

Lawndale Successor Agency
OVERSIGHT BOARD
REGULAR MEETING

AGENDA

September 4, 2013

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 ROPS 13-14B
 - 3. REACTIVATE CITY LOAN AGREEMENTS

- E. **CONSENT CALENDAR**
 - 1. MINUTES OF JULY 25, 2013, MEETING

- F. **PUBLIC COMMENTS**

- G. **ITEMS FROM SECRETARY/ADMINISTRATIVE CLERK**

- H. **ITEMS FROM BOARD MEMBERS**

- I. **ADJOURNMENT**

**Oversight Board Agenda
September 4, 2013**

The next scheduled Oversight Board meeting is **Thursday, February 13, 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 **August 28, 2013** 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 LAWNDALE REDEVELOPMENT AGENCY

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

DATE: September 3, 2013

TO: Honorable Chairman and Agency Members

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

SUBJECT: Approve Recognized Obligation Payment Schedule 13-14 B

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 three 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)

STAFF REVIEW

The next ROPS, ROPS 13-14 B (January 1, 2014 to June 30, 2014) must be submitted to the DOF by October 1, 2013. Along with the ROPS, the Successor needs to approve an administrative budget (attached) for the January to June 2014 period.

ROPS 13-14 B 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.

Staff requests that the Oversight Board authorize staff to change the ROPS 13-14 B, administrative budget and cash flow projection if needed to satisfy requests from the DOF.

FUNDING

None required at this time.

RECOMMENDATION

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 13-14 B and authorize staff to revise the ROPS 13-14 B and Fifth Administrative Budget as required by the California Department of Finance.

Attachments: ROPS 13-14 B
Administrative Budget
Resolution 2013-14
Resolution 2013-15

RESOLUTION NO. 2013 -14

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE LAWNSDALE REDEVELOPMENT AGENCY APPROVING THE
SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE
SIX-MONTH FISCAL PERIOD OF JANUARY 1 – JUNE 30, 2014
("FIFTH 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 Lawnsdale 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 January 1, 2013, and continuing through June 30, 2014 (the "Fifth 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 January 1, 2014 to June 30, 2014 and \$125,000 for administrative expenses during the period from July 1, 2014 to December 31, 2014; and

WHEREAS, under the Dissolution Act, the Fifth 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 September 4, 2013, to consider specific costs and expenses listed on the Fifth Administrative Budget and to consider approval of the Fifth Administrative Budget, among other approvals; and

WHEREAS, evidence was heard and presented from all persons interested in affecting the Fifth 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 Fifth Administrative Budget.

**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 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 Fifth Administrative Budget has been submitted by the Successor Agency for consideration by the Oversight Board.

SECTION 3. The Oversight Board hereby finds that the Fifth Administrative Budget supports an Administrative Cost Allowance to the Successor Agency for the period covered by the Fifth Administrative Budget in the minimum authorized amount of \$125,000 and approves the Fifth 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 Fifth 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 Fifth Administrative Budget on the Successor Agency website, to transmit the Fifth 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 Fifth Administrative Budget, and to take any other actions necessary to ensure the validity of the Fifth 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 4th day of September, 2013.

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. 2013-14 at a regular meeting of said Successor Agency held on the 4th day of September, 2013, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain: None

Secretary

Exhibit 1

Successor Agency to the Lawndale Redevelopment Agency

Administrative Budget for the Period January 1 to June 30, 2014

ROPS 13-14 B Period

Personnel Costs

Community Development Department	60,900
Finance Department	44,100

Operations	10,000
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Legal	10,000
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Total Budget Costs 1/1/14 -6/30/14	125,000
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RESOLUTION NO. 2013 -15

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE LAWDALE REDEVELOPMENT AGENCY APPROVING THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE
JANUARY 1 – JUNE 30, 2014 SIX-MONTH FISCAL PERIOD
("ROPS 13-14 B") 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 "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 Lawndale 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 January 1, 2014 and continuing through June 30, 2013 (the "ROPS 13-14 B") substantially in the form attached hereto and incorporated herein as Exhibit "1"; and

WHEREAS, under the Dissolution Act, ROPS 13-14 B 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 September 4, 2013, to consider specific obligations listed on the ROPS 13-14 B and to consider approval of ROPS 13-14 B, among other approvals; and

WHEREAS, evidence was heard and presented from all persons interested in affecting ROPS 13-14 B 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 13-14 B.

**NOW, THEREFORE, THE OVERSIGHT 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, 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 13-14 B for the Successor Agency, including the agreements and obligations described in the ROPS 13-14 B, 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 13-14 B 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 the Fourth ROPS.

SECTION 5. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post ROPS 13-14 B on the Successor Agency website, transmit the ROPS 13-14 B 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 13-14 B 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 13-14 B as may be necessary to submit the ROPS 13-14 B in any modified form required by the DOF, and the ROPS 13-14 B as so modified shall thereupon constitute the ROPS 13-14 B 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 4th day of September, 2013.

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. 2013-15 at a regular meeting of said Successor Agency held on the 4th day of September, 2013, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Secretary

Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary

Filed for the January 1, 2014 through June 30, 2014 Period

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

		Six-Month Total
Current Period Requested Funding for Outstanding Debt or Obligation		
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A	Sources (B+C+D):	
B	Bond Proceeds Funding (ROPS Detail)	\$ 12,280,000
C	Reserve Balance Funding (ROPS Detail)	12,225,000
D	Other Funding (ROPS Detail)	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 726,667
F	Non-Administrative Costs (ROPS Detail)	601,667
G	Administrative Costs (ROPS Detail)	125,000
H	Current Period Enforceable Obligations (A+E):	\$ 13,006,667

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	726,667
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	(1,270)
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 725,397

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	726,667
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	726,667

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.

Barry Waite
 Name
 /s/
 Signature

Title
 Date

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(1), 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.

