary staff services associated with or required by redevelopment and these are the precise purposes for which the 2009 Loan Agreement between the City and the Former RDA was developed and implemented; and

WHEREAS, on April 12, 2013, the Agency received a "finding of completion" from the DOF and on February 20, 2014, the Successor Agency applied to the Lawndale Oversight Board to have the 2009 Loan Agreement established as enforceable obligation; and

WHEREAS, Health & Safety Code § 34191.4 (b) specifies the interest rate that must be used to calculate the balance of the loan authorized by the 2009 Loan Agreement and also describes a method to determine a repayment schedule.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The recitals above are true and correct and incorporated herein by this reference and the 2009 Loan Agreement is incorporated herein as Exhibit A.

SECTION 2. The Oversight Board hereby finds (1) that the City advanced funds under the 2009 Loan Agreement to pay for redevelopment projects and programs; (2) that the obligation to repay those funds was a loan indebtedness of the Former RDA; (3) that the obligation to repay such indebtedness with interest is an enforceable obligation of the Successor Agency to the City under Health and Safety Code Section 34191.4(b); and (4) that these funds were used for legitimate redevelopment purposes for the reasons set forth above and in the 2009 Loan Agreement.

SECTION 3. The Oversight Board hereby approves the request by the Successor Agency to recognize such loan indebtedness as an enforceable obligation of the Successor Agency under Health and Safety Code Section 34191.4(b).

SECTION 4. The Oversight Board directs the Successor Agency to place the 2009 Loan Agreement on the Recognized Obligation Payment Schedule and recalculate the loan balance and determine a repayment schedule in accordance with HSC 34191.4 (b).

SECTION 5. That, pursuant to California Health and Safety Code Section 34179(h), this action by the Lawndale Oversight Board shall be effective five business days from the date of this Resolution, pending a request for review by the California Department of Finance.

SECTION 6 The Finance Director of the Lawndale Successor Agency or the authorized designee is directed to post this Resolution on the Lawndale Successor Agency's website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 20th day of February, 2014.

Chair

ATTEST:

State of California)
County of Los Angeles) SS
City of Lawndale)

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 14-4 at a regular meeting of said Oversight Board held on the 20th day of February, 2014, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Secretary

**LOAN AGREEMENT – ACQUISITION OF
4432 MANHATTAN BEACH BOULEVARD**

This LOAN AGREEMENT – ACQUISITION OF 4432 MANHATTAN BEACH BOULEVARD ("Loan Agreement") is entered into by and among the LAWNDALE REDEVELOPMENT AGENCY ("Agency") and the CITY OF LAWNDALE ("City"). The Agency and City agree as follows:

I. [§ 100] SUBJECT OF AGREEMENT

A. [§ 101] Purpose of the Loan Agreement

1. The Agency and the City desire to enter into this Loan Agreement dated this 7th day of December, 2009 to authorize a loan of certain proceeds from the City's general fund to the Agency to provide funds for the Agency to acquire that real property referred to as 4432 Manhattan Beach Boulevard, Lawndale, California, ("Mobile Home Park") as described herein.

2. On December 7, 2009, the Agency will be considering the execution of the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions authorizing the Agency's acquisition of the Mobile Home Park. The Agency's cost to acquire the Mobile Home Park is Nine Hundred Eighty Thousand Dollars (\$980,000).

3. The Agency desires to acquire the Mobile Home Park to create an expanded site as the Agency already owns that real property at the southwest corner of the intersection of Manhattan Beach Boulevard ("Agency Parcel") which is immediately adjacent to the Mobile Home Park. The Agency believes that the expansion of the Agency Parcel with the Agency's acquisition of the Mobile Home Park will increase the opportunities to develop the Site with a commercial project that will benefit the Project Area and the community.

4. By continuing the Agency's debt, the Agency is eligible to receive future tax increment revenue.

5. The City Council and the Agency's Board have determined, by their respective approvals of this Loan Agreement, that the fulfillment of the purposes of this Loan Agreement are in the vital and best interest of the Agency and City and the health, safety morals and welfare of the City's residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

B. [§ 102] Parties to the Agreement

1. Agency

The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of California.

The principal office of the Agency to which all notices are to be sent pursuant to the terms of this Loan Agreement is as follows: Community Development Department, Lawndale Redevelopment Agency, 14717 Burin Avenue, Lawndale, California 90260, attention Executive Director. "Agency" as used in this Loan Agreement includes the Lawndale Redevelopment Agency and any assignee of or successor to its rights powers and responsibilities.

2. City

The City is a municipal corporation and general law city. The principal office of the City to which all notices should be sent pursuant to the terms of this Loan Agreement is: City Hall, City of Lawndale, 14717 Burin Avenue, Lawndale, California 90260, attention City Manager.

Where the term "City" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided. For purposes of this Loan Agreement, any and all notices delivered or sent to the City pursuant to the terms of this Loan Agreement shall be sent or delivered to the principal office address.

II. **[§ 200] LOAN AND REPAYMENT OF CITY FUNDS**

A. **[§ 201] City Loan**

Pursuant to the terms of this Loan Agreement, once the Agency notifies the City that the escrow for the Mobile Home Park is preparing to close, the City shall deliver a loan to the Agency in the amount of Nine Hundred Eighty Thousand Dollars (\$980,000) ("City Loan") to allow the Agency to fund the purchase price of the Mobile Home Park.

B. **[§ 202] Terms of City Loan**

Interest on the City Loan shall accrue at the rate of five percent (5%) per annum. Interest shall be compounded on June 30th each year. Notwithstanding the foregoing, the Agency shall have the right, but not the obligation, to prepay all of the City Loan or any portion thereof, without penalty and/or consent of the City.

C. **[§ 203] Subordination**

The repayment of the City Loan and accrued interest by Agency shall be junior and subordinate to (1) all Agency tax allocation bonds or other direct long-term indebtedness of Agency, if any, (ii) all pledges by Agency of tax increments for tax allocation bonds or other direct long-term indebtedness of Agency, if any, and (iii) Agency financial agreements and other contractual obligations of Agency, whether any of the foregoing are incurred before or after the date of this Loan Agreement, if any.

D. [§ 204] Repayment of City Loan

The City Loan and any accrued interest shall be repaid by Agency out of tax increment funds allocated to and received by Agency or from any other sources legally available to the Agency. All amounts due under this Loan Agreement shall be payable at the offices of City.

E. [§ 205] City Loan as Agency Debt

For as long as the City Loan or any portion thereof, shall be outstanding, such obligation shall be an Agency debt for purposes of Section 33675 of the California Community Redevelopment Law (California Health and Safety Code Sections 33000, *et seq.*).

F. [§ 206] Non-Recourse Obligation.

No officer, official, employee, agent, or representatives of Agency shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, employee, agent, or representative.

G. [§ 207] Indebtedness of Agency.

This Loan Agreement constitutes an indebtedness of the Agency incurred in carrying out the development of the southwest corner of the intersection of Hawthorne Boulevard and Manhattan Beach Boulevard, and a pledging of tax allocations from the Project Area to repay the indebtedness, under the provisions of Section 16 of Article XVI of the California Constitution and Sections 33670-33674 of the Health and Safety Code; provided, however, that the pledge of tax allocations shall always be subordinate and subject to the right of the Agency to pledge or commit tax allocations from the Project Area to repay bonds or other indebtedness incurred by the Agency as described in Section 203 and as otherwise authorized by law.

