

Lawndale Successor Agency  
**OVERSIGHT BOARD**  
**REGULAR MEETING**

**AGENDA**

**OCTOBER 11, 2012**

**1:00 PM**

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

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- A. CALL TO ORDER**
  
- B. ROLL CALL / INTRODUCTIONS - Board Members: Steve Mandoki, Greg Tsujiuchi, John Vinke, Barry Waite, Patricia Flynn, Michael Stewart, Joann Higdon**
  
- C. PLEDGE OF ALLEGIANCE**
  
- D. ADMINISTRATION – NEW BUSINESS**
  - 1. LMIHF DUE DILLIGENCE REVIEW
  - 2. SECOND REVIEW OF THIRD ROPS
  - 3. DOF REVIEW OF HOUSING ASSET REPORTING FORM
  - 4. AB 1484 AND FUTURE MEETINGS
  
- E. CONSENT CALENDAR**
  
- F. PUBLIC COMMMENTS**
  
- G. ITEMS FROM SECRETARY/ADMINISTRATIVE CLERK**
  
- H. ITEMS FROM BOARD MEMBERS**
  
- I. ADJOURNMENT**

**Oversight Board Agenda  
October 11, 2012**

The next scheduled Oversight Board meeting is **Thursday, January 24, 2013.**

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 **October 4, 2012** in accordance with the provisions of State Law and local regulations.

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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](http://www.lawndalecity.org)

DATE: October 11, 2012  
TO: Honorable Chairman and Agency Members  
FROM: Otis Ginoza, Deputy City Manager   
SUBJECT: LMIHF Due Diligence Review

## BACKGROUND

ABx1 26, the legislation that ended redevelopment in California required successor redevelopment agencies to surrender money that had been reserved for the creation of low and moderate income housing to the County Auditor Controller for distribution to other taxing entities. AB 1484 has created a process for this surrender. Successor Agencies must hire a licensed accountant to prepare a due diligence review (LMIHF Review) of the cash held in the low and moderate income housing fund (LMIHF). The results of this review must be submitted to the Oversight Board by October 1, 2012. The Oversight Board must hold a public comment session regarding the LMIHF Review at least five days before the Oversight Board approves the LMIHF Review.

## STAFF REVIEW

On October 4, 2012, the Oversight Board held a public comment session for the LMIHF Review. The conclusion of the LMIHF Review is that the LMIHF assets held by the Successor Agency are \$3,969,584. The assets include \$23,000 that the Successor Agency must retain to satisfy and enforceable obligation and a non cash asset (single family home) with a value of \$256,505. The LMIHF Review concludes that \$3,684,079 is the amount to be remitted to Los Angeles County for distribution to the taxing entities.

The Lawndale Housing Authority (Lawndale Successor Housing Agency) entered into an agreement to purchase a single family home in July of 2011 with the intention of rehabilitating it for affordable housing. The house is the single family home whose \$256,505 value is listed in the LMIHF Review. As a result of the subsequent uncertainty regarding the future of redevelopment in California, the rehabilitation project was halted. The home has not been rehabilitated and is vacant. The California Department of Finance determined that the home has not a housing asset that could be retained by the Housing Authority. Lawndale has not received any instructions from the Department of Finance or any other government body regarding the disposition of the single family home. It is our assumption that the Department of Finance or the State Controller will provide guidance at a later date.

FUNDING

None required at this time.

RECOMMENDATION

Staff recommends that the Oversight Board review, approve and transmit the results of the LMIHF Review.

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**RESOLUTION NO. 2012 -4**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE  
LAWNDALE SUCCESSOR AGENCY APPROVING THE DUE  
DILIGENCE REVIEW OF THE AMOUNT TRANSFERRED FROM THE  
LAWNDALE REDEVELOPMENT AGENCY TO THE LAWNDALE  
SUCCESSOR AGENCY AND AUTHORIZING STAFF TO TRANSMIT  
THE REVIEW AS REQUIRED BY SECTION 34179.6 OF THE CALIFORNIA  
HEALTH AND SAFETY CODE**

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 employ a licensed accountant approved by the Los Angeles County Auditor Controller to perform a due diligence review and report on the amount of funds transferred from the former Lawndale Redevelopment Agency; and

WHEREAS, the Los Angeles County Auditor Controller provided written approval to Successor Agency staff of the Successor Agency's selection of Caporicci and Larson, Inc. as the licensed accountant to perform the due diligence review for the Successor Agency; and

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

WHEREAS, in accordance with the provisions of the agreed-upon procedures and provisions of Section 34179.5, Caporicci and Larson, Inc. has completed its review of the low and moderate income housing funds transferred from the Lawndale Redevelopment Agency, a true and correct copy of which is attached hereto as Exhibit "A"; and

WHEREAS, pursuant to the Dissolution Act, the Oversight Board for the Successor Agency met at a duly noticed public meeting on October 4, 2012, and held a public comment session regarding the due diligence review; and

WHEREAS, pursuant to the Dissolution Act, the Oversight Board for the Successor Agency met at a duly noticed public meeting on October 11, 2012, to review, approve, and transmit the due diligence review; and

WHEREAS, evidence was heard and presented from all persons interested in affecting the due diligence review 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 due diligence review.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWNDALE 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. Pursuant to the Dissolution Act, the Successor Agency approves the Due Diligence Review of the Low and Moderate Income Housing Funds transferred by the Lawndale Redevelopment Agency to the Successor Agency submitted herewith as Exhibit "A".

SECTION 3. The Oversight Board directs staff to send the Due Diligence Review to the County Auditor-Controller, State Controller's Office and Department of Finance, as required by Section 34179.6 of the Health and Safety Code.

SECTION 4. The Finance Director of the Successor Agency or the authorized designee is directed to post this Resolution on the Successor Agency website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 11th day of October, 2012.

\_\_\_\_\_  
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. 12-04 at a regular meeting of said Successor Agency held on the 11<sup>th</sup> day of October, 2012, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

\_\_\_\_\_  
Secretary



## LAWNDALE SUCCESSOR AGENCY

14717 BURIN AVENUE, LAWNDALE, CALIFORNIA 90260

PHONE (310) 973-3200, FAX (310) 644-4556

[www.lawndalecity.org](http://www.lawndalecity.org)

October 1, 2012

Steve Szalay, Consultant  
State Department of Finance  
915 L Street  
Sacramento, CA 95814-3706

Dear Mr. Szalay,

In conforming to the requirements of AB1484, at this time we would like to confirm that the due diligence audit was performed by a licensed accountant as selected by the Successor Agency. That firm is Caporicci & Larson and they are a subsidiary of Marcum LLP. We have attached correspondence with the County confirming their good standing.