A	B	C	D	E	F	G	H	I	J
		Bond Proceeds		Reserve Balance		Other		RPTTF	
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin	Total
Fund Balance Information by ROPS Period									
ROPS III Actuals (01/01/13 - 6/30/13)									
1	Beginning Available Fund Balance (Actual 01/01/13) Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)	6,101,698			1,515,281		1,140,936	100,000	8,657,915
2	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller								
3	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs								
4	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III						1,144,569	100,000	1,244,569
5	ROPS III RPTTF Prior Period Adjustment Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.			No entry required			1,270		1,270
6	Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)	\$ 6,101,698	\$ -	\$ -	\$ 1,515,281	\$ -	\$ (4,903)	\$ -	\$ 7,612,076
ROPS 13-14A Estimate (07/01/13 - 12/31/13)									
7	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)	\$ 6,101,698	\$ -	\$ -	\$ 1,515,281	\$ -	\$ (3,633)	\$ -	\$ 7,613,346
8	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller						1,046,953	125,000	1,171,953
9	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)						1,046,953	125,000	1,171,953
10	Retention of Available Fund Balance (Estimate 12/31/13) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A								
11	Ending Estimated Available Fund Balance (7 + 8 - 9 - 10)	\$ 6,101,698	\$ -	\$ -	\$ 1,515,281	\$ -	\$ (3,633)	\$ -	\$ 7,613,346

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation \$	Retired	Bond Proceeds \$	Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) Reserve Balance \$	Other Funds	Non-Admin	Admin	Six-Month Total
1	2009 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	9/21/2009	2/1/2045	Wells Fargo	Bond Debt Service	LERP	13,006,687	N	12,225,000	-	95,000	601,667	125,000	13,006,687
2	Hawthorne Blvd Bank Loan	Third-Party Loans	7/15/2002	8/1/2032	Wells Fargo	California state infrastructure loan	LERP	1,501,128	N	-	-	-	27,986	-	27,986
3	Successor Agency Administration	Admin Costs	10/16/2006	12/31/2014	City of Lawndale	Successor Agency staff and supplies	LERP	250,000	N	-	-	-	-	-	250,000
4	Agency audit	Professional Services	9/26/2012	6/30/2013	Caporicci & Larson	Redevelopment Agency Audit	LERP	35,000	N	-	-	-	4,903	125,000	125,000
5	34179.5 Review - Housing	Dissolution Audits	9/26/2012	6/30/2013	Caporicci & Larson	AB 1484 due diligence review of housing funds	LERP	4,903	N	-	-	-	-	-	4,903
6	34179.5 Review - Other	Dissolution Audits	9/26/2012	6/30/2013	Caporicci & Larson	AB 1484 due diligence review of other housing funds	LERP	-	Y	-	-	-	-	-	-
7	PY 2012 Statutory Pass-through	Miscellaneous	7/1/2011	2/1/2012	Multiple taxing entities	Unpaid portion of pass-through payments FY 2012	LERP	-	Y	-	-	-	-	-	-
8	City/County Loans	City/County Loans	4/4/1991	8/1/2029	City of Lawndale	Startup loan from City to Redevelopment Agency	LERP	-	Y	-	-	-	-	-	-
9	Hopper Park Bank Loan	City/County Loans	7/1/2010	8/1/2029	Calif Infra Bank	Cal Infrastructure Bank loan to build a park	LERP	-	N	-	-	-	-	-	-
10	Lawndale Community Center	Improvement/Infrastr	6/28/2010	2/1/2045	City of Lawndale	Construct new community center	LERP	2,800,000	N	200,000	-	-	-	-	2,000,000
11	Commercial Rehab Program	Improvement/Infrastr	9/15/2010	10/4/2011	Paul Lei	CRP 30 Commercial Rehabilitation construction contract	LERP	-	N	-	-	-	-	-	-
12	Commercial Rehab Program	Improvement/Infrastr	10/28/2010	10/4/2011	Hagop C. Aparahamian	CRP 31 Commercial Rehabilitation construction contract	LERP	-	N	-	-	-	-	-	-
13	SEFAF Deferral	SEFAF/ERAF	2/16/2010	7/1/2027	Lawndale Housing Authority	Payment of SERAF housing fund	LERP	616,730	N	-	-	-	-	-	616,730
14	Expenditure of Bond Proceeds	Improvement/Infrastr	2/16/2010	7/1/2027	Blank	Use of unexpended bond proceeds - parks and streets	LERP	6,000,000	N	6,000,000	-	-	-	-	-
15	Repayment of City Loans	City/County Loans	7/1/2011	7/1/2045	City of Lawndale	Loan of City funds to Redevelopment Agency	LERP	-	N	-	-	-	-	-	-
16	Item withdrawn	City/County Loans	On or Before 6/27/11	7/1/2027	Item withdrawn	Loan of City funds to Redevelopment Agency	LERP	-	N	-	-	-	-	-	-
17	Repayment of City Loans	City/County Loans	On or Before 6/27/11	7/1/2027	City of Lawndale	Loan of City funds to Redevelopment Agency	LERP	-	N	-	-	-	-	-	-
18	Hawthorne/Mannhattan Development Site	Professional Services	7/9/2011	7/1/2014	OPC	Management of mobile home park	LERP	-	N	-	-	-	-	-	-
19	Mobile Home Park Closure	Property Dispositions	7/9/2011	7/1/2014	Mobile Home Park Tenants	Mobile Home Park Relocation Costs	LERP	-	N	-	-	-	-	-	-
20	Mobile Home Park Closure	Property Dispositions	7/9/2011	7/1/2014	OPC	relocation consulting for mobile home park	LERP	-	N	-	-	-	-	-	-
21	Mobile Home Park Closure	Property Dispositions	7/9/2011	7/1/2014	To be selected	demo mobile home park improvements	LERP	-	N	-	-	-	-	-	-
22	Mobile Home Park Closure	Property Dispositions	7/9/2011	7/1/2014	To be selected	CEQA and RIR for mobile home park closing	LERP	-	N	-	-	-	-	-	-
23	Mobile Home Park Closure	Property Dispositions	7/9/2011	7/1/2014	City of Lawndale	project management for mobile home park closure	LERP	-	N	-	-	-	-	-	-
24	Disposition of Agency Property	Property Dispositions	7/9/2011	7/1/2014	Keyser Marlon	land disposal strategy for successor agency	LERP	5,000	N	-	-	-	5,000	-	5,000
25	Disposition of Agency Property	Property Dispositions	7/9/2011	7/1/2014	To be selected	Appraisals of agency owned property	LERP	6,000	N	-	-	-	6,000	-	6,000
26	Redevelopment Agency Salaries	Admin Costs	10/16/2006	7/1/2016	City of Lawndale	Jan 2012 Agency staff costs	LERP	116,448	Y	-	-	-	-	-	-
27	Successor Agency Administration	Admin Costs	10/16/2006	7/1/2016	City of Lawndale	Jan 2012 housing staff costs	LERP	12,598	Y	-	-	-	-	-	-
28	SA Audit Agreement	Professional Services	7/19/2013	7/1/2016	Caporicci & Larson	prepare annual Successor Agency audit	LERP	35,000	N	-	-	-	35,000	-	35,000
29	Amend Rentat Cooperation Agmt	City/County Loans	7/19/2013	7/1/2016	City of Lawndale	Amend city loans to change interest rate and payment schedule	LERP	20,184,205	N	-	-	-	-	-	-
30	Proper Management, Relocation, & Right of Way	Professional Services	7/19/2013	7/1/2016	Overland Pacific & Cutler	Provide property management, relocation and right of way services	LERP	80,000	N	-	-	55,000	-	-	80,000
31	Public Works Agreement	City/County Loans	5/8/2013	7/1/2016	City of Lawndale	Renstar reimbursement agreement with City	LERP	704,739	N	-	-	-	-	-	704,739