H. [§ 208] Indemnification.

Pursuant to Section 895.4 of the Government Code, Agency and City agree that each will assume the full liability imposed on it or any of its officers, agents or employees for injury caused by a negligent or wrongful act or omission occurring in the performance of this Loan Agreement, and each party agrees to indemnify and hold harmless the other party for any loss, cost or expense that may be imposed on the other party by virtue of Section 895.2 and 895.6 of the Government Code.

III. [§ 300] GENERAL PROVISIONS

A. [§ 301] Conflict of Interests

No member, official or employee of Agency or City shall have any personal interest, direct or indirect, in this Loan Agreement nor shall any such member, official or employee participate in any decision relating to the Loan Agreement which affects his/her personal interests or the interests of any corporation, partnership or association in which he/she is, directly or indirectly, interested.

No payment or other type of consideration has been paid to any third parties by any of the parties hereto for obtaining this Loan Agreement.

B. [§ 302] Interpretation of Agreement

This Loan Agreement shall be interpreted, controlled and governed in accordance with the laws of the State of California.

IV. [§ 400] ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Loan Agreement, which constitutes the entire understanding and agreement of the parties, shall be executed in two (2) duplicate originals, each of which is deemed to be an original.

Any waiver of a provision of this Loan Agreement must be in writing and signed by the appropriate authorities of the party making such waiver and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the City.

CITY:

CITY OF LAWNSDALE

Dated: 5/6/10

By: Harold E. Hopmann
Mayor

ATTEST:

Wanda Guzman
City Clerk

AGENCY:

LAWNSDALE REDEVELOPMENT
AGENCY

Dated: 5/6/10

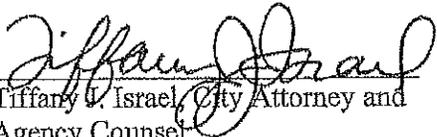
By: Harold E. Hopmann
Chairman

ATTEST:

Wanda Guzman
Secretary

APPROVED:

ALESHIRE & WYNDER, LLP


Tiffany U. Israel, City Attorney and
Agency Counsel

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CITY:

CITY OF LAWNDALE

Dated: 5/6/10

By: Harold E. Hogman
Mayor

ATTEST:

WFO Guvca
City Clerk

AGENCY:

LAWNDALE REDEVELOPMENT
AGENCY

Dated: 5/6/10

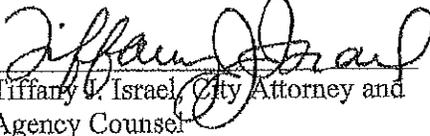
By: Harold E. Hogman
Chairman

ATTEST:

WFO Guvca
Secretary

APPROVED:

ALESHIRE & WYNDER, LLP


Tiffany V. Israel, City Attorney and
Agency Counsel

RESOLUTION NO. 2014 -5

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
LAWNDALE SUCCESSOR AGENCY FINDING THAT THE LOAN INDEBTEDNESS OF THE
FORMER LAWNDALE REDEVELOPMENT AGENCY TO THE CITY OF LAWNDALE
CREATED BY THE AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY
– COMMUNITY CENTER SITE IS AN ENFORCEABLE OBLIGATION OF THE LAWNDALE
SUCESSOR AGENCY AND THAT THE LOAN WAS FOR LEGITIMATE REDEVELOPMENT
PURPOSES**

WHEREAS, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*), the City Council of the City of Lawndale, activated the former Redevelopment Agency of the City of Lawndale (the “Former RDA”) and adopted the Redevelopment Plan (the “Redevelopment Plan”) for the Lawndale Economic Revitalization Project (the “Project”); and

WHEREAS, pursuant to the Community Redevelopment Law, prior to February 1, 2012, the Former RDA was performing a public function and had access to services and facilities of the City; and

WHEREAS, on December 7, 2009, the Former RDA and the City approved the Agreement for Purchase and Sale of Real Property – Community Center Site (“2009 Purchase Agreement”) which authorized a loan in the amount of \$912,000 (nine hundred twelve thousand dollars) from the City to the Former RDA; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted, and the Governor signed, companion bills ABx1 26 and ABx1 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments. On December 29, 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of ABx1 26 and invalidated ABx1 27. The Court’s decision resulted in the implementation of ABx1 26, which dissolved all redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, by operation of law under ABx1 26, the Successor Agency serves as the entity to which all powers and duties of the Former RDA inured, with the Successor Agency being charged primarily with the function of winding down the redevelopment activities of the Former RDA under AB 26; and

WHEREAS, the redevelopment dissolution laws purport to invalidate contracts executed between cities and their former redevelopment agencies, except where such interagency agreements were entered within two years of the former redevelopment agencies’ formation. (Health & Safety Code § 34171(d)(2).) Under this precept, the 2009 Purchase Agreement between the Former RDA and the City was deemed by the State Department of Finance (“DOF”) to be invalid; and

WHEREAS, even though DOF considers the 2009 Purchase Agreement to be currently invalid, Health & Safety Code § 34191.4 provides that a successor agency that secures a “finding of

completion” from the DOF pursuant to Section 34179.7 may thereafter reinstate “loan agreements entered into between the redevelopment agency and the city, county, or city and county that created by the redevelopment agency. . .” Such reinstated interagency agreements “shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes”, and thus payable from Real Property Tax Trust Funds over time, subject to certain limitations (Health & Safety Code § 34191.4(b)(1); and

WHEREAS, 1) Health & Safety Code § 33220 which authorizes any public body to enter into an agreement with a redevelopment agency for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects located within the jurisdiction in which such public body is authorized to act, upon the terms and with or without consideration as such public body determined; 2) Health & Safety Code § 33220 and municipal police powers which provide cities with the authority to aid and cooperate with redevelopment agencies in the planning, undertaking, construction or operation of redevelopment projects within the area in which city and agency were authorized to act; and 3) Health & Safety Code § 33126(b), which allowed redevelopment agencies to enter into a contract with any other public agency pursuant to which such public agency furnishes necessary staff services associated with or required by redevelopment and these are the precise purposes for which the 2009 Purchase Agreement between the City and the Former RDA was developed and implemented; and

WHEREAS, on April 12, 2013, the Agency received a “finding of completion” from the DOF and on February 20, 2014, the Successor Agency applied to the Lawndale Oversight Board to have the 2009 Purchase Agreement established as enforceable obligation; and

WHEREAS, Health & Safety Code § 34191.4 (b) specifies the interest rate that must be used to calculate the balance of the loan authorized by the 2009 Purchase Agreement and also describes a method to determine a repayment schedule.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The recitals above are true and correct and incorporated herein by this reference and the 2009 Purchase Agreement is incorporated herein as Exhibit A.

SECTION 2. The Oversight Board hereby finds (1) that the City advanced funds under the 2009 Purchase Agreement to pay for redevelopment projects and programs; (2) that the obligation to repay those funds was a loan indebtedness of the Former RDA; (3) that the obligation to repay such indebtedness with interest is an enforceable obligation of the Successor Agency to the City under Health and Safety Code Section 34191.4(b); and (4) that these funds were used for legitimate redevelopment purposes for the reasons set forth above and in the 2009 Purchase Agreement.

SECTION 3. The Oversight Board hereby approves the request by the Successor Agency to recognize such loan indebtedness as an enforceable obligation of the Successor Agency under Health and Safety Code Section 34191.4(b).