Sincerely,

Ken Louie  
Director of Finance

Attachment: Confirmation from County of Los Angeles

cc: State Controller's Office

Lawndale Successor Agency Oversight Board

County Auditor- Controller's Office



October 1, 2012

Marcum LLP  
Accountants & Advisors  
2 Park Plaza, Suite 1200  
Irvine, CA 92602

Ladies and Gentlemen:

We submit the following in connection with your engagement to apply agreed-upon procedures with respect to the due diligence review as mandated by California Assembly Bill 1484 (AB 1484) with respect to the Low and Moderate Income Housing Fund. We confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We are responsible for adherence to the requirements of AB 1484 as applicable to the successor agency.
2. We are responsible for all the information we have provided to you during your review.
3. We are responsible for the information presented in the Agreed Upon Procedures Report, Attachment A and information in the following exhibits to the Agreed Upon Procedures Report.
  - Exhibit 2A-01: Listing of transfers from Lawndale Redevelopment Agency (dissolved agency) to the City of Lawndale for the period January 1, 2011 through January 31, 2012.
  - Exhibit 3A-01: Listing of transfers from Lawndale Redevelopment Agency (dissolved agency) to other public agency or private parties for the period January 1, 2011 through January 31, 2012.
  - Exhibit 3B-01: Listing of transfers from the Successor Agency to other public agency or private parties for the period February 1, 2012 through June 30, 2012.
  - Exhibit 3C-01: Letter from Department of Finance on review of Housing Asset Transfer Form.
  - Exhibit 5-01: Listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012.
  - Exhibit 7A-01: Listing of assets as of June 30, 2012 that are not liquid or available for distribution.
  - Exhibit 8A-01: Itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for funding of enforceable obligations.

- Exhibit 10-01: Schedule of Balance Available for Allocation to Affected Taxing Entities.
4. We have disclosed to you all known matters contradicting:
    - a. information presented in the Agreed Upon Procedures Report and its exhibits.
    - b. results/findings presented in the Agreed Upon Procedures Report.
  5. We have made available to you all communications with the State Controller's Office, Department of Finance and County of Los Angeles relative to their assessment of transfers required under both Sections 34167.5 and 34178.8 and items included in the Final Recognized Obligations Payment Schedule (ROPS) presented as exhibits to the Agreed-Upon Procedures Report. There have been no other communications, except those made known to you and (as applicable) reflected in Attachment A to the Agreed Upon Procedures Report, from other regulatory agencies, internal auditors, and other independent practitioners or consultants relating to our adherence to the requirements of AB 1484 through October 1, 2012.
  6. We are not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency or to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the Agreed Upon Procedures Report that and its related Exhibits.
  7. We made the following representations to you as outlined in the Agreed Upon Procedures Report:
    - There were no transfers from the Successor Agency to the city, county or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012.
    - There are no asset balances held on June 30, 2012 that are restricted because the assets were:
      - a) Unspent bond proceeds;
      - b) Grant proceeds or program income that are restricted by third parties;
      - c) Assets that are considered to be legally restricted
    - The asset listed on Exhibit 7A-01 are valued at purchase cost or book value.
  8. We are responsible for the determination of the legal documents that formed the basis for the enforceable obligation that required any transfer.
  9. We have made available to you all Information that we believe is relevant to your performance of the agreed upon procedures identified in Attachment A.
  10. We have responded fully to all inquiries made to us by you during the engagement.
  11. No events have occurred subsequent to the preparation of the exhibits included in the Agreed Upon Procedures Report and through the date of Agreed Upon Procedures Report that would require

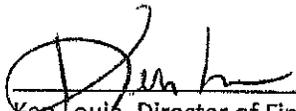
adjustment to or modification of the these exhibits, unless made known to you and disclosed (as applicable) in Attachment A.

12. Your report is intended solely for the information and use of the Department of Finance, the successor agency, and applicable State agencies, and is not intended to be, and should not be, used by anyone other than those specified parties.

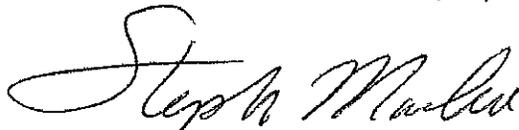
To the best of our knowledge and belief, no events have occurred subsequent to the date of your Agreed Upon Procedures Report that would have a significant impact upon the agreed upon procedures that you performed.

Sincerely yours,

**City of Lawndale, Successor Agency for the Lawndale Redevelopment Agency:**

  
\_\_\_\_\_  
Ken Loué, Director of Finance/Treasurer, City of Lawndale

10/1/12  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Steve Mandoki, City Manager, City of Lawndale

10-1-12  
\_\_\_\_\_  
Date



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE  
AUDITOR-CONTROLLER

JUDI E. THOMAS  
CHIEF DEPUTY

ADDRESS ALL CORRESPONDENCE TO:  
AUDIT DIVISION  
350 S. FIGUEROA ST., 8<sup>TH</sup> FLOOR  
LOS ANGELES, CA 90071

August 6, 2012

**VIA ELECTRONIC MAIL**

TO: Ken Louie  
Director of Finance  
City of Lawndale

FROM: Robert Campbell, Chief  
Audit Division

SUBJECT: **APPROVAL OF CAPORICCI & LARSON, INC. TO CONDUCT A DUE  
DILIGENCE REVIEW PURSUANT TO AB 1484**

We have reviewed and approve your request to hire Caporicci & Larson, Inc. to conduct a due diligence review of the successor agency for the City of Lawndale, in accordance with Health and Safety Code Section 34179.5(a).

We have verified that Caporicci & Larson, Inc. is licensed and in good standing with the California Board of Accountancy, and does not have any disciplinary actions or license restrictions as of the date of our review. We also reviewed information you provided regarding the firm's local government accounting experience and its relationship, if any, to the former redevelopment agency of the City of Lawndale, the successor agency, and the City of Lawndale.

Based on our review, we found nothing that would disqualify Caporicci & Larson, Inc. from conducting the due diligence review.

