

Lawndale Successor Agency
OVERSIGHT BOARD
REGULAR MEETING

AGENDA

May 30, 2013

4:00 PM

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

- A. CALL TO ORDER**

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

- C. PLEDGE OF ALLEGIANCE**

- D. ADMINISTRATION – NEW BUSINESS**
 - 1. SUCCESSOR AGENCY UPDATE
 - 2. RE-ESTABLISHMENT OF PUBLIC WORKS AGREEMENT
 - 3. TRANSFER OF ASSETS TO HOUSING SUCCESSOR
 - 4. COOPERATION AGREEMENT FOR EXPENDITRE OF BOND PROCEEDS
 - 5. RETENTION OF COMMUNITY CENTER BY CITY

- E. CONSENT CALENDAR**
 - 1. MINUTES OF February 14, 2013, MEETING

- F. PUBLIC COMMENTS**

- G. ITEMS FROM SECRETARY/ADMINISTRATIVE CLERK**

- H. ITEMS FROM BOARD MEMBERS**

I. ADJOURNMENT

The next scheduled Oversight Board meeting is **Thursday, July 25, 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 **May 23, 2013** in accordance with the provisions of State Law and local regulations.

Otis W. Ginoza, Secretary/Administrative Clerk



OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LAWNDALE REDEVELOPMENT AGENCY

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

DATE: May 30, 2013

TO: Honorable Chairman and Agency Members

FROM: Otis Ginoza, Deputy City Manager

SUBJECT: May 30, 2013 – Successor Agency Update

BACKGROUND

The Oversight Board last met on February 14, 2013. Since that meeting a number of a number of significant events in the redevelopment dissolution process took place. The purpose of this report is to describe those events and discuss the next tasks of the oversight Board.

STAFF REVIEW

Letter from DOF regarding the All Other Funds Due Diligence Review

AB 1484 required successor agencies to prepare a due diligence review of its housing assets (Housing DDR) and a second due diligence review of all other redevelopment funds (Other Funds DDR). The purpose of the DDRs was to determine the proper amount of redevelopment funds that each successor agency should relinquish to the county auditor controller for distribution to the taxing entities. The Lawndale Successor Agency submitted its Housing DDR on October 11, 2012, and its Other Funds DDR on January 10, 2013. The California Department of Finance (DOF) reviewed both DDRs. In a letter dated November 13, 2012, the DOF determined that the Lawndale Successor Agency should relinquish housing funds in the amount of \$3,684,079. The DOF recently completed its review of the Other Funds DDR and in a letter dated March 18, 2013, informed the Successor Agency that it must relinquish \$3,867,380.

ROPS 13-14A Review by DOF and Affordable Housing Programs

When the Lawndale Redevelopment Agency was dissolved on February 1, 2013, it had a debt to its low and moderate income housing fund of approximately \$800,000. ABx1 26 recognized an agency's debt to its housing fund as an enforceable obligation. AB 1484 also recognized the debt to the housing fund and stated that successor agencies could receive tax increment to repay this housing fund debt beginning in fiscal year 2013-2014. The Lawndale housing successor agency anticipated receiving \$800,000 on July 1, 2013, that it could use to restart its affordable housing programs.

The Lawndale Oversight Board approved the ROPS 13-14A, a schedule of allowable expenditures by the Lawndale Successor Agency for the July to December 2013 period, on February 14, 2013. The ROPS 13-14A included revenues for affordable housing expenditures.

However, in its letter reviewing ROPS 13-14A, the DOF disallowed the affordable housing expenditures. The DOF made a novel interpretation of AB 1484 and determined that, despite the fact that AB 1484 stated that housing fund debts could be repaid beginning in fiscal year 2013-2014, they determined that such payments could not begin until fiscal year 2014-2015.

Unless overturned, the DOF position on the repayment of housing funds will prevent the Lawndale successor housing agency (Lawndale Housing Authority) from undertaking any affordable housing projects and programs until at least July 1, or 2014.

Finding of Completion from DOF

AB 1484, created a process for successor agencies to relinquish redevelopment funds, but also created incentives them to comply. A Successor Agency that has provided its true-up, Housing DDR, and Other Funds DDR payments may receive a Finding of Completion (FoC) from the DOF. The FoC allows a successor agency to utilize any unspent bond proceeds, reinstate loan agreements between the former redevelopment agency and city, and dispose of redevelopment property with a long range property management plan. The Lawndale Successor Agency promptly remitted its Other Funds DDR payment and received a FoC from the DOF on April 13, 2013.