SECTION 4. The Oversight Board directs the Successor Agency to place the 2009 Purchase Agreement on the Recognized Obligation Payment Schedule and recalculate the loan balance and determine a repayment schedule in accordance with HSC 34191.4 (b).

SECTION 5. That, pursuant to California Health and Safety Code Section 34179(h), this action by the Lawndale Oversight Board shall be effective five business days from the date of this Resolution, pending a request for review by the California Department of Finance.

SECTION 6 The Finance Director of the Lawndale Successor Agency or the authorized designee is directed to post this Resolution on the Lawndale Successor Agency's website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 20th day of February, 2014.

Chair

ATTEST:

State of California)
County of Los Angeles) SS
City of Lawndale)

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 14-5 at a regular meeting of said Oversight Board held on the 20th day of February, 2014, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Secretary

AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY – COMMUNITY CENTER SITE

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY – COMMUNITY CENTER SITE (“Agreement”) is made this 7th day of December, 2009 by and between the Lawndale Redevelopment Agency, a public body, municipal and politic (“Buyer”) and City of Lawndale, a municipal corporation (“Seller”).

RECITALS:

Seller is the owner of certain real property that is adjacent to real property owned by Buyer, which parcels are collectively referred to as 14700 Burin Avenue, Lawndale, California. The parcels that are owned by Seller are referred to as Assessor’s Parcel Numbers 4078-024-900 and 4078-024-902 through 906 and an alley to be vacated as depicted on Exhibit “A” attached hereto and incorporated herein by this reference (collectively, “Property”).

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereto agree as follows:

TERMS AND CONDITIONS

1. PURCHASE AND SALE OF PROPERTY.

Subject to and on the terms and conditions herein set forth, Buyer hereby agrees to purchase from Seller, and Seller agrees to sell, assign and convey to Buyer the Property herein described together with (a) all privileges, rights, easements, buildings and appurtenances belonging to the real property, (b) all development rights, air rights, water rights and water stock relating to the real property, and (c) all right, title and interest of Seller in and to any streets, alleys, passages, other easements, and rights-of-way or appurtenances included in, adjacent to or used in connection with the Property.

2. PURCHASE PRICE.

2.1 Amount of Purchase Price.

The “Purchase Price” for the Property shall be One Million Three Hundred Forty-Five Thousand Dollars (\$1,345,000.00).

2.2 Payment of Purchase Price.

As a partial payment of the Purchase Price, Buyer shall assist Seller with the preparation and submission of a requisition pursuant to which Seller shall receive a payment of four hundred thirty-three thousand dollars (\$433,000.00) from Buyer’s recently issued bond proceeds. The balance of the Purchase Price, in the amount of nine hundred twelve thousand dollars (\$912,000.00) (“Loan Amount”), will be a debt of the Agency owing to the City.

2.3 Interest.

Interest shall accrue on the Loan Amount at the rate of five and sixty-five one hundredths percent (5.65 %) per annum. Interest shall be compounded on June 30th of each year.

2.4 Agency Repayment.

The Loan Amount and any accrued interest shall be repaid by Agency out of tax increment funds allocated to and received by Agency. Agency shall make each repayment to the extent that excess tax increment funds are available at June 30th of each year. Agency shall be entitled to repay all or part of the Loan Amount and all accrued interest at any time with no other charges, fees or penalties. All amounts due under this Agreement shall be payable at the offices of the City.

2.5 Indebtedness of Agency.

The Loan Amount and accrued interest described in this Agreement shall constitute an indebtedness of the Agency.

2.6 Subordination.

The repayment of the Loan Amount and accrued interest by the Agency shall be junior and subordinate to (i) all Agency tax allocation bonds or other direct long-term indebtedness of the Agency, if any, (ii) all pledges by the Agency of tax increment for tax allocation bonds or other direct long-term indebtedness of the Agency, if any, and (iii) Agency financial agreements and other contractual obligations of Agency, whether any of the forgoing are incurred before or after the date of this Agreement, if any.

2.7 Non-Recourse Obligation.

No officer, official, employee, agent or representative of the Agency shall be liable for any amounts determined hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, employee, agent or representative.

3. ADDITIONAL DOCUMENTS REQUIRED FROM SELLER.

Within ten (10) days of the approval of this Agreement by both parties, Seller shall provide Buyer with a copy of the executed and recordable grant deed ("Grant Deed") substantially in the form attached hereto and incorporated herein as Exhibit "B", conveying the Property to Buyer, together with such funds and other items and instruments as may be necessary to comply with this Agreement. Seller will cause the Grant Deed to be recorded.

4. TITLE POLICY.

The Seller shall furnish Buyer with a CLTA Owner's Policy of Title Insurance ("Title Policy") for the Property, wherein the Title Company shall insure that title to the Property shall be vested in Buyer. The Title Policy shall include any available title insurance, extended coverage or endorsements that Buyer has reasonably requested.

5. DUE DILIGENCE.

5.1 Disclaimer of Warranties.

Buyer shall acquire the Property in its "AS IS" and "WITH ALL FAULTS" condition and shall be responsible for any and all defects in the Property, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Property, and the existence of any contamination, hazardous materials, vaults, debris, pipelines, wells, or other structures located on, under or about the Property. Seller makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property. Buyer acknowledges that, once Buyer obtains title to the Property, any liability of Seller for the environmental condition of the Property shall be extinguished, that Seller shall have no liability for remediating any environmental condition of the Property and that Buyer shall indemnify Seller against any claim or liability relating to the condition of the Property.

5.2 Review of Documents.

Within three (3) days of execution of this Agreement, Seller shall make available to Buyer true, correct and complete copies of all contracts which relate to the Property (together with any amendments or modifications thereto), and all reports or other documents in Seller's possession respecting the physical condition of or prior uses of the Property, if any, and any other information in Seller's possession or control reasonably requested by Seller regarding the Property.

5.3 Entry for Investigation.

(a) Subject to the conditions hereafter stated, Seller grants to Buyer, its agents and employees a limited license to enter upon the Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, investigations and tests shall be done at Buyer's sole cost and expense.

(b) As a condition to Buyer's entry, inspection or testing, Buyer shall keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this Agreement.

6. CONDITIONS PRECEDENT TO CONVEYANCE OF THE PROPERTY.

6.1 Conditions to Buyer's Obligations.

The obligations of Buyer under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent:

(a) Title Company will issue the Title Policy as required by Article 4 of this Agreement insuring title to the Property vested in Buyer.

(b) Seller has provided the executed and recordable Grant Deed to Buyer.

6.2 Conditions to Seller's Obligations.

The obligations of Seller under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Seller of the following conditions precedent:

(a) Buyer will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.

(b) Timely performance by Buyer of all of the obligations required by the terms of this Agreement to be performed by Buyer.

7. REPRESENTATIONS AND WARRANTIES.

7.1 Representations and Warranties.

Seller hereby makes the following representations and warranties to Buyer, each of which is true in all respects as of the date hereof and shall be true in all respects on the date of Closing on the Property:

(a) Seller has received no notice and/or has no knowledge that any governmental authority or any employee or agent thereof considers the present or proposed operation, use or ownership of the Property to violate or have violated any ordinance, rule, law, regulation or order of any government or agency, body or subdivision thereof, or that any investigation has been commenced or is contemplated respecting such possible violations.

(b) There are no pending or threatened allegations, lawsuits or claims which would affect the Property.

(c) There are no natural or environmental hazards located on the Property that would limit its marketability, merchantability, or suitability for development or impede its use in any way.