Please contact Ken Van Orden of my staff at [kvanorden@auditor.lacounty.gov](mailto:kvanorden@auditor.lacounty.gov) or (213) 253-0160, if you have questions or need additional information.

RGC:MP:KVO

c: Wendy L. Watanabe, Auditor-Controller

# City of Lawndale (Successor Agency)

## Low and Moderate Income Housing Fund

*Independent Accountants' Report  
on Applying Agreed-Upon Procedures  
with respect to AB 1484*

**CITY OF LAWNSDALE  
(SUCCESSOR AGENCY)  
LOW AND MODERATE INCOME HOUSING FUND**

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**Independent Accountants' Report on Applying Agreed Upon Procedures .....1**

**Attachment A – Procedures and Findings .....2**

**Exhibits**

Exhibit 2A-01: Listing of transfers from Lawndale Redevelopment Agency (Dissolved Agency) to the City of Lawndale for the period January 1, 2011 through January 31, 2012.

Exhibit 3A-01: Listing of transfers from Lawndale Redevelopment Agency (Dissolved Agency) to other public agency or private parties for the period January 1, 2011 through January 31, 2012.

Exhibit 3B-01: Listing of transfers from Successor Agency to other public agency or private parties for the period February 1, 2012 through June 30, 2012.

Exhibit 3C-01: Letter from California Department of Finance on review of Housing Assets Transfer Form.

Exhibit 5-01: Listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012.

Exhibit 7A-01: Listing of Low and Moderate Income Housing Fund Assets as of June 30, 2012 that are not liquid or available for distribution.

Exhibit 8A-01: Itemized Schedule of Low and Moderate Income Housing Fund Asset Balances (Resources) as of June 30, 2012 that are Dedicated or Restricted for Funding of Enforceable Obligations.

Exhibit 10-01: Summary of Balances Available for Allocation to Affected Taxing Entities.



**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

County of Los Angeles  
County Auditor-Controller  
Los Angeles, California

Oversight Board  
City of Lawndale (Successor Agency)  
Lawndale, California

We have performed the agreed-upon procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office, California Department of Finance ("State Agencies") and City of Lawndale solely to assist you in ensuring that the Low and Moderate Income Housing Fund of the City of Lawndale (acting as Successor Agency) is complying with its statutory requirements with respect to AB 1484. Management of the Lawndale Housing Authority and City of Lawndale are responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code Section 34179.5(c)(1) through 34179.5 (c)(3) and Sections 34179.5(c)(5) through 34179.5 (c)(6). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures identified below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures as set forth in Attachment A. Attachment A also identifies the findings noted as a result of the procedures performed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment A. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City of Lawndale and applicable State Agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Marcum LLP*

Irvine, California  
October 1, 2012



**City of Lawndale (Successor Agency)  
Low and Moderate Income Housing Fund  
Agreed-Upon Procedures with Respect to AB 1484  
Attachment A**

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**CITATION:**

*Section 34179.5(c)(1)-The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.*

**Procedure 1:**

Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of assets transferred to the Successor Agency as of that date.

**Results/Findings:**

This procedure is not applicable. All assets of the Low and Moderate Income Housing Fund were transferred from the former redevelopment agency to Lawndale Housing Authority in May 2011. On February 22, 2011, the Lawndale Redevelopment Agency and Lawndale Housing Authority approved a cooperation agreement in which the Lawndale Housing Authority agreed to develop affordable housing for Lawndale Redevelopment Agency. On January 12, 2012, the Lawndale City Council approved and adopted resolution no. CC-1201-007 making Lawndale Housing Authority the Housing Successor Agency.

**CITATION:**

*Section 34179.5(c)(2)-The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Procedure 2:**

If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

**City of Lawndale (Successor Agency)  
Low and Moderate Income Housing Fund  
Agreed-Upon Procedures with Respect to AB 1484  
Attachment A**

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- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  
- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Results/Findings:**

Procedure 2A

See Exhibit 2A-01 for the listing of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012.

Procedure 2B

Based on the representation from the Successor Agency, there were no transfers from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012.

Procedure 2C

For the transfers made for the period from January 1, 2011 through January 31, 2012 (Exhibit 2A-01), we were provided by the Successor Agency, the executed Cooperative Agreement for Advance and Reimbursement of Administrative and Overhead Expenses between the Lawndale Redevelopment Agency and Lawndale Housing Authority dated February 22, 2011. We also received a signed copy of the Lawndale City Council resolution no. CC-1201-007 that was passed, approved and adopted on January 12, 2012, that designates the Lawndale Housing Authority as the housing successor agency. In the opinion of the Successor Agency, this documentation forms the legal basis for the transfers.

**City of Lawndale (Successor Agency)  
Low and Moderate Income Housing Fund  
Agreed-Upon Procedures with Respect to AB 1484  
Attachment A**

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**CITATION:**

*Section 34179.5(c)(3)-The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Procedure 3:**

If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Results/Findings:**

Procedure 3A

See Exhibit 3A-01 for the listing of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. We noted that this transfer was paid out of the Lawndale Housing Authority since all assets of the Low and Moderate Income Housing Fund of the former redevelopment agency was transferred to Lawndale Housing Authority as noted in the results of Procedure 1.

**City of Lawndale (Successor Agency)  
Low and Moderate Income Housing Fund  
Agreed-Upon Procedures with Respect to AB 1484  
Attachment A**

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Procedure 3B

See Exhibit 3B-01 for the listing of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or to private parties for the period from February 1, 2012 through June 30, 2012.. We noted that this transfer was paid out of the Lawndale Housing Authority since all assets of the Low and Moderate Income Housing Fund of the former redevelopment agency were transferred to Lawndale Housing Authority as noted in the results of procedure 1.

Procedure 3C

For the transfer made for the period from January 1, 2011 through January 31, 2012 (Exhibit 3A-01), we were provided by the Successor Agency, the executed agreement for purchase and sale of real property and joint escrow instructions dated July 27, 2011 between Lawndale Housing Authority and The Georges Family Trust. In the opinion of the Successor Agency, this documentation forms the legal basis for the transfer. However, the City of Lawndale received a letter from the Department of Finance dated August 29, 2012 (Exhibit 3C-01) regarding their review of the Housing Assets Transfer Form, in which it disallows the transfer of the Firmona property to Lawndale Housing Authority. See Exhibit 3C-01 for the copy of the letter.