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 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. Actual expenses for the prior period exceeded the ROPS estimate by \$4,903.
6	Retired item - this was an agreement to prepare the All Other Funds DDR. Project completed.
7	Disallowed - Statutory pass-through payment. DOF disallowed this item as Los Angeles County decided to make the payment themselves.
8	Retired item - this obligation was a loan made by the City to the Agency during its first two years. The loan has been fully repaid to the City.
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 - DOF has determined that no repayment of this item may take place until ROPS 14-15A. Approved by DOF on all prior ROPS.
14	Expenditure of Bond proceeds - 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.
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 seeks to reinstate this loan through the approval of an Amended and Restated Loan Agreement that recalculates the balances using the LIEF rate. The restated loan agreement is item #29 on this ROPS.
16	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 seeks to reinstate this loan through the approval of an Amended and Restated Loan Agreement that recalculates the balances using the LIEF rate. The restated loan agreement is item #29 on this ROPS.
17	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 seeks to reinstate this loan through the approval of an Amended and Restated Loan Agreement that recalculates the balances using the LIEF rate. The restated loan agreement is item #29 on this ROPS.
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.
26	Redevelopment Agency salaries paid during January of 2012 - this item was disallowed on ROPS I. Subsequently approved by DOF on ROPS III.
27	Salaries paid to redevelopment staff during January of 2012 - this item was disallowed on ROPS I. DOF approved this item following a meet and confer on ROPS III in a letter dated May 17, 2013.
28	New item - the Successor Agency and Caporicci and Larson entered into an agreement to prepare the annual Successor Agency audit. This agreement replaces #4. The new agreement has been approved by the Oversight Board and submitted to DOF. On August 13, 2013, DOF sent Lawndale an email stating that it would not be reviewing the Oversight Board approval of the new audit contract. On December 16, 2012, the DOF sent Lawndale a letter which included a statement that the cost of the annual audit is no longer considered an administrative cost item.
29	New item - The City and Agency entered into an Amended and Restated Cooperation Agreement which was approved by the Oversight Board. This agreement amends prior City to Agency loan agreements to add a new repayment schedule and recalculate the balances using the LIEF rate as required by AB 1484. The Agency has received a Finding of Completion. This agreement replaces items #15 and #17.
30	New item - the 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.

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item # Notes/Comments

31 New Item - 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.



ITEM D-3

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: September 3, 2013

TO: Honorable Chairman and Agency Members

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

SUBJECT: Approve Resolution Approving the Amended and Restated Cooperation Agreement Between the Successor Agency and the City

BACKGROUND

During the former Lawndale Redevelopment Agency's (Agency) existence it borrowed money from the 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 a 1991 Cooperation and Loan Agreement, a 1998 Loan Agreement, a 2000 Cooperation Agreement, a 2000 Cooperation and Loan Agreement, a 2009 Loan Agreement, a 2009 Purchase and Loan Agreement, and a 2011 Restated Cooperation and Loan Agreement and other previous agreements.

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 Lawndale Redevelopment Agency borrowed funds from the City to pay for staff, environmental reviews and the studies required to establish Lawndale's one redevelopment project area.

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 all of the currently 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 Redevelopment Agency.

STAFF REVIEW

AB 1484 contained a number of requirements for the repayment of redevelopment loans to the City. Some cities loaned funds to their redevelopment agencies with very low or no interest rates and other cities loaned funds using high interest rates. The City of Lawndale loaned money to its redevelopment agency using different interest rates. AB 1484 requires all cities and successor agencies to recalculate the city loans using the interest rate paid by the Local Agency Investment Fund (LAIF). There is some disagreement between cities and the DOF as to how to properly apply the LAIF rate when recalculating loans and it may be some months before the correct method is established.

The balance of the City loans to the Lawndale Redevelopment Agency was \$20,194,205.75 as of June 30, 2013. The loan balance was calculated using the LAIF interest rate and a method that staff believes most likely reflects the intent of AB 1484.

AB 1484 also includes a formula which sets a cap on the maximum annual successor agency loan payment to a city. The formula uses variables such as the annual amount of property tax generated by the project area which can vary from year to year and can be difficult to predict with precision.