ROPS 13-14A Meet and Confer

After receiving the DOF ROPS 13-14A letter, the Successor Agency staff immediately requested a meet and confer with the DOF. The meet and confer took place in Sacramento on April 29, 2013. Successor Agency staff requested that the DOF allow the housing fund payment and other disallowed payments.

AB 1484 states that successor agencies with an FoC may utilize unspent bond proceeds. Prior Lawndale ROPSs had listed an expenditure of bond proceeds to complete the Community Center and the use of bond proceeds to begin the construction of a list of additional public facilities. The DOF disallowed the use of bond proceeds for any project. This was a very great problem for the City of Lawndale as the DOF had disallowed the use of bond proceeds for the Community Center contending that the project was the financial responsibility of the City after nearly \$10 million had been spent.

The Successor Agency received a Finding of Completion after submission of the ROPS 13-14A, but prior to the meet and confer. At the ROPS 13-14A meet and confer, staff requested that items on prior ROPS for the expenditure of bond proceeds for the Community Center and other public facilities be allowed and reinstated on ROPS 13-14A since Lawndale had obtained an FoC. After the meet and confer, the DOF sent Lawndale a letter in which it continued to disallow the housing payments, but reinstated the expenditure of bond proceeds for the Community Center and other public facilities.

Lawndale Successor Agency Litigation Against the DOF

On prior Lawndale ROPS, the DOF disallowed expenditures for the Community Center, for payments on a State of California loan used to build Hopper Park, and for payments to contractors for

commercial rehabilitation projects initiated before the end of redevelopment. In order to preserve its claim to the funds in question, the Lawndale Successor Agency initiated a lawsuit against the DOF. The Lawndale litigation is one of more than 100 lawsuits filed by successor agencies in California claiming the DOF has incorrectly disallowed enforceable obligations. There are a number of taxing agencies in Los Angeles County that receive tax increment that had formerly been the income of the Lawndale Redevelopment Agency. Because these taxing entities are recipients of the funds that Lawndale is claiming, the other taxing entities were also named in the litigation.

Because of the large number of redevelopment lawsuits, staff believes that the Lawndale litigation will not go to trial until well into 2014. However, the DOF decision to reinstate the Community Center expenditure on the ROPS may have eliminated one area of disagreement. Staff is hopeful that in the coming months, the FoC may allow staff to settle other outstanding issues with the DOF before the litigation goes to trial.

Successor Agency Budget Includes Use of Bond Proceeds

The DOF meet and confer letter approved the previously disallowed ROPS item #14 “Expenditure of Bond Proceeds”. Staff believes that this action allows the Successor Agency to utilize approximately \$6 million in unspent bond proceeds. As a result the proposed Successor Agency Budget for fiscal year 2013-2014 contains the following projects to be funded with redevelopment bond proceeds:

- Hogan Tot Lot – close a street adjacent to an existing city park and construct a new park on the enlarged site.
- Playground Equipment Rehab – replace an existing dilapidated playground and William Green Park with new playground equipment and surfaces. This playground would be jointly used by the Lawndale Elementary School District.
- 154/Condon Intersection – street improvements
- Larch Park Home Demo and Relocation – the City owns land on Larch Avenue and has received a \$4 million grant from the State of California to construct a new park. The redevelopment bond proceeds would be used to relocate the tenants of two homes on the site and demolish the structures.
- South Parking Lot Fence – replace a chain link fence at a civic center parking lot with more attractive fencing.
- 156th Street - street improvements.
- Relocation of modular building – the former Redevelopment Agency funded the purchase of a modular building to serve as a temporary community center. The building is currently installed in a public street. The Successor Agency intends to relocate the modular building to a city parking lot where it may be used as a teen center and reopen the street.
- Field replacement at Rogers Park – replace an athletic field at Rogers Park (a joint use school site) to alleviate drainage problems.
- Community Center Telecommunications – improve communications facilities for the Community Center.

Future Meetings of the Oversight Board

Since the Successor Agency received a Finding of Completion, it will seek the help of the Oversight Board to complete the following tasks:

1. Complete a Long Range Property Management Plan that will propose future uses for redevelopment property.
2. Reinstate loans made by the City to the Redevelopment Agency.
3. Approve ROPS 13-14B for the January to June 2013 period.

Staff suggests that the Oversight Board meet next on Thursday, July 25, 2013 at 4:00 p.m.