For the transfer made for the period from February 1, 2012 through June 30, 2012, we were provided by the Successor Agency, the executed disposition and development agreement dated May 6, 2010 between Lawndale Redevelopment Agency (dissolved agency) and Habitat for Humanity. In the opinion of the Successor Agency, this documentation forms the legal basis for the transfer.

**CITATION:**

*Section 34179.5(c)(4)-The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010-11 and 2011-12 fiscal years that reconciles balances, assets and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009-10 fiscal year.*

**Procedure 4:**

Perform the following procedures:

- (A) Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.

**City of Lawndale (Successor Agency)  
Low and Moderate Income Housing Fund  
Agreed-Upon Procedures with Respect to AB 1484  
Attachment A**

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- (B) Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
- (C) Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
- (D) Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

**Results/Findings:**

Procedure 4A

The procedure required by Section 34179.5(c)(4) above pertains to the Successor Agency as a whole. Per the instructions provided by the California Department of Finance, these procedures will be addressed in the Agreed Upon Procedures report that is due on December 15, 2012.

Procedure 4B

The procedure required by Section 34179.5(c)(4) above pertains to the Successor Agency as a whole. Per the instructions provided by the California Department of Finance, these procedures will be addressed in the Agreed Upon Procedures report that is due on December 15, 2012.

Procedure 4C

The procedure required by Section 34179.5(c)(4) above pertains to the Successor Agency as a whole. Per the instructions provided by the California Department of Finance, these procedures will be addressed in the Agreed Upon Procedures report that is due on December 15, 2012.

Procedure 4D

The procedure required by Section 34179.5(c)(4) above pertains to the Successor Agency as a whole. Per the instructions provided by the California Department of Finance, these procedures will be addressed in the Agreed Upon Procedures report that is due on December 15, 2012.

**CITATION:**

*Section 34179.5(c)(5)-A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:*

- (A) A Statement of the total value of each fund as of June 30, 2012.*

**City of Lawndale (Successor Agency)  
Low and Moderate Income Housing Fund  
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**Procedure 5:**

Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will only include those assets of the Low and Moderate Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

**Results/Findings:**

See Exhibit 5-01 for a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012. No exceptions noted.

**CITATION:**

*Section 34179.5(c)(5)(B)-An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.*

**Procedure 6:**

Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

A. Unspent bond proceeds:

- i) Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
- ii) Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii) Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

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B. Grant proceeds and program income that are restricted by third parties:

- i) Obtain the Successor Agency's computation of the restricted balances (e.g. total proceeds less eligible project expenditures).
- ii) Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii) Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

C. Other assets considered to be legally restricted:

- i) Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii) Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii) Obtain from the Successor Agency a copy of the legal agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

D. Attach the above mentioned Successor Agency prepared schedule (s) as an exhibit to the AUP in report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

**Results/Findings:**

Procedure 6A

Based on the representation of the Successor Agency, there are no asset balances held on June 30, 2012 that are restricted because the assets were unspent bond proceeds.

**City of Lawndale (Successor Agency)  
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Procedure 6B

Based on the representation of the Successor Agency, there are no asset balances held on June 30, 2012 that are restricted because the assets were from grant proceeds or program income that are restricted by third parties.

Procedure 6C

Based on the representation of the Successor Agency, there are no asset balances held on June 30, 2012 that are considered to be legally restricted.

Procedure 6D

Not applicable. See results/findings of procedures 6A through 6C above.

**CITATION:**

*Section 34179.5(c)(5)(C)-An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.*

**Procedure 7:**

Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to previously audited financial statements (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

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- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

**Results/Findings:**

Procedure 7A

See Exhibit 7A-01 for a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution. Based on representation of the Successor Agency, the values are listed at purchase cost or book value.

Procedure 7B

We traced the asset listed on Exhibit 7A-01 to the accounting records of the Successor Agency and we noted the purchase of a real property (Firmona property) in September 2011 in the amount of \$256,504.54. This amount was not recorded as an asset on the Successor Agency's books but rather as an expenditure for the year ended June 30, 2012. Lawndale Housing Authority entered into an agreement for purchase and sale of real property and joint escrow instruction with The Georges Family Trust in July 27, 2011. Lawndale Housing Authority used Low and Moderate Income Housing Fund monies to purchase this real estate with the intention to rehabilitate it and use it for affordable housing.

Procedure 7C

We inspected a copy of the executed agreement for purchase and sale of real property and joint escrow instructions dated July 27, 2011 between Lawndale Housing Authority and The Georges Family Trust.

Procedure 7D

This procedure is not applicable. The asset listing on the Exhibit 7A-01 is listed at purchase cost or book value and not at recently estimated market value.

**CITATION:**

*Section 34179.5(c)(5)(D)-An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated balances are insufficient to fund future obligations and thus retention of current balance is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the Successor Agency, together with both the*

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*amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.*

**Procedure 8:**

Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balance toward payment of that obligation.
  - i) Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - ii) Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii) Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - iv) Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.
- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:

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- i) Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii) Compare the forecasted annual spending requirements to the legal document supporting each the enforceable obligation.
    - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
  - iii) For the forecasted annual revenues:
    - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i) Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii) Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii) Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures A, B or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i) Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.

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- ii) Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
- iii) Include the calculation in the AUP report.

**Results/Findings:**

Procedure 8A

No exception noted. See Exhibit 8A-01 for the itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations.

Procedure 8B

This procedure is not applicable. The Successor Agency does not believe that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and retention of current balances is required.

Procedure 8C

There are no outstanding bond obligations. Therefore, this procedure is not applicable.

Procedure 8D

The calculation of the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations is as follows:

Identified current dedicated or restricted balances	\$	(23,000)
Forecasted annual revenues		-----
Total resources available to fund enforceable obligations		(23,000)
Forecasted annual spending requirements		-----
Amount of current unrestricted balances necessary for retention	\$	<u>(23,000)</u>

**CITATION:**

*Section 34179.5(c)(5)(E)-An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.*

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**Procedure 9:**

If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

**Results/Findings:**

The Successor Agency does not believe that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the ROPS other than the \$23,000 identified in procedure 8A. We noted that this obligation was not included either in the ROPS for the period July 1, 2012 through December 31, 2012 or in the ROPS for the period January 1, 2013 through June 30, 2013. The enforceable obligation for MDG Associates, Inc. in the amount of \$72,902 was included in the ROPS for the period January 1, 2012 through June 30, 2012 since the contract ends on June 30, 2012. State of California Department of Finance (DOF) contacted the Successor Agency and required them to submit the ROPS for the period July 1, 2012 through December 31, 2012 on May 22, 2012 and at that time, the Successor Agency still believed that MDG Associates would submit its final invoices before June 30, 2012 and did not include the MDG Associates obligations on the ROPS for the period July 1, 2012 through December 31, 2012. MDG Associates submitted its final invoices later than expected and by that time, the ROPS for the period July 1, 2012 through December 31, 2012 have been submitted and DOF took the position that amendments were not allowed.