As described on the attached Projected Loan Payments for Agency to City, the first annual loan payments from the Successor Agency to the City will be approximately \$981,000 on July 1, 2014. AB 1484 states that some of the money paid to the City is used for affordable housing. When redevelopment ended, the Agency had a debt to its housing fund in the amount of \$816,730. The first \$816,730 that the City receives from the Successor Agency must be paid to the Housing Successor Agency (Lawndale Housing Authority) to retire the debt to the housing fund. Thereafter, each payment from the Successor Agency is divided with 80% to the City's General Fund and 20% to the Housing Successor Agency to be used for affordable housing. The division of payments between the City General Fund and the Housing Successor Agency are also shown on the projection.

The Successor Agency cannot simply reactivate the old loan agreements between the Redevelopment Agency and the City of Lawndale. The old loan agreements do not contain the interest rate requirements or the maximum loan payment formulas required by AB 1484. Therefore, on September 3, 2013, the City of Lawndale and the Successor Agency approved an Amended and Restated Cooperation Agreement to replace the multiple cooperation agreements.

The Amended and Restated Cooperation Agreement requires the approval of the Oversight Board and the DOF. For the Amended and Restated Cooperation Agreement to be valid, the Oversight Board must find that loans that make up the Agreement are enforceable obligations and that the loans were made for legitimate redevelopment purposes.

FUNDING

None required at this time.

RECOMMENDATION

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.

Attachments: Resolution 2013-16
Amended and Restated Cooperation Agreement
Tax Increment Projection
Projection of Payments from the Successor Agency to the City

Projected Loan Payments from Agency to City

Fiscal Year Payment	To Housing Fund		To General Fund
	SERAF	20% Set aside	
2012-13			
2013-14			
2014-15	\$981,536	\$816,730	\$32,961
2015-16	\$1,126,850		\$225,370
2016-17	\$1,187,999		\$237,600
2017-18	\$1,251,054		\$250,211
2018-19	\$1,315,911		\$263,182
2019-20	\$1,382,420		\$276,484
2020-21	\$1,448,195		\$289,639
2021-22	\$1,518,266		\$303,653
2022-23	\$1,587,673		\$317,535
2023-24	\$1,659,238		\$331,848
2024-25	\$1,730,585		\$346,117
2025-26	\$1,806,541		\$361,308
2026-27	\$1,882,423		\$376,485
2027-28	\$1,958,419		\$391,684
2028-29	\$733,615		\$146,723

RESOLUTION NO. 2013 -16

**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 IS AN
ENFORCEABLE OBLIGATION OF THE LAWNDALE SUCESSOR AGENCY, FINDING
THAT THE LOAN WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND
APPROVING THE AMENDED AND RESTATED COOPERATION AGREEMENT BETWEEN
THE CITY OF LAWNDALE AND THE SUCCESSOR AGENCY TO THE LAWNDALE
REDEVELOPMENT AGENCY INCLUDING THE REPAYMENT SCHEDULE FOR THE
LOAN**

WHEREAS, the Former Lawndale Redevelopment Agency (“Former RDA”) and the City of Lawndale (“City”) entered into a 1991 Cooperation and Loan Agreement, a 1998 loan agreement, a 2000 Cooperation Agreement, a 2000 Cooperation and Loan Agreement, a 2009 loan agreement, a 2009 purchase and loan agreement, and a 2011 restated cooperation and loan agreement and other previous agreements (collectively, the “Cooperation Agreements”); and

WHEREAS, the Successor Agency to the Lawndale Redevelopment Agency (“Successor Agency”) received a Finding of Completion from the California Department of Finance on April 12, 2013; and

WHEREAS, Health and Safety Code Section 34191.4(b) provides that, after a successor agency has received a finding of completion and upon application by the redevelopment agency and approval by the oversight board, loans between the redevelopment agency and its sponsoring city shall be deemed enforceable obligations, and thus payable from Real Property Tax Trust Funds over time, subject to certain limitations; 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, Health and Safety Code Section 34191.4(b) requires that reinstated loans must have a payment schedule and the loans balances must be recalculated using a method described in Section 34191.4(b); and

WHEREAS, on September 3, 2013, the City and Successor Agency approved an Amended and Restated Cooperation Agreement that set a payment schedule and recalculated the loan balance as required by Health and Safety Code Section 34191.4(b)

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

SECTION 1. The Oversight Board hereby finds (1) that the City advanced funds under the Cooperation Agreements 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); (4) that these funds were used for legitimate redevelopment purposes for the reasons set forth above and in the Amended and Restated Cooperation

Agreement accompanying this Resolution; and (5) that the interest rate and repayment schedule adopted by the Successor Agency and the City conforms to the requirements of Health and Safety Code Section 34191.4(b) as to the repayment of loan indebtedness principle and interest based on the reasons set forth in the Amended and Restated loan Agreement accompanying this Resolution.

SECTION 2. 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), and approves the Amended and Restated Cooperation Agreement which includes a loan repayment schedule and is attached to this Resolution as Exhibit A, based on the reasons and analysis set in the Amended and Restated Cooperation Agreement.

SECTION 3. The Oversight Board approves the loan amount of \$20,194,205.75 as of June 30, 2013, as an enforceable obligation based on the balance recalculated from the origination of the loan at the interest rate earned by funds deposited into the Local Agency investment Fund as required under HSC Section 34191.4

SECTION 3. 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 4. 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 4th day of September, 2013.