(d) To the best of Seller's knowledge, the Property is not in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Seller has received no written notice from any third parties, prior

owners of the Property, or any federal, state or local governmental agency indicating that any hazardous waste remedial or clean-up work will be required on the Property. To the best of Seller's knowledge, there are no environmental, health or safety hazards on, under or about the Property, including but not limited to soil and groundwater conditions. Neither Seller, nor to the best of Seller's knowledge any third party (including but not limited to Seller's predecessors in title to the Property), has used or installed any underground tank, or used, generated, manufactured, treated, stored, placed, deposited or disposed of on, under or about the Property or transported to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials ("Hazardous Materials," which for the purpose of this Agreement shall include, but shall not be limited to, substances defined as "hazardous substances, hazardous materials or toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 USC Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 USC Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 USC Section 6901, et seq.; those substances defined as "hazardous wastes" in Section 25117 of the California Health & Safety Code or as "hazardous substances" in Section 25316 of the California Health & Safety Code; and those chemicals known to cause cancer or reproductive toxicity, as published pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, Section 25249.5, et seq., of the California Health & Safety Code; and in the regulations adopted and publications promulgated pursuant to each of the aforesaid laws).

(e) There are no contracts, leases, claims or rights affecting the development or use of Property and no agreements entered into by or under Seller that shall survive the Closing that would adversely affect Buyer's rights with respect to the Property except as heretofore disclosed in writing by Seller to Buyer.

(f) There are no easements or encroachments that may affect the development or use of the Property.

(g) Seller has received no written notice from any third parties, prior owners of the Property, or any federal, state or local governmental agency, indicating that any hazardous waste remedial or clean-up work will be required on the Property.

(h) Seller is not a foreign person as defined in Internal Revenue Code Section 1445(f)(3).

(i) Seller hereby represents, warrants and covenants to Buyer that Seller shall deliver exclusive possession of the Property to Buyer.

8. ADDITIONAL INSTRUCTIONS.

8.1 No Escrow Instructions.

Because this Agreement is being entered into by two related entities, an escrow is not being entered into and shall not be required.

8.2 General Provisions.

Seller shall deliver the Title Policy to the Buyer and instruct the Los Angeles County Recorder to mail the Grant Deed to Buyer at the address set forth in Section 10.4 after recordation. This Agreement and any modifications, amendments, or supplements thereto may be executed in counterparts and shall be valid and binding as if all of the parties' signatures were on one document.

8.3 Proration of Real Property Taxes.

All non-delinquent general and special real property taxes shall be prorated to the date of execution of the Grant Deed on the basis of a thirty (30) day month and a three hundred sixty (360) day year.

8.4 Payment of Costs.

Seller shall pay documentary transfer taxes, if any, the premium charges for the standard CLTA Title Policy, and the charges for recording the Grant Deed, if any. Buyer shall pay any non-standard coverage or endorsements requested by Buyer.

9. BROKERAGE COMMISSIONS.

Buyer and Seller each represent and warrant to the other that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. Buyer and Seller each agree to indemnify and hold the other party harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

10. MISCELLANEOUS.

10.1 No Conflict of Interest.

No officer or employee of the Buyer or Seller shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. Seller and Buyer each warrant that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

10.2 Assignment.

Buyer shall have the right to assign this Agreement or any interest or right hereunder without the prior written consent of the Seller. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns. Buyer will provide written notice to Seller of any assignment and/or vesting designation as may be required.

10.3 Attorneys' Fees.

In any action between the parties hereto seeking enforcement of any of the terms and provisions of this Agreement, or in connection with the Property, the prevailing party in such action shall be entitled to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

10.4 Notices.

Any notice which either party may desire to give to the other party must be in writing and may be given by personal delivery, facsimile or by mailing the same by U.S. mail to the party to whom the notice is directed at the address of such party hereinafter set forth, or such other address and to such other persons as the parties may hereafter designate:

To Seller: City of Lawndale
Attn: City Manager
14717 Burin Avenue
Lawndale, California 90260
Fax: (310) 973-3230

Copy To: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 400
Irvine, California 92612
Attn: Tiffany J. Israel, Esq.
Fax: (949) 223-1180

To Buyer: Lawndale Redevelopment Agency
Attn: Executive Director
14717 Burin Avenue
Lawndale, California 90260
Fax: (310) 973-3230

Copy To: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 400
Irvine, California 92612
Attn: Tiffany J. Israel, Esq.
Fax: (949) 223-1180

10.5 Interpretation; Governing Law.

This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

10.6 No Waiver.

No delay or omission by either party hereto in exercising any right or power accruing upon the compliance or failure of performance by the other party hereto under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party hereto of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

10.7 Modifications.

Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

10.8 Severability.

If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10.9 Merger of Prior Agreements and Understandings.

This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

10.10 Execution in Counterparts.

This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property – Community Center Site as of the date set forth above.

“BUYER”

LAWNDALE REDEVELOPMENT
AGENCY

By: Harold Hofmann
Harold Hofmann, Chair

ATTEST:

[Signature]
Secretary

“SELLER”

CITY OF LAWNDALE

By: Harold Hofmann
Harold Hofmann, Mayor

ATTEST:

[Signature]
Deputy City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

[Signature]
Tiffany J. Israel, General Counsel and
City Attorney

EXHIBIT "A"
MAP OF THE PROPERTY

EXHIBIT "B"

GRANT DEED

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Lawndale Redevelopment Agency
Attn: Community Development Director
14717 Burin Avenue
Lawndale, California 90260

(Space Above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code § 6103)

GRANT DEED

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CITY OF LAWNDALE ("Grantor"), hereby grants to the LAWNDALE REDEVELOPMENT AGENCY ("Grantee"), that real property in the City of Lawndale, County of Los Angeles, State of California, as more particularly described as Assessor's Parcel Numbers 4078-024-900 and 4078-024-902 through 906, which parcels are commonly referred to as a portion of 14700 Burin Avenue, Lawndale, California.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf by its respective officers or agents hereunto as of the date first above written.

"GRANTOR"

CITY OF LAWNDALE

Date: _____

Mayor

ATTEST:

City Clerk

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the CITY OF LAWNDALe ("Grantor") by Grant Deed to the LAWNDALe REDEVELOPMENT AGENCY ("Grantee") is hereby accepted by the undersigned officer and agent of the LAWNDALe REDEVELOPMENT AGENCY pursuant to the authority conferred by the Agreement for Purchase and Sale of Real Property - Community Center Site by and between the GRANTOR and the LAWNDALe REDEVELOPMENT AGENCY dated _____, 2009, and that the LAWNDALe REDEVELOPMENT AGENCY consents to the recording of the Grant Deed.

Signed and dated at Lawndale, California on _____, 2009.

"GRANTEE"

LAWNDALe REDEVELOPMENT
AGENCY

Date: _____

Chair

ATTEST:

Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, 20____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, 20____; before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)



OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LAWNDALE REDEVELOPMENT AGENCY

14717 BURIN AVENUE, LAWNDALE, CALIFORNIA 90260
PHONE (310) 973-3200, FAX (310) 644-4556
www.lawndalecity.org

DATE: February 20, 2014

TO: Honorable Chairman and Agency Members

FROM: Otis Ginoza, Deputy City Manager *OWG*
Ken Louie, Finance Director

SUBJECT: Approve Recognized Obligation Payment Schedule 14-15A

BACKGROUND

ABx1 26 eliminated Redevelopment in California as of February 1, 2012. The legislation provided for the City to become the Successor Agency to the former Lawndale Redevelopment Agency responsible for winding down its affairs and paying off its debts. The ongoing financial operations of the Successor Agency are subject to the approval of an Oversight Board. The Oversight Board is comprised of representatives of the various public agencies that share property tax revenues from the former Agency's redevelopment project areas. The actions of the Oversight Board are subject to the approval of the State Department of Finance (DOF).