FUNDING

None required at this time.

RECOMMENDATION

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

Attachments: Resolution
Housing Assets List
DOF Review Letter

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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: May 30, 2013

TO: Honorable Chairman and Agency Members

FROM: Otis Ginoza, Deputy City Manager *awg*

SUBJECT: Re-establishment of the Public Works Agreement

BACKGROUND

The Lawndale Redevelopment Agency (Agency) provided many public improvements in the city of Lawndale. The Agency formed a partnership with the City of Lawndale (City) to build the new Community Center, Hopper Park, and other public improvements. For each project, the Agency provided the funding and the City undertook the construction. This partnership was authorized by a Public Works Agreement (attached) entered into by both bodies on October 16, 2006. The Public Works Agreement was a cooperation agreement and also a reimbursement agreement between the City and Agency. Typically, the City entered into a construction contract for the public improvements, paid the invoices and was reimbursed by the Agency. The Public Works Agreement permitted short term advances from the City to pay construction invoices, but was not structured as a long term loan agreement and as such did not contain a repayment schedule or loan terms such as a periodic interest rate.

ABx1 26, approved by the California Legislature in June of 2011, terminated redevelopment agencies in the State of California. The California Department of Finance (DOF) has taken the position that ABx1 26 (HSC 34171(d)(2)) nullified all cooperation agreements (the Public Works Agreement is a cooperation agreement) between redevelopment agencies and their sponsoring cities.

The redevelopment agency dissolution process created by ABx1 26 established successor agencies to wind down the affairs of redevelopment agencies and ensure that redevelopment financial obligations were honored. ABx1 26 requires that expenditures by the successor agencies be reviewed and approved by the California Department of Finance (DOF).

The DOF reviewed, and disallowed, planned expenditures by the Lawndale Successor Agency to complete the Lawndale Community Center and to pay debt service on an I-Bank loan used to pay for a portion of the construction of Hopper Park. Successor Agency staff has communicated to the DOF that the Agency provided a commitment to fully fund both the Community Center and Hopper Park when it approved the Public Works Agreement. The DOF has taken the position that ABx1 26 invalidated the Public Works agreement and with it the Agency commitment to fund the Community

Center and Hopper Park. The Lawndale Successor Agency has contested the DOF rejection of Agency expenditures for the Community Center and Hopper Park and initiated litigation to compel the DOF to reverse its rejection of these expenditures.

STAFF REVIEW

Lawndale Community Center

In 2009, the Agency issued bonds for the purpose of constructing a Community Center. The Official Statement for the Bond issue and other resolutions and agreements for the issuance of bonds lists the construction of the Community Center as the intended use of the bond proceeds.

On June 28, 2010, acting in its capacity as an agent for the Lawndale Redevelopment Agency, the City of Lawndale approved a construction contract for the Lawndale Community Center. The staff report for the approval of the construction contract lists redevelopment bond proceeds as the funding source for the construction of the Community Center.

The total cost of the Community Center was approximately \$12 million. Construction was substantially complete in March of 2012 but, as the result of the bankruptcy of the general contractor, many outstanding invoices remained after completion. Hence, following the dissolution of the Agency on February 1, 2012, the Successor Agency continued to reimburse the City for construction expenses using the bond proceeds. Nearly \$3 million in bond proceeds was used by the Successor Agency to reimburse the City after dissolution.

In May of 2012, the DOF made a retroactive determination that the expenditures of Agency bond proceeds on the construction of the Community Center, were invalid. The DOF's reasoning was that the Community Center was not an enforceable obligation of the Successor Agency because the construction contract was in the name of the City and the 2006 Public Works Agreement which required the Agency to reimburse the City had been invalidated with the passage of ABx1 26 in June of 2011. However, the DOF stated in its December 18, 2012, letter disallowing the Community Center as an enforceable obligation (attached) that "Finance has not issued a Finding of Completion to the Agency and, therefore, the provisions of HSC Section 34171 apply and the item is not eligible for bond funding at this time."

HSC 34171 was added to the Health and Safety Code by ABx1 26 to invalidate Agency/City cooperation agreements. However, AB 1484 subsequently added HSC 34191.4(b), which states that

"The following provisions shall apply to any successor agency that has been issued a finding of completion by the Department of Finance....

Notwithstanding subdivision (d) of Section 34171, upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created by the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes."