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. 13-16
at a regular meeting of said Oversight Board held on the 4th day of September, 2013, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Secretary

**Lawndale Successor Agency
Economic Revitalization Redevelopment Project
PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**

	Total	Taxable Value		Gross Tax Revenue	SB 2557 Charge	AB 1290 Statutory Tax Sharing			Net Tax Revenues	Projected ROPS Amount ⁽²⁾	Projected ROPS Amount ⁽²⁾	Successor Agency Admin. Allowance	Estimated Residual Revenue	Available for Repayments from Residual Revenue	
		Over Base	510,814,913			Tier 1	Tier 2	Tier 3							
1	2012-13	991,018,817	480,204,804	4,809,741	(70,925)	(961,948)	0	0	3,776,867	(1,046,953)	(888,206)	(250,000)	1,963,564	981,536	
2	2013-14	1,010,496,954	498,682,941	5,004,522	(73,798)	(1,000,904)	(23,121)	0	3,906,699	(895,303)	(901,621)	(250,000)	2,254,212	1,126,850	
3	2014-15	1,030,364,655	519,550,642	5,203,199	(76,727)	(1,040,640)	(56,449)	0	4,029,333	(907,445)	(912,782)	(250,000)	2,376,510	1,187,999	
4	2015-16	1,050,629,709	539,815,696	5,405,850	(79,716)	(1,081,170)	(90,554)	0	4,154,420	(912,782)	(922,945)	(250,000)	2,502,620	1,251,054	
5	2016-17	1,071,300,064	560,486,051	5,612,563	(82,764)	(1,122,511)	(102,601)	0	4,282,008	(922,945)	(927,451)	(250,000)	2,632,334	1,315,911	
6	2017-18	1,092,383,826	581,569,813	5,823,391	(85,873)	(1,164,678)	(106,691)	0	4,412,149	(927,451)	(936,803)	(250,000)	2,766,352	1,382,420	
7	2018-19	1,113,889,264	603,073,251	6,038,445	(89,044)	(1,207,689)	(106,820)	0	4,544,892	(936,803)	(945,450)	(250,000)	2,896,901	1,448,195	
8	2019-20	1,135,824,810	625,010,797	6,257,801	(92,279)	(1,251,560)	(107,009)	0	4,680,290	(945,450)	(955,365)	(250,000)	3,037,044	1,516,266	
9	2020-21	1,158,199,068	647,385,055	6,481,543	(95,578)	(1,296,309)	(107,261)	0	4,818,396	(955,365)	(965,388)	(250,000)	3,175,888	1,587,673	
10	2021-22	1,181,020,810	670,206,797	6,709,761	(98,943)	(1,341,952)	(107,513)	0	4,959,264	(965,388)	(977,082)	(250,000)	3,318,988	1,659,238	
11	2022-23	1,204,298,988	693,484,975	6,942,542	(102,376)	(1,388,508)	(107,765)	0	5,102,949	(977,082)	(987,312)	(250,000)	3,461,681	1,730,585	
12	2023-24	1,228,042,728	717,228,715	7,179,980	(105,977)	(1,435,966)	(108,017)	0	5,249,509	(987,312)	(997,546)	(250,000)	3,613,594	1,806,541	
13	2024-25	1,252,261,344	741,447,331	7,422,166	(109,449)	(1,484,433)	(108,269)	0	5,398,999	(997,546)	(1,007,780)	(250,000)	3,765,359	1,882,423	
14	2025-26	1,276,964,332	766,150,319	7,669,196	(113,091)	(1,533,839)	(108,521)	0	5,551,479	(1,007,780)	(1,017,014)	(250,000)	3,917,350	1,958,419	
15	2026-27	1,302,161,380	791,347,367	7,921,166	(116,807)	(1,584,233)	(108,773)	0	5,707,009	(1,017,014)	(1,027,248)	(250,000)	4,073,801	2,036,644	
16	2027-28	1,327,862,369	817,048,356	8,178,176	(120,597)	(1,635,635)	(109,025)	0	5,865,649	(1,027,248)	(1,037,482)	(250,000)	4,234,778	2,117,133	
17	2028-29	1,354,077,377	843,263,364	8,440,326	(124,463)	(1,688,065)	(109,277)	0	6,027,462	(1,037,482)	(1,047,726)	(250,000)	4,400,338	2,199,913	
18	2029-30	1,380,816,686	870,002,673	8,707,719	(128,406)	(1,741,544)	(109,529)	0	6,192,512	(1,047,726)	(1,057,970)	(250,000)	4,565,759	2,272,623	
19	2030-31	1,408,090,780	897,276,767	8,980,460	(132,428)	(1,796,092)	(109,781)	(30,547)	6,330,315	(1,057,970)	(1,068,214)	(250,000)	4,731,350	2,346,678	
20	2031-32	1,435,910,357	925,096,344	9,258,656	(136,530)	(1,851,731)	(110,033)	(61,705)	6,470,875	(1,068,214)	(1,078,458)	(250,000)	4,897,801	2,421,619	
21	2032-33	1,464,286,325	953,472,312	9,542,416	(140,714)	(1,908,483)	(110,285)	(93,486)	6,610,245	(1,078,458)	(1,088,702)	(250,000)	5,064,252	2,497,660	
22	2033-34	1,493,229,813	982,415,800	9,831,851	(144,982)	(1,966,370)	(110,537)	(125,903)	6,760,483	(1,088,702)	(1,098,946)	(250,000)	5,231,703	2,573,801	
23	2034-35	1,522,752,170	1,011,938,157	10,127,074	(149,336)	(2,025,415)	(110,789)	(158,968)	6,909,646	(1,098,946)	(1,109,190)	(250,000)	5,400,154	2,650,042	
24	2035-36	1,552,864,975	1,042,050,962	10,428,202	(153,776)	(2,085,640)	(111,041)	(192,694)	7,061,792	(1,109,190)	(1,119,434)	(250,000)	5,570,605	2,726,283	
25	2036-37	1,583,580,035	1,072,766,022	10,735,353	(158,306)	(2,147,071)	(111,293)	(227,095)	7,216,981	(1,119,434)	(1,129,678)	(250,000)	5,742,056	2,802,524	
26	2037-38	1,614,909,397	1,104,095,384	11,048,647	(162,925)	(2,209,729)	(111,545)	(262,184)	7,375,274	(1,129,678)	(1,139,922)	(250,000)	5,913,507	2,878,765	
27	2038-39	1,646,865,346	1,136,051,333	11,368,206	(167,638)	(2,273,641)	(111,797)	(297,974)	7,536,733	(1,139,922)	(1,149,166)	(250,000)	6,084,958	2,954,006	
28	2039-40	1,679,460,414	1,168,646,401	11,694,157	(172,444)	(2,338,831)	(112,049)	(334,481)	7,701,422	(1,149,166)	(1,159,410)	(250,000)	6,256,409	3,029,247	
29	2040-41	1,712,707,384	1,201,893,371	12,026,626	(177,348)	(2,405,325)	(112,301)	(371,718)	7,869,402	(1,159,410)	(1,169,654)	(250,000)	6,427,860	3,104,488	
30	2041-42	1,746,619,292	1,235,805,279	12,365,745	(182,348)	(2,473,149)	(112,553)	(409,699)	8,040,743	(1,169,654)	(1,179,898)	(250,000)	6,600,311	3,179,729	
31	2042-43	1,781,209,439	1,270,395,426	12,711,647	(187,448)	(2,542,329)	(112,805)	(448,440)	8,215,511	(1,179,898)	(1,189,142)	(250,000)	6,772,762	3,254,970	
32	2043-44 ⁽¹⁾	1,816,491,389	1,305,677,376	13,064,466	(192,651)	(2,612,893)	(113,057)	(487,956)	8,393,775	(1,189,142)	(1,199,386)	(250,000)	6,945,213	3,330,211	
										272,991,585	(4,025,585)	(54,596,317)	(19,707,752)	(3,502,849)	191,157,082