**CITATION:**

*Section 34179.5(c)(6)-The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing authorities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the Successor Agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.*

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Low and Moderate Income Housing Fund  
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**Procedure 10:**

Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

**Results/Findings:**

See attached Exhibit 10-01 for the schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities.

**Procedure 11:**

Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgement that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other period from January 1, 2011 through June 30, 2012 that may not have been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

**Result/Findings:**

Said management representation letter was received. No exceptions noted.

**CITY OF LAWDALE (SUCCESSOR AGENCY)**

**Low Mod Transfers**

**Transferred 05/31/2011**

<b>Cash</b>	<b>Investments</b>	<b>Land Held for Resale</b>	<b>Loans Rec</b>	<b>Total</b>
<u>\$ 3,612,955.30</u>	<u>\$ 345,222.48</u>	<u>\$ 492,083.37</u>	<u>\$ 592,931.40</u>	<u>\$ 5,043,192.55</u>

**Purpose**

On February 22, 2011, the Lawndale Redevelopment Agency and Lawndale Housing Authority approved a cooperation agreement in which the Housing Authority agreed to develop affordable housing for the Redevelopment Agency and the Agency agreed to provide its low and moderate income housing funds to the Housing Authority. On January 12, 2012, the Lawndale City Council approved a resolution making the Housing Authority the Successor Housing Agency. With the approval of the resolution, any remaining housing assets were transferred to the Housing Authority as a matter of law.

**CITY OF LAWDALE (SUCCESSOR AGENCY)**

**Transfers 01/01/11 through 01/31/2012**

<b>Date</b>	<b>Description</b>	<b>Amount</b>	<b>Purpose</b>
9/30/2011	Housing Purchased Firmona	\$ 256,504.54	The Housing Authority purchased a single family house with the LMIHF intending to rehabilitate it and use it for affordable housing. The purchase agreement was executed in July of 2011. The house was included on the Housing Assets List but not allowed by the DOF due to the date of the agreement.

**CITY OF LAWDALE (SUCCESSOR AGENCY)**  
**02/01/2012 through 06/30/12**  
**Habitat for Humanity**

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Purpose</u>
2/6/2012	2nd Installment	\$ 131,695.39	<p>The Redevelopment Agency entered into a disposition and development agreement (DDA) with Habitat for Humanity in 2010. In the DDA, Habitat agrees to build two, owner occupied, housing units for low income households. The units were to be deed restricted to ensure affordability. The Redevelopment Agency agreed to sell Habitat a residential parcel the Agency owned and provide Habitat with a loan for construction and other costs. The loan proceeds were to be provided to Habitat in several installments as construction proceeded. The payment described here is the second installment.</p>



August 29, 2012

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

Dear Mr. Ginoza:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Lawndale Housing Agency submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 31, 2012 for the period February 1, 2012 through July 31, 2012.

HSC section 34176 (e) defines a housing asset. Assets transferred deemed not to be a housing asset shall be returned to the successor agency. Finance has completed its review of your Form, which may have included obtaining clarification for various items. Based on a sample of line items reviewed and the application of law, Finance is objecting to the following asset or transfer of asset identified on your Form.

- Exhibit A, line 1 – a single family home. The cooperative agreement in which the former redevelopment agency agreed to provide the Housing Authority with low mod housing funds was entered into on February 22, 2011. In substance, this is transferring unencumbered low mod housing funds to the Housing Authority. HSC section 34176 prohibits a redevelopment agency from transferring any amounts on deposit in the Low and Moderate Income Housing Funds.

Except for items disallowed as noted above, Finance is not objecting to the remaining items, if any, listed on your Form. If you disagree with our determination with respect to any items on the Form, you may request a Meet and Confer within five business days of receiving this letter.

Please direct inquiries to Kylie Le, Supervisor or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY  
Local Government Consultant

cc: On following page

Mr. Ginoza  
August 29, 2012  
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cc: Mr. Steven Mandoki, City Manager, City of Lawndale  
Mr. Ken Louie, Finance Director, City of Lawndale  
Ms. Kristina Burns, Program Specialist III, Los Angeles County  
California State Controller's Office

**CITY OF LAWDALE (SUCCESSOR AGENCY)**

**Low Mod Assets**

**June 30, 2012**

	Cash	Investments	Firmona House Purchase	Land Held for Resale	Loans Rec	Total
Total assets in Lawndale Housing Authority at June 30, 2012	\$ 3,404,951.20	\$ 359,429.37	\$ 256,504.54	\$ 492,083.37	\$ 661,689.90	\$ 5,174,658.38
Less: approved transfers of housing assets to Lawndale Housing Authority by DOF	(55,866.55)			(492,083.37)	(661,689.90)	(1,209,639.82)
Less: Cash at June 30, 2012 belonging to Lawndale Housing Authority	(1,434.39)					(1,434.39)
Total assets of Low and Moderate Income Housing Fund at June 30, 2012	<u>\$ 3,347,650.26</u>	<u>\$ 359,429.37</u>	<u>\$ 256,504.54</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,963,584.17</u>

**Note:**

Lawndale Redevelopment Agency transferred all of the assets of the Low and Moderate Income Housing Fund to Lawndale Housing Authority (see results of procedure 1 in attachment A). The above schedule includes housing assets that were approved for transfer to the Lawndale Housing Authority as the Housing Successor Agency by the California Department of Finance. The above schedule also includes cash arising from the collection of loans receivable that belongs to Lawndale Housing Authority as the Housing Successor Agency.