The Successor Agency is required to prepare a Recognized Obligation Payment Schedule ("ROPS") for each six month period of its operations (January through June, and July through December), which it submits to the Oversight Board for approval. The ROPS lists all the financial obligations of the former Agency and the amount of property tax increment revenue needed over the six month period to pay those obligations. Upon approval of the Oversight Board, and with the concurrence of the DOF, the Successor Agency may receive property tax increment revenues from the County Auditor-Controller to pay the approved obligations. Another responsibility of the Oversight Board is to approve the Successor Agency administrative budgets for each six month period.

The DOF and the Oversight Board for the Lawndale Successor Agency have approved the following ROPSs and the Los Angeles County Auditor Controller has provided the funding required for the obligations listed in the following five schedules:

- 1st ROPS (January 1, 2012 to June 30, 2012)
- 2nd ROPS (July 1, 2012 to December 31, 2012)
- 3rd ROPS (January 1, 2013 to June 30, 2013)
- ROPS 13-14 A (June 30, 2013 to December 31, 2013)
- ROPS 13-14 B (January 1, 2014 to June 30, 2014)

STAFF REVIEW

The next ROPS, ROPS 14-15A (July 1, 2014 to December 31, 2014) must be submitted to the DOF by March 3, 2014. Along with the ROPS, the Successor needs to approve an administrative budget (attached) for the July 1 to December 31, 2014 period.

ROPS 14-15 A lists the following Successor Agency obligations:

1. **Bond Debt Service** – debt service payment for the Redevelopment Agency’s 2009 bonds.
2. **California Infrastructure Loan** – debt service payment for the California Infrastructure Bank loan that was used to improve Hawthorne Boulevard.
3. **Successor Agency Staff and Supplies (Administrative Allowance)** – funding for staff and supplies needed to operate the Successor Agency.
4. **Successor Agency Audit** – funding for the preparation of the annual successor Agency Audit.
5. **Repayment of City Debt** – repayment of loans from the City to the Redevelopment agency
6. **Repayment of Debt to the Housing Fund** – repayment of money owed to the Low and Moderate Income Housing Fund by the former Lawndale Redevelopment Agency.
7. **Expenditure of Bond Proceeds** – use of bonds issued by the former Redevelopment Agency for capital projects in the City of Lawndale.
8. **Property Management and Relocation Services** – expenses related to the management of property of the former Redevelopment Agency and relocation of residents as required for capital projects.

Staff requests that the Oversight Board authorize staff to change the ROPS 14-15A and administrative budget if needed to satisfy requests from the DOF.

FUNDING

None required at this time.

RECOMMENDATION

Staff recommends that the Oversight Board adopt Resolution 2014-6 approving ROPS 14-15A, Resolution 2014-7 approving the Sixth Administrative Budget for the period, July 1 to December 31, 2014, and authorize staff to revise the ROPS 14-15A and the Sixth Administrative Budget as required by the California Department of Finance.

Attachments: ROPS 14-15 A
Administrative Budget
Resolution 2014-6
Resolution 2014-7

Exhibit 1

Successor Agency to the Lawndale Redevelopment Agency

Administrative Budget for the Period July 1 to December 31, 2014

ROPS 14-15 A Period

Personnel Costs

Community Development Department	60,900
Finance Department	49,100

Operations 5,000

Legal 10,000

Total Budget Costs 7/1/14 -12/31/14 125,000

RESOLUTION NO. 2014 -6

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWNSDALE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE JULY 1 – DECEMBER 31, 2014 SIX-MONTH FISCAL PERIOD (“ROPS 14-15 A”) AND MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to ABx1 26 (as amended by AB 1484, the "Dissolution Act"), the separate legal entity known as the Successor Agency of the Lawnsdale Redevelopment Agency (the "Successor Agency") must prepare "Recognized Obligation Payment Schedules" ("ROPS") that enumerate the enforceable obligations and expenses of the Successor Agency for each successive six-month fiscal period until the wind down and disposition of assets of the dissolved Lawnsdale Redevelopment Agency (the "Dissolved RDA") has been completed; and

WHEREAS, Successor Agency staff has prepared a ROPS for the six-month fiscal period commencing on July 1, 2014 and continuing through December 31, 2014 (the "ROPS 14-15A") substantially in the form attached hereto and incorporated herein as Exhibit "1"; and

WHEREAS, under the Dissolution Act, ROPS 14-15A must be approved by the Successor Agency's oversight board (the "Oversight Board") and submitted to the Department of Finance to enable the Successor Agency to continue to make payments on enforceable obligations; and

WHEREAS, pursuant to the Dissolution Act, the Oversight Board for the Successor Agency met at a duly noticed public meeting on February 20, 2014, to consider specific obligations listed on the ROPS 14-15A and to consider approval of ROPS 14-15A, among other approvals; and

WHEREAS, evidence was heard and presented from all persons interested in affecting ROPS 14-15A presented to and recommended for approval to the Oversight Board by Successor Agency staff, including written and oral comments from the public relating thereto, and the Oversight Board has reviewed, analyzed and studied the ROPS 14-15A.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWNSDALE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. Under Health and Safety Code Section 34180(g), the Oversight Board hereby approves ROPS 14-15A for the Successor Agency, including the agreements and obligations described in the ROPS 14-15A, attached hereto as Exhibit "1" and hereby determines that such agreements and obligations constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Act. In connection with such approval the Oversight Board makes the specific findings set forth below.

SECTION 3. The Oversight Board has examined the items contained on ROPS 14-15A and finds that each of them is necessary for the continued maintenance and preservation of property owned by the Successor Agency until disposition and liquidation, the continued administration of the ongoing agreements herein approved by the Oversight Board, or the expeditious wind-down of the affairs of the Dissolved RDA by the Successor Agency.

SECTION 4. The Successor Agency is authorized and directed to enter into any agreements and amendments to agreements consistent with the Dissolution Act and necessary to memorialize and implement the agreements and obligations in ROPS 14-15A.

SECTION 5. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post ROPS 14-15A on the Successor Agency website, transmit the ROPS 14-15A to the Auditor-Controller and the County Administrator of the County of Los Angeles and to the State Controller and the State Department of Finance (the "DOF"), and to take any other actions necessary to ensure the validity of the ROPS 14-15A and the validity of any enforceable obligation approved by the Oversight Board in this Resolution. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make such non-substantive revisions to the ROPS 14-15A as may be necessary to submit the ROPS 14-15A in any modified form required by the DOF, and the ROPS 14-15A as so modified shall thereupon constitute the ROPS 14-15A as approved by the Oversight Board pursuant to this Resolution.

SECTION 6. This Resolution shall be transmitted by Successor Agency staff to the Department of Finance and shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

PASSED, APPROVED AND ADOPTED this 20th day of February, 2014.

