

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

**AGENDA**

**DECEMBER 18, 2012**

**4:00 PM**

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

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- A. CALL TO ORDER
  
- B. ROLL CALL – Chairperson: Barry Waite  
Board Members: Steve Mandoki, Greg Tsujiuchi, John Vinke, Barry Waite, Patricia Flynn,  
Michael Stewart, Joann Higdon
  
- C. PLEDGE OF ALLEGIANCE
  
- D. ADMINISTRATION – NEW BUSINESS
  
- E. CONSENT CALENDAR
  
- F. PUBLIC COMMENT SESSION – ALL OTHER FUNDS AND ACCOUNTS DUE  
DILLIGENCE REVIEW
  
- G. PUBLIC COMMENTS
  
- H. ITEMS FROM SECRETARY/ADMINISTRATIVE CLERK
  
- I. ITEMS FROM BOARD MEMBERS
  
- J. ADJOURNMENT

The next scheduled Oversight Board meeting is **Thursday, January 10, 2013, at 4 p.m.**

Copies of staff reports or other written documentation relating to each agenda item are on file with the Oversight Board

**Oversight Board Agenda  
December 18, 2012**

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 **December 13, 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 LAWNDALE REDEVELOPMENT AGENCY

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

DATE: December 18, 2012

TO: Honorable Chairman and Agency Members

FROM: Otis Ginoza, Deputy City Manager *awg*

SUBJECT: Public Comment Session for All Other Funds and Accounts Due Diligence Review

## BACKGROUND

ABx1 26, the legislation that ended redevelopment in California required cities and successor redevelopment agencies to surrender the funds of the former redevelopment agencies. AB 1484 has created a process for this surrender. The Legislation required that successor agencies hire licensed accountants to prepare separate due diligence reviews of redevelopment housing funds and all other agency funds. The Lawndale Successor Agency has prepared and submitted its due diligence review for its Low and Moderate Income Housing Fund (LMIHF) to the California Department of Finance. The Department of Finance approved the LMIHF Review without exceptions in a letter dated November 13, 2012 (attached). Subsequently, the Successor Agency transferred \$3,684,079 from its LMIHF to the Los Angeles County Auditor Controller.

The Successor Agency must also prepare a due diligence review for all of the redevelopment non housing funds. The draft Due Diligence Review for All Other Funds and Accounts Due (Other Funds Review) is nearly complete and will be submitted to the Oversight Board separately. The due date for submission of the Other Funds Review is December 15, 2012. The results of this review must be approved by the Oversight Board by January 15, 2012. The Oversight Board must hold a public session regarding the Other Funds Review at least five days before the Oversight Board approves the Other Funds Review.

## STAFF REVIEW

The Other Funds Review will likely not be ready until just before its due date. Therefore, the initial agenda packet for the December 18, 2012, meeting of the Oversight Board is being distributed without the LMIHF Review. The LMIHF Review will be transmitted to the Oversight Board and other interested parties, and made available on the City website, as soon as it is complete.

FUNDING

None required at this time.

RECOMMENDATION

Staff recommends that the Oversight Board hold a public comment session for the All Other Funds and Accounts Due Diligence Review.

Attachments: Department of Finance Review of LMIHF Due Diligence Review

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November 13, 2012

Mr. Steven Mandoki, City Manager  
City of Lawndale  
14717 Burin Avenue  
Lawndale, CA 90260

Dear Mr. Mandoki:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Lawndale Successor Agency (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund Due Diligence Review (DDR) to the California Department of Finance (Finance) on October 11, 2012. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Pursuant to HSC section 34179.6 (d), Finance has completed its review of your DDR, which may have included obtaining clarification for various items.

Based on our review, Finance made no adjustments to the Low and Moderate Income Housing Fund (LMIHF) balance available for allocation to the affected taxing entities. As a result, the Agency's LMIHF balance available for distribution to the affected taxing entities is \$3,684,079.

HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified above within five working days, plus any interest those sums accumulated while in the possession of the recipient.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, that taxing entity's failure to remit those funds may result in offsets to its sales and use tax allocation or to its property tax allocation.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the

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Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated August 29, 2012 do not in any way eliminate the Controller's authority.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a long horizontal stroke extending to the left.

STEVE SZALAY  
Local Government Consultant

cc: Mr. Otis Ginoza, Deputy City Manager, City of Lawndale  
Ms. Kristina Burns, Manager, Los Angeles County Auditor-Controller's Office  
California State Controller's Office