CITY OF LAWDALE (SUCCESSOR AGENCY)

LISTING OF NON-LIQUID ASSETS

JUNE 30, 2012

<u>Purchase Date</u>	<u>Description</u>	<u>Land Held for Resale</u>	<u>Totals</u>
Sep-11	Firmona Property	256,504.54	256,504.54
	Totals	<u>\$ 256,504.54</u>	<u>\$ 256,504.54</u>

**CITY OF LAWNDALE (SUCCESSOR AGENCY)  
ASSETS RESTRICTED FOR FUNDING OF ENFORCEABLE OBLIGATIONS  
AS OF JUNE 30, 2012**

Habitat for Humanity Great Neighborhoods Program (MDG Associates )	\$ 55,866.55
	<u>23,000.00</u>
	78,866.55
Less: Cash transferred to Lawndale Housing Authority to satisfy an enforceable obligation	<u>(55,866.55)</u>
Total	<u>\$ 23,000.00</u>

**Note 1: Description of the Habitat for Humanity Project**

During its existence, the Redevelopment Agency had an obligation to create affordable housing. The Agency provided funds to the Lawndale Housing Authority to purchase a vacant parcel of land on 163<sup>rd</sup> Street in Lawndale. The Agency subsequently entered into a disposition and development agreement (DDA) with Habitat for Humanity to develop two units of housing for sale to low income households. In the DDA, the Agency agreed to sell the land to Habitat for Humanity and provide funds for the construction of two housing units. The construction funds were to be provided to Habitat in several draws as construction proceeded. The land was transferred to Habitat for Humanity and the organization constructed two units and sold them to low income families. The units are deed restricted to ensure their continued affordability. The Housing Authority has sleeping second mortgages on each of the two units that require no principal or interest payments. Some principal is due to the Housing Authority each time that the units are transferred to new low income households. See attached excerpt from the DDA.

One final payment to Habitat for Humanity remains.

**Excerpt from DDA:**

**2. Promissory Loan Amount.**

The principal amount of the Loan shall not exceed Four Hundred Twenty-Eight Thousand Dollars (\$428,000.00). Maker shall make no interest payments on the Note for the term of the Promissory Note except as set forth in Section 5.3 herein. Payment of the Promissory Note shall be as described in Section 4.

**CITY OF LAWDALE (SUCCESSOR AGENCY)  
ASSETS RESTRICTED FOR FUNDING OF ENFORCEABLE OBLIGATIONS  
AS OF JUNE 30, 2012**

**Note 2: Description of Great Neighborhoods Program**

The Lawndale Redevelopment Agency had a housing rehabilitation program called the "Great Neighborhoods Program" which provided loans and grants to low income home owners so that they could rehabilitate their homes. The Redevelopment Agency entered into a three year contract with MDG and Associates in May of 2009 to manage the Great Neighborhoods Program. The contract end date was June 30, 2012. In August of 2011 following the State Supreme Court stay on redevelopment activities the Great Neighborhoods Program was halted. MDG helped the Redevelopment Agency close down the program and complete projects for which funds were committed before June of 2011. MDG Associates stopped working on the Great Neighborhoods Program on June 30, 2012. The enforceable obligation created by the MDG Agreement was listed on the 1st ROPS (as Great Neighborhoods Program) and approved by the DOF. This expenditure was not listed on the 2nd ROPS since the enforceable obligation ended on June 30, 2012 at the end of the 1st ROPS Period. However, the invoice from MDG for their work prior to June 30, 2012 was received and paid after June 30 and therefore should be include as a restricted asset.

**SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES**

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5) (Exhibit 5-01)	\$ 3,963,584
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	-
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7) (Exhibit 7A-01)	(256,505)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8) (Exhibit 8A-01)	(23,000)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	-
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	-
Amount to be remitted to county for disbursement to taxing entities	<u>\$ 3,684,079</u>

*Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.*

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.



# 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: October 11, 2012

TO: Honorable Chairman and Agency Members

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

SUBJECT: Second Adoption of the Third ROPS

## BACKGROUND

On August 16, 2012, the Oversight Board approved the Third ROPS and staff subsequently submitted it to the California Department of Finance (DOF) and other government entities. The DOF has begun their review of the Third ROPS and asked for additional information to be added to the ROPS. The DOF also asked that the ROPS be adopted for a second time by the Oversight Board so that they would be aware of the additional information and resubmitted to DOF.

## STAFF REVIEW

On August 1, 2012 the DOF completely revised the ROPS form requiring additional information which increased the document from one to four pages. Since staff needed to the ROPS with the Oversight Board Agenda Packet on August 9, there was not sufficient time to add the additional information required for the new form. Therefore, staff asked the Oversight Board to approve a ROPS that utilizes the format in use prior to August 1, 2012. Later, staff completed the ROPS using the new DOF form and submitted it to DOF by the September 1, 2012 deadline.

During their initial review of the ROPS, the DOF identified some column totals that were not adding correctly, missing contract beginning and end dates, and to cells where error messages were appearing instead of totals. The changes they are requesting are of a minor nature and staff had inserted the additional information. However, the DOF has requested that the Oversight Board adopt the Third ROPS a second time and that the document be submitted again by October 12, 2012.

Judging by the questions asked, it appears to staff that DOF has reviewed the ROPS to determine if all of the required information has been included, but has not begun to examine the validity of the obligations listed on the ROPS. It is therefore possible that the DOF may ask for additional changes in the future and that the Oversight Board may be asked to review the Third ROPS again in the future.

FUNDING

None required at this time.

RECOMMENDATION

Staff recommends that the Oversight Board adopt Resolution 2012-5 approving the Third ROPS for the period, January 1 to June 30, 2013 and authorize staff to revise the Third ROPS as required by the California Department of Finance.

Attachments: Revised Third ROPS

**RESOLUTION NO. 2012 -5**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY APPROVING FOR THE SECOND TIME THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE JANUARY 1 – JUNE 30, 2013 SIX-MONTH FISCAL PERIOD (“THIRD ROPS”) 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 prepared a ROPS for the six-month fiscal period commencing on January 1, 2013 and continuing through June 30, 2013 (the "Third ROPS"); and

WHEREAS, on August 16, 2012, the Oversight Board approved the ROPS for the six-month fiscal period commencing on January 1, 2013 and continuing through June 30, 2013 (the "Third ROPS") and the ROPS was submitted to the California Department of Finance; and

WHEREAS, Successor Agency staff added additional information to the Third ROPS that was not available on August 16, 2012, and after its review of the Third ROPS, the California Department of Finance requested changes to the Third ROPS; and

WHEREAS, as a result of the changes to the Third ROPS, the California Department of Finance requested that the Oversight Board approve the new version of the Third ROPS, a copy of which is attached hereto and incorporated herein as Exhibit "1" time; and

WHEREAS, pursuant to the Dissolution Act, the Oversight Board for the Successor Agency met at a duly noticed public meeting on October 11, 2012 to consider specific obligations listed on the Third ROPS and to consider approving the version al of the Third ROPS attached as Exhibit "1", among other approvals; and

WHEREAS, evidence was heard and presented from all persons interested in affecting the Third ROPS 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 Third ROPS.