Chair

ATTEST:

State of California)
County of Los Angeles) SS
City of Lawndale)

I, Otis Ginoza, Secretary of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Successor Agency of the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 2014-6 at a regular meeting of said Successor Agency held on the 20th day of February, 2014, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Secretary

RESOLUTION NO. 2014 -7

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE LAWDALE REDEVELOPMENT AGENCY APPROVING THE
SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE
SIX-MONTH FISCAL PERIOD OF JULY1 TO DECEMBER 31, 2014
("SIXTH ADMINISTRATIVE BUDGET") AND MAKING RELATED FINDINGS AND
DECLARATIONS AND TAKING RELATED ACTIONS IN
CONNECTION THEREWITH**

WHEREAS, pursuant to ABx1 26 (as amended by AB 1484, the "Dissolution Act"), the separate legal entity known as the Successor Agency of the Lawndale Redevelopment Agency (the "Successor Agency") must prepare administrative budgets for its general administrative costs and expenses for upcoming six-month intervals; and

WHEREAS, the Successor Agency staff has prepared an administrative budget for the six-month fiscal period commencing on July 1, 2014, and continuing through December 31, 2014 (the "Sixth Administrative Budget") in substantially the form attached hereto and incorporated herein as Exhibit "1"; and

WHEREAS, the Successor Agency is entitled to an administrative cost allowance (the "Administrative Cost Allowance") pursuant to Health and Safety Code Sections 34171(b) and 34183(a)(3) in the minimum amount of \$250,000 per fiscal year; and

WHEREAS, the Successor Agency will utilize \$125,000 of its administrative allowance in the period from July 1, 2014 to December 31, 2014 and \$125,000 for administrative expenses during the period from January 1, 2015 to June 30, 2015; and

WHEREAS, under the Dissolution Act, the Sixth Administrative Budget must be submitted to the Oversight Board for the Successor Agency (the "Oversight Board") for approval; and

WHEREAS, pursuant to the Dissolution Act, the Oversight Board met at a duly noticed public meeting on February 20, 2014, to consider specific costs and expenses listed on the Sixth Administrative Budget and to consider approval of the Sixth Administrative Budget, among other approvals; and

WHEREAS, evidence was heard and presented from all persons interested in affecting the Sixth Administrative Budget presented to and recommended for approval to the Oversight Board by Successor Agency staff, including written and oral comments from the public relating thereto, and the Oversight Board has reviewed, analyzed and studied the Sixth Administrative Budget.

NOW, THEREFORE, THE OVERISGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and incorporated herein, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, and determinations set forth below.

SECTION 2. Under Health and Safety Code Section 34177(j) the Sixth Administrative Budget has been submitted by the Successor Agency for consideration by the Oversight Board.

SECTION 3. The Oversight Board hereby finds that the Sixth Administrative Budget supports an Administrative Cost Allowance to the Successor Agency for the period covered by the Sixth Administrative Budget in the minimum authorized amount of \$125,000 and approves the Sixth Administrative Budget attached hereto as Exhibit "1", and authorizes the Successor Agency to incur costs for the general administrative activities and functions described in the Sixth Administrative Budget.

SECTION 4. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post the Sixth Administrative Budget on the Successor Agency website, to transmit the Sixth Administrative Budget to the Auditor-Controller (the "Auditor-Controller") and the County Administrator of the County of Los Angeles and to the State Controller and the State Department of Finance, to inform the Auditor-Controller of the Administrative Cost Allowance in the amount of \$125,000 for the period covered by the Sixth Administrative Budget, and to take any other actions necessary to ensure the validity of the Sixth Administrative Budget and corresponding Administrative Cost Allowance.

SECTION 5. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

PASSED, APPROVED AND ADOPTED this 20th day of February, 2014.

Chair

ATTEST:

State of California)
County of Los Angeles) SS
City of Lawndale)

I, Otis Ginoza, Secretary of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Successor Agency of the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 2014-7 at a regular meeting of said Successor Agency held on the 20th day of February, 2014, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain: None

Secretary

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: Lawndale
 Name of County: Los Angeles

		Six-Month Total
Current Period Requested Funding for Outstanding Debt or Obligation		
A	Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):	
B	Bond Proceeds Funding (ROPS Detail)	\$ 2,410,000
C	Reserve Balance Funding (ROPS Detail)	2,410,000
D	Other Funding (ROPS Detail)	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	
F	Non-Administrative Costs (ROPS Detail)	\$ 1,600,224
G	Administrative Costs (ROPS Detail)	1,475,224
H	Current Period Enforceable Obligations (A+E):	
		\$ 4,010,224

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	1,600,224
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(11,000)
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 1,589,224

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	1,600,224
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	1,600,224

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

Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
1	Debt service payments for the Lawndale Redevelopment Agency's 2009 bonds. Approved by DOF on all prior ROPS.
2	Debt service payments for a 2002 California Infrastructure Bank loan to the Redevelopment Agency. Approved by DOF on all prior ROPS.
3	Successor Agency administrative allowance.
4	Disallowed item - This was an agreement to prepare the annual Agency audit. Disallowed by DOF as the contract was with the City rather than the Agency. The Successor Agency has entered into an agreement for the preparation of the annual audit. The new Successor Agency agreement is #28.
5	Housing DDR - this was an agreement to prepare the Housing DDR. This obligation has been paid (retired).
9	Disallowed - City and Agency had a reimbursement agreement for the construction of a park. City used a California Infrastructure Bank loan to pay for park construction. Agency reimbursed City each year for debt service until disallowed by DOF. The Successor Agency seeks to reinstate this obligation with #31.
10	Expenditure of bonds - Use of bond proceeds for construction of a Community Center. Initially disallowed by DOF. Approved for ROPS 13-14A by DOF after meet and confer in a letter dated May 17, 2013.
11	Disallowed item - payment of facade improvement costs for local business as part of a commercial rehabilitation program.
12	Disallowed item - payment of facade improvement costs for local business as part of a commercial rehabilitation program.
13	SERAF Deferral - In a letter dated May 13, 2013 DOF stated that no repayment of this item could take place on ROPS 13-14B but that a payment could take place for ROPS 14-15A. Approved by DOF on all prior ROPS. The May 13 letter was the result of a meet and confer and the letter states the Agency "may be able to request funding for the repayment of housing deferred set-aside loans beginning with ROPS 14-15A." Therefore we have met the requirement of 34178(a) that the restoration of funding for item #13 be the result of decisions made during the Meet and Confer process.
14	Disallowed - This item for the expenditure of bond proceeds was initially disallowed by DOF. Following the Agency receipt of a Finding of Completion, the DOF approved this item in a letter dated May 17, 2013. DOF subsequently disallowed this item again on ROPS 13-14B as bond expenditures are allowed by item #32.
15	Disallowed item - these City loans to the Redevelopment Agency were disallowed by the DOF. However, the Successor Agency has received a Finding of Completion and the City loans to the Agency have been relisted at items #33, #34, #35, #36, and #37.
16	
17	Disallowed item - see note for #15
18	Disallowed
19	Disallowed
20	Disallowed
21	Disallowed
22	Disallowed
23	Disallowed
24	Land development strategy for an Agency owned site needed for disposition of the property. Approved by DOF on ROPS 13-14A.
25	Appraisals needed for the disposition of an Agency owned site. Approved by DOF on ROPS 13-14A.
28	Audit agreement for preparation of Successor Agency Audit which is required as a condition of the loan described in #2. This item was initially disallowed on ROPS 13-14 B, but reinstated by DOF following a meet and confer as described in a DOF letter dated December 13, 2013.
29	Disallowed - Successor agency sought to reactivate City to Agency loans through the adoption of a new agreement combining old loan agreements. Disallowed by DOF in a letter dated October 18, 2013. Loans approved separately by the Oversight Board and are listed as items # 33, 34, 35, 36, and 37.
30	Successor Agency entered into an agreement with Overland Pacific and Cutler (OPC) for property management, relocation, and right of way services. OPC will provide relocation and right of way services for the development of a new park and be compensated with bond proceeds. The Agency may come into possession of a trailer court. OPC will provide management services to the Successor Agency for the trailer court and be compensated with retained rents. This item approved on ROPS 13-14B in a letter dated October 18, 2013.
31	The City and the Lawndale Redevelopment Agency entered into a reimbursement agreement in 2005 in which the City promised to build Hopper Park and the Redevelopment Agency promised to reimburse all expenses. The Hopper Park reimbursement was previously listed on the ROPS at #9 and was disallowed by DOF. In a letter dated December 18, 2012, DOF disallowed #9, indicated that the Successor Agency could reinstate the obligation after a Finding of Completion is issued to the Agency. The Agency received an FOC on April 12, 2013. The Oversight Board reinstated the Public Works Agreement, which obligated the Agency to pay the construction expenses of Hopper Park on May 30, 2013. The DOF approved the Oversight Board's reinstatement of the Public Works Agreement in a letter dated July 13, 2013. Approved by DOF on ROPS 13-14B.
32	Bond Cooperation Agreement - The City of Lawndale and Successor Agency entered into a cooperation agreement in which the City agreed to construct public improvements for the Successor Agency using redevelopment bond proceeds. The Oversight Board approved this agreement with Resolution 2013-9 and DOF reviewed and commented on Resolution 2013-9 in a letter dated July 23, 2013. This item approved by DOF on ROPS 13-14B.