(1) Last date to received tax increment revenue is June 21, 2044.
(2) The Successor Agency must insert the projected ROPS for each fiscal year as a negative number.
Please be aware that the July-December ROPS cycle overlaps the prior fiscal year to some degree.
Tax revenues and pass through amounts are based on the full fiscal year.

AMENDED AND RESTATED COOPERATION AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT (this "Agreement") is entered into as of _____, 2013, by and between the **CITY OF LAWDALE** (herein the "City") and the **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LAWDALE** (herein the "Agency").

RECITALS

A. 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").

B. 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.

C. During the Former RDA's existence, the Former RDA and the City entered into a 1991 cooperation and loan agreement, a 1998 loan agreement, a 2000 cooperation agreement, a 2000 cooperation and loan agreement, a 2009 loan agreement, a 2009 purchase and loan agreement, and a 2011 restated cooperation and loan agreement and other previous agreements (collectively, the "Cooperation Agreements").

D. 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.

E. 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.

F. 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 Cooperation Agreements between the Former RDA and the City were deemed by the State Department of Finance ("DOF") to be invalid.

G. Even though DOF considers the Cooperation Agreements 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

**City of Lawndale/Successor Agency
Cooperation Agreement
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board makes a finding that the loan was for legitimate redevelopment purposes.” (Health & Safety Code § 34191.4(b)(1).

H. The Cooperation Agreements were for legitimate redevelopment purposes. Pursuant to Health & Safety Code § 33220, any public body was authorized 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. Pursuant to Health & Safety Code § 33220 and municipal police powers, cities had 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. Pursuant to Health & Safety Code § 33126(b), redevelopment agencies were allowed 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. These are the precise purposes for which the Cooperation Agreements between the City and the Former RDA were developed and implemented.

I. On April 12, 2013, the Agency received a “finding of completion” from the DOF. On September 12, 2013, the Agency will have applied to the Lawndale Oversight Board to have the Cooperation Agreements established as enforceable obligations. The parties anticipate the Oversight Board will take action finding the loans made under the Cooperation Agreements were for legitimate redevelopment purposes and therefore qualify as enforceable obligations under Health & Safety Code § 34191.4.

J. The City and the Agency desire to enter into this Agreement to restate the terms of the Cooperation Agreements for the following reasons:

(1) To restate loan terms to include the limitations on interest, requirements of a set repayment schedule and other requirements applicable to interagency loans under Health & Safety Code § 34191.4;

(2) To set forth activities, services, and facilities which the City will render for, and make available to, the Agency in furtherance of the enforceable obligations of the Agency under AB 26 and the Community Redevelopment Law;

(3) To provide for the Agency to reimburse the City for actions undertaken and costs and expenses incurred by City in the course of performing enforceable obligations for and on behalf of the Agency; and

(4) To provide for the City’s assistance in delivering certain public improvements in the implementation of the Agency’s enforceable obligations.

NOW, THEREFORE, based upon all the foregoing, the parties agree as follows:

1. Provision of Staff & Services. The City agrees to provide for the Agency such staff assistance, supplies, technical services, and other services and facilities of the City as the Agency may require in carrying out its functions and duties to perform enforceable

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obligations. Such assistance and services may include the services of officers and employees and special consultants.

2. Purpose of Cooperation Agreement Loans. The City has advanced necessary funds to the Agency or expended funds on behalf of the Agency for implementation of the Agency's enforceable obligations, including, but not limited to, the costs of surveys, planning, studies, and environmental assessments for implementation of enforceable obligations established under the Redevelopment Plan, the costs of acquisition of property within the Project, demolition and clearance of properties acquired, building and site preparation, public improvements, and relocation assistance to displaced residential and nonresidential occupants, if any, as required by law.

3. Accounting of Costs. The City has kept records of activities and services undertaken pursuant to the Cooperation Agreements and this Agreement and the costs thereof so an accurate record of the Agency's liability to the City can be ascertained. The City shall periodically, but not less than annually, submit to the Agency a statement of the costs incurred by the City in rendering activities and services of the City to the Agency pursuant to this Agreement. Such statement of costs may include a proration of the City's administrative and salary expense attributable to services of City officials, employees and departments rendered for the Agency.

4. Total Principal Amount Outstanding. As of June 30, 2013, the total outstanding principal amounts owing to the City under the Cooperation Agreements equals seventeen million, four-hundred forty-three thousand, two hundred and two dollars (\$17,443,202.00).

5. LAIF Interest Accrual Applied From Dates of Loan Origination. The Agency has calculated the accumulated interest on the outstanding principal amount of the loans under the Cooperation Agreements from their origination at the interest rate earned by funds deposited into the Local Agency Investment Fund ("LAIF"). As of June 30, 2013, that amount of LAIF interest accrual from the date of loan origination is two million, seven hundred fifty-one thousand, and three dollars and seventy-five cents (\$2,751,003.75).