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, 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 the Third ROPS for the Successor Agency attached as Exhibit "1", including the agreements and obligations described in the Third ROPS, 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 the Third ROPS attached as Exhibit "1" 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 Third ROPS.

SECTION 5. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post the Third ROPS on the Successor Agency website, transmit the Third ROPS 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 Third ROPS 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 Third ROPS as may be necessary to submit the Third ROPS in any modified form required by the DOF, and the Third ROPS as so modified shall thereupon constitute the Third ROPS 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 11th day of October, 2012.

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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. 12-05 at a regular meeting of said Successor Agency held on the 11<sup>th</sup> day of October, 2012, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

\_\_\_\_\_  
Secretary

**SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Filed for the January 1, 2013 to June 30, 2013 Period  
Revised 3rd ROPS resubmitted at request of DOF on 10/1/12

Name of Successor Agency: Successor Agency to the Lawndale Redevelopment Agency

		Total Outstanding Debt or Obligation
<b>Outstanding Debt or Obligation</b>		<b>\$ 49,794,397</b>
<b>Current Period Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
A	Available Revenues Other Than Anticipated RPTTF Funding	2,887,389
B	Anticipated Enforceable Obligations Funded with RPTTF	1,629,347
C	Anticipated Administrative Allowance Funded with RPTTF	100,000
D	Total RPTTF Requested (B + C = D)	1,729,347
Total Current Period Outstanding Debt or Obligation (A + B + C = E) Should be the same amount as ROPS form six-month total		<b>\$ 4,616,736</b>
E	Enter Total Six-Month Anticipated RPTTF Funding (Obtain from county auditor-controller)	2,591,540
F	Variance (E - D = F) Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding	862,193
<b>Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))</b>		
G	Enter Estimated Obligations Funded by RPTTF (Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)	
H	Enter Actual Obligations Paid with RPTTF	
I	Enter Actual Administrative Expenses Paid with RPTTF	
J	Adjustment to Redevelopment Obligation Retirement Fund. (G - (H + I) = J)	
K	<b>Adjusted RPTTF (The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)</b>	<b>\$ 1,729,347</b>

Certification of Oversight Board Chairman:  
Pursuant to Section 34177(m) of the Health and Safety code,  
I hereby certify that the above is a true and accurate Recognized  
Obligation Payment Schedule for the above named agency.

Barry Waite  
Name

Oversight Board Chair  
Title

Second approval by Oversight Board on 10/11/12

Signature

Date



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

**Revised RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional) - resubmitted on Oct 11, 2012**  
**January 1, 2013 through June 30, 2013**

Item #	Notes/Comments
1	Debt Service for redevelopment agency bonds issued in 2009. This obligation was approved by DOF on the 1st and 2nd ROPS.
2	Debt service for a California Infrastructure Bank loan to the Lawndale Redevelopment Agency for street improvements. This obligation was approved by DOF on the 1st and 2nd ROPS.
3	The 2nd ROPS contained an administrative allowance of \$150,000 which was approved by DOF, therefore the allowance for the second half of the fiscal year (3rd ROPS) is \$100,000. Total allowance for FY 2013 = \$250,000
4	AB 1484 requires annual audits of the Successor Agency. The annual cost of this agency audit is \$3,700 and we have divided the cost into \$4,350 for each ROPS period though payments may not be spread evenly over the six month periods.
5	This expenditure is for the due diligence review of housing funds as required by AB 1484.
6	This expenditure is for the due diligence review of other agency funds as required by AB 1484.
7	At the time of its decision on Feb 1 2012, the Lawndale RDA had not provided statutory pass-through payments for FY 2012 (July 1, 2011 to January 30, 2012). The Successor Agency intended to pay the FY 2012 Statutory pass-through during the 2nd ROPS period, however, DOF instructed Lawndale to defer this item to the 3rd ROPS as DOF wished to reduce the amount of tax increment required for the 2nd ROPS. Item #1 is the FY 2012 Statutory pass-through owed to the taxing entities.
8	The City loaned funds to the newly formed Lawndale RDA in 1991. This debt, which occurred in the first two years of the agency's existence was approved by DOF on the 2nd ROPS.
9	Disputed obligation - DOF disapproved this item on the 1st ROPS and directed the Successor Agency to remove it from the 2nd ROPS. The Lawndale Successor Agency requests reconsideration see attached reconsideration letter.
10	Disputed obligation - DOF disapproved this item on the 1st ROPS and directed the Successor Agency to remove it from the 2nd ROPS. The Lawndale Successor Agency requests reconsideration see attached reconsideration letter.
11	Disputed obligation - DOF disapproved this item on the 1st ROPS and directed the Successor Agency to remove it from the 2nd ROPS. The Lawndale Successor Agency requests reconsideration see attached reconsideration letter.
12	Disputed obligation - DOF disapproved this item on the 1st ROPS and directed the Successor Agency to remove it from the 2nd ROPS. The Lawndale Successor Agency requests reconsideration see attached reconsideration letter.
13	Contingent on receiving Finding of Completion - payment of SERAF deferral to the Housing Authority
14	Contingent on receiving Finding of Completion - expenditure of unobligated bond proceeds on various projects previously chosen by the redevelopment agency.
15	Contingent on receiving Finding of Completion - repayment of city loan
16	Item withdrawn - we inadvertently entered an item twice on the 3rd ROPS submitted on September 1. We are withdrawing item #16 from this revised 3rd ROPS
17	Contingent on receiving Finding of Completion - repayment of city loan
18	Possible future expenditure - land now owned by the City may be transferred to the Successor Agency and result in expenditures for the operation of a mobile home park. Approved by DOF on 2nd ROPS.
19	Possible future expenditure - land now owned by the City may be transferred to the Successor Agency and result in expenditures for the operation of a mobile home park. Approved by DOF on 2nd ROPS.
20	Possible future expenditure - land now owned by the City may be transferred to the Successor Agency and result in expenditures for the closure of a mobile home park. Approved by DOF on 2nd ROPS.
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24	Possible future expenditure - land now owned by the City may be transferred to the Successor Agency and result in expenditures for the sale of the land. Approved by DOF on 2nd ROPS.
25	Possible future expenditure - land now owned by the City may be transferred to the Successor Agency and result in expenditures for the sale of the land. Approved by DOF on 2nd ROPS.
26	Disputed obligation - DOF disapproved this item on the 1st ROPS and directed the Successor Agency to remove it from the 2nd ROPS. The Lawndale Successor Agency requests reconsideration see attached reconsideration letter.
27	Disputed obligation - DOF disapproved this item on the 1st ROPS and directed the Successor Agency to remove it from the 2nd ROPS. The Lawndale Successor Agency requests reconsideration see attached reconsideration letter.