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I						
									Fund Sources					
									Bond Proceeds		Reserve Balance		Other	RPTTF
Bonds Issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin									
Cash Balance Information by ROPS Period														
ROPS 13-14A Actuals (07/01/13 - 12/31/13)														
1	Beginning Available Cash Balance (Actual 07/01/13) Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)	7,634,244		906,005										
2	Revenue/Income (Actual 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013						1,171,953							
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs	297,769					1,160,953							
4	Retention of Available Cash Balance (Actual 12/31/13) Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A													
5	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs.													
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 7,336,475	\$ -	\$ 906,005	\$ -	\$ -	\$ -	\$ -	\$ -					
ROPS 13-14B Estimate (01/01/14 - 06/30/14)														
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 7,336,475	\$ -	\$ 906,005	\$ -	\$ -	\$ -	\$ -	\$ 11,000					
8	Revenue/Income (Estimate 06/30/14) Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014													
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)													
10	Retention of Available Cash Balance (Estimate 06/30/14) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B													
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 7,336,475	\$ -	\$ 906,005	\$ -	\$ -	\$ -	\$ -	\$ 11,000					

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.



OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY

14717 BURIN AVENUE, LAWDALE, CALIFORNIA 90260
PHONE (310) 973-3200, FAX (310) 644-4556
www.lawndalecity.org

DATE: February 20, 2014
TO: Honorable Chairman and Agency Members
FROM: Otis Ginoza, Deputy City Manager
Ken Louie, Finance Director
SUBJECT: SERAF Loan Repayment Schedule

BACKGROUND

During their existence, redevelopment agencies were required to deposit twenty percent of their annual revenue into a low and moderate income housing fund that was to be used for the provision of affordable housing. The State of California desired additional revenues for Fiscal Year 2009-2010 and required redevelopment agencies to provide payments to a Supplemental Educational Revenue Augmentation Fund (SERAF). Funds deposited into the SERAF were distributed to schools and the State of California reduced its funding of schools by an equal amount. Knowing that the abrupt shift of funds could create hardships for redevelopment agencies that had long term obligations, the State of California allowed redevelopment agencies to borrow money needed for the SERAF payment from their low and moderate income housing funds with the understanding that the redevelopment agencies would repay their housing fund over the next five years.

The Lawndale Redevelopment Agency (Agency) borrowed \$1,096,215 from its low and moderate income housing fund (Housing Fund). The Agency made one annual payment to its Housing Fund, but the repayments were halted by the dissolution of redevelopment. ABx1 26 ended redevelopment in California, but also recognized a redevelopment agency's debt to its housing fund as an enforceable obligation that could be repaid by the successor agency.

STAFF REVIEW

The Lawndale Successor Agency (Successor Agency) intends to repay the remaining \$816,730 Housing Fund debt to the housing successor agency which is the Lawndale Housing Authority. The Successor Agency has listed the SERAF housing debt on each ROPS including ROPS 14-15A. The California Department of Finance (DOF) recently distributed an e-mail (attached) which states that before a successor Agency may repay a SERAF debt, the Oversight Board must approve a repayment schedule

Attached Oversight Board Resolution 2014-8 approves a repayment schedule equal to the maximum amount allowed by HSC 34176(e)(6)(B). It is staff's best guess that the Successor Agency will be able

to fully repay the \$816,000 SERAF debt during FY 2014-2015 over the two six month ROPS periods (see Exhibit A to Resolution 2014-8). The repayment of the SERAF debt will provide \$816,000 to the Lawndale Housing Authority which will allow it to restart its affordable housing programs that were terminated by the end of redevelopment. AB 341 was signed by the Governor of California in October of 2013 and created new rules for the operation of housing successor agencies. The Lawndale Housing Authority will examine AB 341 to determine what affordable housing programs will be possible under the new legislation.

FUNDING

None required at this time.

RECOMMENDATION

Staff recommends that the Oversight Board adopt Resolution 2014-8, approving a repayment schedule for the Successor Agency's SERAF debt to the Low and Moderate Income Housing Fund.

Attachments: DOF January 31, 2014 e-mail
Resolution 2014-8

Otis Ginoza

From: RedevelopmentAdministration@dof.ca.gov
Sent: Friday, January 31, 2014 4:58 PM
Subject: SERAF loan repayments and/or deferrals

Follow Up Flag: Follow up
Flag Status: Red

Dear Successor Agencies:

On January 29, 2014, Finance e-mailed Successor Agencies providing guidance on former redevelopment agency (RDA)/sponsoring entity loan agreements. This sparked some inquiry related to the Supplemental Educational Revenue Augmentation Fund (SERAF) loan and deferral repayments.

HSC section 34191.4 (b) (2) (B) requires any outstanding amounts borrowed from or owed to the Low and Moderate Income Housing Fund (LMIHF) for purposes of the SERAF to be retired prior to requesting repayment for RDA/sponsoring entity loans. Pursuant to HSC section 34176 (e) (6) (B), the repayments related to SERAF are subject to the same formula restrictions as RDA/sponsoring entity loans. Specifically, the maximum repayment amount authorized each fiscal year shall be equal to one-half of the increase between "the amount distributed" to the taxing entities in that fiscal year and the amount distributed to taxing entities in the 2012-13 base year.

Further, pursuant to HSC section 34171 (d) (1) (G), amounts borrowed from, or payments owing to the LMIHF are enforceable obligations, provided the Agency's Oversight Board approves a repayment schedule. Therefore, a separate OB action is required, approving a repayment schedule for amounts due to the Low and Moderate Income Housing Asset Fund. Additionally, this OB action must be emailed individually to the RDA Administration email inbox at: Redevelopment_Administration@dof.ca.gov.