6. Total Loan Amount Outstanding. The outstanding principal amount plus the LAIF interest accrual identified in Section 5 comes to a total of twenty million one hundred ninety-four thousand two-hundred five dollars and seventy-five cents (\$20,194,205.75).

7. Repayment Amounts & Schedule. Repayments on the Total Loan Amount shall be made every six (6) months, bearing the LAIF interest rate then in effect, compounding quarterly, and shall not be made prior to the 2014-15 fiscal year. The Schedule of Payments set forth in Section 8 hereof may be amended at any time to reflect the actual commencement date of repayments on the Total Loan Amount. Repayments of Cooperation Agreement loans (the Total Loan Amount plus interest accrued over each payment period) shall be calculated pursuant to the following restrictions:

- a. Interest on the Total Loan Amount shall accrue during an approximate term of *sixteen* (16) years (represented in the below schedule) at an

interest rate not to exceed the interest rate earned by funds deposited into the LAIF.

- b. Beginning in the 2014–15 fiscal year, the maximum repayment amount authorized each fiscal year for repayments of the Total Loan Amount with interest (as such interest is set forth in Section 7.a) shall not exceed half (50%) of the increase in the “residual amount” paid to local agencies and school entities for that present Fiscal Year compared to said residual amount distributed in fiscal year 2012-13, all as further described in Health & Safety Code § 34191.4(b)(2)(A). For purposes of this Agreement, the term “residual amount” means the monies payable to local agencies and school entities in accordance with Health & Safety Code § 34183(a)(4).
- c. In calculating the Total Loan Amount with interest payable each payment period and the restrictions thereon under Section 7.b above, said amounts shall be second in priority to any repayments of loans or deferrals owed to the Low and Moderate Income Housing Fund (such amount owed being the amount of eight hundred sixteen thousand seven hundred thirty dollars [\$816,730.00]) pursuant to Health & Safety Code § 34171(d)(1)(G).

8. Repayment Schedule. Based on the parameters set forth in Section 7, the Agency agrees to repay the Total Loan Amount to the City, with accrued interest, in accordance with the following set schedule:

SCHEDULE OF TOTAL LOAN AMOUNT + INTEREST REPAYMENTS:

Payment No.	Date of Loan Payment	Interest on Installment	Installment Payment on Total Loan Amount Plus Interest
1	7/1/2014	LAIF rate upon Total Loan Amount since June 31, 2013.	No More Than: 50% of increase in residual amount
2	1/2/2015	LAIF rate accrued in prior 6 months	50% of increase in residual amount
3	7/1/2015	LAIF rate accrued in prior 6 months	50% of increase in residual amount
4	1/2/2016	LAIF rate accrued in prior 6 months	50% of increase in residual amount
5	7/1/2016	LAIF rate accrued in prior 6 months	50% of increase in residual amount
6	1/2/2017	LAIF rate accrued in prior 6 months	50% of increase in residual amount
7	7/1/2017	LAIF rate accrued in prior 6 months	50% of increase in residual amount
8	1/2/2018	LAIF rate accrued in prior 6 months	50% of increase in residual amount
9	7/1/2018	LAIF rate accrued in prior 6 months	50% of increase in residual amount
10	1/2/2019	LAIF rate accrued in prior 6 months	50% of increase in residual amount

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11	7/1/2019	LAIF rate accrued in prior 6 months	50% of increase in residual amount
12	1/2/2020	LAIF rate accrued in prior 6 months	50% of increase in residual amount
13	7/1/2020	LAIF rate accrued in prior 6 months	50% of increase in residual amount
14	1/2/2021	LAIF rate accrued in prior 6 months	50% of increase in residual amount
15	7/1/2021	LAIF rate accrued in prior 6 months	50% of increase in residual amount
16	1/2/2022	LAIF rate accrued in prior 6 months	50% of increase in residual amount
17	7/1/2022	LAIF rate accrued in prior 6 months	50% of increase in residual amount
18	1/2/2023	LAIF rate accrued in prior 6 months	50% of increase in residual amount
19	7/1/2023	LAIF rate accrued in prior 6 months	50% of increase in residual amount
20	1/2/2024	LAIF rate accrued in prior 6 months	50% of increase in residual amount
21	7/1/2024	LAIF rate accrued in prior 6 months	50% of increase in residual amount
22	1/2/2025	LAIF rate accrued in prior 6 months	50% of increase in residual amount
23	7/1/2025	LAIF rate accrued in prior 6 months	50% of increase in residual amount
24	1/2/2026	LAIF rate accrued in prior 6 months	50% of increase in residual amount
25	7/1/2026	LAIF rate accrued in prior 6 months	50% of increase in residual amount
26	1/2/2027	LAIF rate accrued in prior 6 months	50% of increase in residual amount
27	7/1/2027	LAIF rate accrued in prior 6 months	50% of increase in residual amount
28	1/2/2028	LAIF rate accrued in prior 6 months	50% of increase in residual amount
29	7/1/2028	LAIF rate accrued in prior 6 months	50% of increase in residual amount

The estimated term of repayments may be rendered longer or shorter, depending on the residual amount that will actually be available each fiscal year to repay the Total Loan Amount plus interest. Actual installment amounts on the Total Loan Amount plus interest will also fluctuate from payment period-to-period as a result of the unknown residual amount and limits thereon, and the fluctuation of the LAIF interest rate, among other unknown factors. Therefore, in each six-month installment payment period, and in conjunction with the Agency's approval and submission of a "Recognized Obligation Payment Schedule" ("ROPS"), the Agency will calculate and adopt an updated schedule showing actual past repayment amounts and a projected payment for the upcoming installment to be paid with each ROPS period. The Agency may utilize its then-existing LAIF rate as the basis for determining the interest accrual that will be due in the upcoming six-month installment period. This estimated amount will later be redetermined and adjusted based on the Agency's application of the actual LAIF rate.