# 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](http://www.lawndalecity.org)

DATE: October 11, 2012  
TO: Honorable Chairman and Agency Members  
FROM: Otis Ginoza, Deputy City Manager  
SUBJECT: DOF Review of Housing Successor Agency Asset Reporting Form

## BACKGROUND

AB 1484 allows successor housing agencies to retain certain housing assets of the former redevelopment agency. AB 1484 requires the successor housing agencies to complete a form listing the housing assets it proposes to retain and transmit the form to the California Department of Finance (DOF). The DOF reviews the form to determine if the housing assets may be retained by the housing successor agency or must be returned to the successor agency to be sold.

## STAFF REVIEW

The Housing Successor Agency Asset Reporting Form for the Lawndale Housing Authority was transmitted to the DOF on July 31, 2012. The DOF completed its review and provided the Lawndale Successor Agency with a response on August 29, 2012. The DOF approved the entire list with the exception of a single family home located at 14611 Firmona Avenue. DOF rejected this item as an asset that could be retained by the Housing Authority as it was purchased after the June 27, 2011, deadline for acquisition of housing assets.

AB 1484 does not require Oversight Board review or approval of this document and it is being provided for you information only.

## FUNDING

None required at this time.

## RECOMMENDATION

Staff recommends that the Oversight Board receive and file this report.



DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

August 29, 2012

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

Dear Mr. Ginoza:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Lawndale Housing Agency submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 31, 2012 for the period February 1, 2012 through July 31, 2012.

HSC section 34176 (e) defines a housing asset. Assets transferred deemed not to be a housing asset shall be returned to the successor agency. Finance has completed its review of your Form, which may have included obtaining clarification for various items. Based on a sample of line items reviewed and the application of law, Finance is objecting to the following asset or transfer of asset identified on your Form.

- Exhibit A, line 1 – a single family home. The cooperative agreement in which the former redevelopment agency agreed to provide the Housing Authority with low mod housing funds was entered into on February 22, 2011. In substance, this is transferring unencumbered low mod housing funds to the Housing Authority. HSC section 34176 prohibits a redevelopment agency from transferring any amounts on deposit in the Low and Moderate Income Housing Funds.

Except for items disallowed as noted above, Finance is not objecting to the remaining items, if any, listed on your Form. If you disagree with our determination with respect to any items on the Form, you may request a Meet and Confer within five business days of receiving this letter.

Please direct inquiries to Kylie Le, Supervisor or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY  
Local Government Consultant

cc: On following page

Mr. Ginoza  
August 29, 2012  
Page 2

cc: Mr. Steven Mandoki, City Manager, City of Lawndale  
Mr. Ken Louie, Finance Director, City of Lawndale  
Ms. Kristina Burns, Program Specialist III, Los Angeles County  
California State Controller's Office



# OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY

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PHONE (310) 973-3200, FAX (310) 644-4556  
[www.lawndalecity.org](http://www.lawndalecity.org)

DATE: October 11, 2012  
TO: Honorable Chairman and Agency Members  
FROM: Otis Ginoza, Deputy City Manager *ajg*  
SUBJECT: AB 1484 and Future Meetings

## BACKGROUND

In June of 2012, the Legislature approved AB 1484 which made many significant changes to the redevelopment agency dissolution process. Provisions of AB1484 affect the schedule for future meetings of the Oversight Board.

## STAFF REVIEW

On May 24, 2012, the Oversight Board approved a schedule for future meetings. Following that schedule the next meeting of the Oversight Board would occur on January 24, 2013 at 4 p.m. However, AB 1484 will require two meetings of the Oversight Board between December 15, 2012 and January 15, 2013.

ABx1 26, the legislation that ended redevelopment in California required successor redevelopment agencies to surrender former redevelopment funds to the County Auditor Controller for distribution to other taxing entities. AB 1484 created a process for this surrender. Successor Agencies must hire a licensed accountant to prepare a due diligence review (LMIHF Review) of the cash held in the low and moderate income housing fund (LMIHF). The LMIHF Review is complete. The due diligence review for other redevelopment funds (Other Funds Review) must be submitted to the oversight board by December 15, 2012. The Oversight Board must hold a public discussion session regarding the Other Funds Review at least five days before the Oversight Board approves the Other Funds Review. Staff suggests the following schedule:

December 15, 2012 - Other Funds Review sent to Oversight Board, County Auditor Controller, State Controller, and California Department of Finance (DOF)

December 20, 2012 (Thursday) - Oversight Board holds a public discussion session on the Other Funds Review

January 10, 2013 (Thursday) - Oversight Board meets to approve Other Funds Review

January 15 - Last day to transmit Oversight Board approved Other Funds Review to the DOF and Auditor Controller.

Staff realizes that the necessary meetings of the Oversight Board take place during the holiday period. It may be difficult to obtain the Other Funds Review before December 15, 2012 as most accounting firms undertaking this task are preparing the same report for many agencies at the same time. Staff would be happy to schedule the meetings for days that are the least disruptive for Oversight Board members holiday plans.

#### FUNDING

None required at this time.

#### RECOMMENDATION

Staff recommends that the Oversight Board approve the scheduling of meetings on December 20 at 4:00 pm and January 10 at 4 pm or provide staff with alternate meeting dates.

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