Since the repayment is restricted to the formula outlined in HSC section 34176 (e) (6) (B), Finance would not oppose to a repayment schedule that indicated the repayment amount for each fiscal year will be equal to the maximum amount allowed pursuant to HSC section 34176 (e) (6) (B).

Sincerely,

Department of Finance
Redevelopment AgencyAdministration
(916) 445-1546

RESOLUTION NO. 2014 -8

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
LAWNDALE SUCCESSOR AGENCY APPROVING A REPAYMENT SCHEDULE FOR
FUNDS BORROWED FROM THE LOW AND MODERATE INCOME HOUSING FUND**

WHEREAS, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*), the City Council of the City of Lawndale, activated the former Redevelopment Agency of the City of Lawndale (the "Former RDA") and adopted the Redevelopment Plan (the "Redevelopment Plan") for the Lawndale Economic Revitalization Project (the "Project"); and

WHEREAS, the California State Legislature enacted ABX4-26, which required redevelopment agencies to make certain payments to its county Supplemental Educational Revenue Augmentation Fund ("SERAF") in fiscal years 2009-2010 and 2010-2011; and

WHEREAS, Health and Safety Code Section 33334.2(k) provided that an agency could suspend all or part of its required allocation to the Low and Moderate Income Housing Fund ("Housing Fund") from July 1, 2009, to June 30, 2010 and required the repayment of the suspended payment over a maximum of five years; and

WHEREAS, the Former RDA elected to suspend its allocation to the Housing Fund for fiscal year 2009-2010, repaid a portion of the suspended Housing Fund allocation, but halted payments after the enactment of ABx1 26; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted, and the Governor signed, companion bills ABx1 26 and ABx1 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments. On December 29, 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of ABx1 26 and invalidated ABx1 27. The Court's decision resulted in the implementation of ABx1 26, which dissolved all redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, by operation of law under ABx1 26, the Successor Agency serves as the entity to which all powers and duties of the Former RDA inured, with the Successor Agency being charged primarily with the function of winding down the redevelopment activities of the Former RDA under AB 26; and

WHEREAS, ABx1 26 established that a debt of a former redevelopment agency to its housing fund was an enforceable obligation of the successor agency; and

WHEREAS, the California Department of Finance (DOF) has taken the position that before a successor agency may repay a debt to its housing fund its oversight board must adopt a repayment schedule; and

WHEREAS, HSC section 34191.4(b)(2)(B) restricts the repayment of housing fund debt to an amount equal to one-half of the increase between the amount distributed to the taxing entities in that fiscal year and the amount distributed to taxing entities in the 2012-13 base year.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The recitals above are true and correct and incorporated herein by this reference.

SECTION 2. That the Oversight Board approves a repayment schedule for the Housing Fund debt of the Former RDA in which the repayment for each fiscal year will be equal to the maximum amount allowed pursuant to HSC section 34176(e)(6)(B) as represented in Exhibit A.

SECTION 5. That, pursuant to California Health and Safety Code Section 34179(h), this action by the Lawndale Oversight Board shall be effective five business days from the date of this Resolution, pending a request for review by the California Department of Finance.

SECTION 6. The Finance Director of the Lawndale Successor Agency or the authorized designee is directed to post this Resolution on the Lawndale Successor Agency's website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 20th day of February, 2014.

Chair

ATTEST:

State of California)
County of Los Angeles) SS
City of Lawndale)

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 14-8 at a regular meeting of said Oversight Board held on the 20th day of February, 2014, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Secretary

Exhibit A

Loan Repayment Schedule Successor Agency Debt To the Low and Moderate Income Housing Fund

Current Loan Balance	\$816,730
Interest Rate	0.00%

	<u>Payments</u>
ROPS 14-15A	\$503,517
ROPS 14-15B	\$313,213

**MINUTES OF THE
LAWNDALE SUCCESSOR AGENCY
OVERSIGHT BOARD REGULAR MEETING
SEPTEMBER 9, 2013, 4:00 P.M.**

A. CALL TO ORDER

The regular meeting of the Lawndale Successor Agency Oversight Board was called to order at 4:02 p.m. in the City Hall council chamber, 14717 Burin Avenue, Lawndale, California by Board Member Stewart.

B. ROLL CALL

Board Members Present: Pat Flynn, Joann Higdon, Steve Mandoki, Michael Stewart, Greg Tsujiuchi, John Vinke, Barry Waite.

Also Present: Otis Ginoza, Lawndale Deputy City Manager, Ken Louie, Lawndale Finance Director

C. PLEDGE OF ALLEGIANCE

Flag Salute - led by Board Member Mandoki

D. ADMINISTRATION – NEW BUSINESS

1. UPDATE

Deputy City Manager Ginoza provided an update regarding the Successor Agency, and the Department of Finance since the last meeting.

2. ROPS 13-14B

Deputy City Manager Ginoza delivered staff report. Staff recommends that the Oversight Board adopt Resolution 2013-14 approving the Fifth Administrative Budget for the period, January 1 to June 30, 2014 and Resolution 2013-15 approving the ROPS 13-14B and authorize staff to revise the ROPS 13-14B and Fifth Administrative Budget as required by the California Department of Finance.

Board Member Tsujiuchi made a motion to adopt Resolution 2013-14 and 2013-15 as amended and seconded by Board Member Flynn. Motion carried unanimous.

3. REACTIVATE CITY LOAN AGREEMENTS

Deputy City Manager Ginoza delivered staff report. Staff recommends that the Oversight Board adopt Resolution 2013-16 approving the Amended and Restated Cooperation Agreement, finding that the loan indebtedness of the former Lawndale Redevelopment agency is an enforceable obligation and finding that the loans were for legitimate redevelopment purposes.

Board Member Flynn stated in addition to not knowing the maximum allowable loan payment we also do not know the interest rate calculation. **Deputy City Manager Ginoza** stated that legislation has said that the loan needs to be recalculated using the local agency investment fund rate; attorneys interpretation on this statement differs. **Deputy City Manager Ginoza** stated that on the advice of the city's attorney and auditor, a set of historical interest rates were used to recalculate the loan to meet the requirements.

Board Member Flynn asked if there will be a need for another meeting prior to February to approve a new schedule, in the event that there are changes from the Department of Finance. **Deputy City Manager Ginoza** stated that it will depend on when they respond.

Board Member Tsujiuchi made a motion to adopt Resolution 2013-16 with page number corrections and seconded by Board Member Stewart. Motion carried unanimously.

E. CONSENT CALENDAR

1. MINUTES OF JULY 25, 2013 MEETING

A motion by Board Member Vinke to approve the Minutes of July 25, 2013 and seconded by Board Member Higdon and carried unanimously.

F. PUBLIC COMMENTS

None

G. ITEMS FROM SECRETARY/ADMINISTRATIVE CLERK

None

H. ITEMS FROM BOARD MEMBERS

Board Member Higdon asked about the status on the lawsuit. **Deputy City Manager Ginoza** stated that the Lawndale Successor Agency has litigation against the Department of Finance (DOF) for items that were not allowed on their ROPS, the city has received additional correspondence that give the impression that the DOF may be in agreement. The city's counsel has called a meeting with the State Attorney General to confirm this; if the DOF is in agreement then the goal is to be able to resolve this without continuing the litigation.

Board Member Higdon requested to be notified if anything is resolved. **Deputy City Manager Ginoza** responded that the board will be notified.

I. ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 4:25 p.m.

Barry Waite, Chair

ATTEST:

Otis W. Ginoza, Deputy City Manager
/clc