9. Restrictions on City's Use of Repaid Monies; Senior Obligations. Repayments received by the City pursuant to this Agreement shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Fund of the Former RDA for purposes of the Supplemental Educational Revenue Augmentation Fund and shall be distributed to the Low and Moderate Income Housing Asset Fund established by subdivision (d) of Section 34176 of the Health & Safety Code. Twenty percent (20%) of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to the Low and Moderate Income Housing Asset Fund, after all outstanding loans from the Low and Moderate Income Housing Fund for purposes of the Supplemental Educational Revenue Augmentation Fund have been paid.

The obligation of the Agency to make payment to the City shall, without necessity of further action by the Agency or City, be junior and subordinate to all other obligations or indebtedness heretofore or hereafter voluntarily incurred by the Agency, including without limitation, prior cooperation and reimbursement agreements between the City and Redevelopment Agency that have been recognized by the Oversight Board and the Department of Finance, prior loans from the California Infrastructure Bank, any and all debt obligations that have been listed on a ROPS and approved by the Oversight Board and Department of Finance, the \$20,545,000 Lawndale Redevelopment Agency, Lawndale Revitalization Project, Taxable Tax Allocation Bonds, Series 2009 and all refundings thereof.

10. General/Miscellaneous. The parties agree no other instrument, including, but not limited to, any promissory note, is required to confirm, memorialize or effectuate the indebtedness memorialized by this Agreement.

- a. The Agency agrees it shall comply with the City's personnel policies and administrative regulations in connection with its activities and obligations under this Agreement.
- b. To the extent this Agreement is inconsistent with any other agreements between the parties covering the same subject, this Agreement shall control.
- c. The parties have been advised of any and all potential conflicts of interest that may occur due to the same counsel representing both parties to this Agreement, and both parties waive any and all such conflicts.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CITY OF LAWNDALE

Harold E. Hofmann, Mayor

ATTEST:

Paula Hartwill, City Clerk

**SUCCESSOR AGENCY TO LAWDALE
REDEVELOPMENT AGENCY**

Harold E. Hoffman, Chairman

ATTEST:

Paula Hartwill, Secretary

APPROVED AS TO FORM:

**Tiffany Israel, City Attorney and Agency
Counsel**

ITEM E-1

**MINUTES OF THE
LAWNDALE SUCCESSOR AGENCY
OVERSIGHT BOARD REGULAR MEETING
JULY 25, 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 Chair Barry Waite.

B. ROLL CALL

Board Members Present: Joann Higdon, 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 Stewart

D. ADMINISTRATION – NEW BUSINESS

1. SUCCESSOR AGENCY AUDIT AGREEMENT

Deputy City Manager Ginoza delivered staff report. Staff recommends that the Oversight Board adopt Resolution 2013-11 approving the Audit Services Contract with Caporicci & Larson.

Board Member Waite asked about the difference in cost for the Successor Agency audit compared to the Redevelopment Agency audit.

Deputy City Manager Ginoza replied that the cost of the Successor Agency audit is more due to its difficulty since much of it is uncertain and requires many notes qualifying the auditors opinion.

Board Member Higdon made a motion to adopt Resolution 2013-11 and seconded by Board Member Vinke. Motion carried with Board Members Flynn and Mandoki absent.

2. LONG RANGE PROPERTY MANAGEMENT PLAN

Deputy City Manager Ginoza delivered staff report. Staff recommends that the Oversight Board adopt Resolution 2013-12 approving the Long Range Property Management Plan.

Barry Waite asked what other commercial use would there be for the Community Center.

Deputy City Manager Ginoza stated perhaps using it as a wedding facility. However, doing so the city would be rendering the tax-exempt bonds taxable because they would be used for a private purpose. In addition, the City would be violating the terms of the Los Angeles County Parks and Recreation grant.

Board Member Stewart stated that the bond covenants indicate they have to be used for public use.

Deputy City Manager Ginoza stated that federal law would require it to be used for a public use and the bond covenants say that the city would build a Community Center.

Board Member Tsujiuchi made a motion to adopt Resolution 2013-12 and seconded by Board Member Stewart. Motion carried with Board Members Flynn and Mandoki absent.

3. PROPERTY MANAGEMENT AGREEMENT

Deputy City Manager Ginoza delivered staff report. Staff recommends that the Oversight Board adopt Resolution 2013-13 approving the consultant services agreement with Overland Pacific & Cutler, Inc. with total costs not to exceed \$80,000.

Board Member Tsujiuchi made a motion to adopt Resolution 2013-13 and seconded by Board Member Stewart. Motion carried with Board Members Flynn and Mandoki absent.

E. CONSENT CALENDAR

1. MINUTES OF MAY 30, 2013 MEETING

A motion by Board Member Higdon to approve the Minutes of May 30, 2013 and seconded by Board Member Vinke and carried unanimously.

F. PUBLIC COMMENTS

None

G. ITEMS FROM SECRETARY/ADMINISTRATIVE CLERK

Deputy City Manager Ginoza suggested the next meeting of the Oversight Board to be scheduled on Wednesday, September 12 at 4:00 p.m. The meeting may be held at any time that is convenient for the Oversight Board. The only scheduling requirement is that the ROPS must be approved prior to the October 1 submission date.

Board Member Stewart asked if any issue with the ROPS is anticipated.

Deputy City Manager Ginoza stated that the Redevelopment Agency borrowed approximately \$20M from the City and those loan agreements were invalidated by the Dissolution Act, but one of the carrots in AB1484, these loans can be paid back in 2014/2015 fiscal year and will require the Oversight Board reactivate these loans.

Deputy City Manager Ginoza suggested September 5, 2013 at 4:00 p.m. as an alternate date due to scheduling conflicts. **Oversight Board Member** who were present agreed on this date.

H. ITEMS FROM BOARD MEMBERS

I. ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 4:26 p.m.

Barry Waite, Chair

ATTEST:

Otis W. Ginoza, Deputy City Manager
/clc