Thus, as the Successor Agency has received a Finding of Completion, the Successor Agency wishes to reinstate the Public Works Agreement to legitimize past and future expenditures of Lawndale Redevelopment Agency bond proceeds for the Community Center. Therefore, the Successor Agency has requested that the Oversight Board reinstate the Public Works Agreement for the Community Center and make a finding that the Community Center construction expenditures were for a legitimate redevelopment purpose.

Hopper Park

Lawndale is a community with a high population density and very few parks. The city has the least amount of parkland per capita of any of the 17 cities in the South Bay region of Southern California. The Los Angeles County Department of Public Health prepared a study that showed a strong correlation between the amount of parkland in a community and childhood obesity. Lawndale was one of the cities identified in the report as having high childhood obesity and little park land. Accordingly, the Agency sought to improve the health of the community's children through the construction of new parks.

In 2010 the Agency funded the construction of Hopper Park. Most of the cost of the project was paid by the Agency using tax increment. However, the Agency funded a portion of the project using a loan from the California Infrastructure Bank (I-Bank), a State program. The I-Bank loan utilized sale-lease-back financing which required the use of a public facility as loan collateral. Since the Agency did not own public facilities, the City applied for the I-Bank loan and provided the funds to the Agency for park construction. Previously, the Agency and City in 2006 had entered into a cooperation agreement (Public Works Agreement) that required the Agency to reimburse the City for construction costs for the park at 162nd Street later named Hopper Park.

The City is named as the borrower on the I-Bank loan documents. However, the City was only borrowing the funds on behalf of the Agency. The City simply acted as a conduit to provide loan funding to the Agency, which funding the Agency had previously pledged to the park project.

It is the position of the Successor Agency that since the Public Works Agreement requires that the City be reimbursed for its expenditures for Hopper Park, that the Public Works Agreement committed the Agency to paying the debt service on the I-Bank Loan used to build Hopper Park. Hence after dissolution of the Agency, the Successor Agency included I-Bank Loan payments on its ROPS. The Agency provided debt service payments until the payments were disallowed by the California Department of Finance .

The DOF disallowed the I-Bank Loan Payments taking the position that the Public Works Agreement was invalidated by ABx1 26. However, the DOF stated in its December 18, 2012 letter disallowing the Hopper Park I-Bank Loan as an enforceable obligation (attached) that "Finance has not issued a Finding of Completion to the Agency and, therefore, the provisions of HSC Section 34171 apply. HSC section 34171(d)(2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the RDA and the former RDA are not enforceable obligations. Therefore, this item is currently not an enforceable obligation."

The Successor Agency has now received a Finding of Completion and wishes to reinstate the Public Works Agreement to validate the Successor Agency's commitment to reimburse the City for the Hopper Park I-Bank Loan payments and to restate that future I-Bank Loan payments are payable by

the Successor Agency. Therefore, the Successor Agency has requested that the Oversight Board reinstate the Public Works Agreement for the Community Center and make a finding that the Hopper Park expenditures were for a legitimate redevelopment purpose.

Oversight Board Findings

HSC 34191.4(b)(1) allows the Successor Agency, with the approval of the Oversight Board, to treat the Public Works Agreement as an enforceable obligation if it finds that the advances or loans were made for legitimate redevelopment purposes.

The Oversight Board findings which support the determination that the advances for the Community Center and Hopper Park were for a legitimate redevelopment purpose include the following facts:

1. The authority to enter into the Public Works Agreement was granted in the Lawndale Economic Development Project Redevelopment Plan, Section 510, adopted by the City Council by Ordinance No. 860-99 on June 21, 1999. The redevelopment plan was current as of the February 1, 2012, dissolution date and the plan is still current under existing law.
2. The 1999 Redevelopment Plan specifically listed the Lawndale Community Center and Hopper Park as needed public facilities improvements. Exhibit C “Proposed Projects, Public Facilities and Infrastructure Improvement Projects” of the Redevelopment Plan lists a “Community Center” and “Park & Tot Lot at 162nd Street.” Hopper Park is located on 162nd Street and Hopper Park was referred to as the 162nd Street Park prior to construction and its subsequent naming by the City Council.
3. The Redevelopment Plan permitted the Agency to utilize advances and other assistance from the City to construct agency public improvements. Section 701 of the Redevelopment Plan states “the City or other public agency, as it is able, may also supply additional assistance through issuance of bonds, loans and grants and in-kind assistance.”
4. The City Council adopted resolutions for the Community Center and Hopper Park (aka 162nd Street Park) that included the following determinations:
 - a. “That the improvements are of benefit to the project area of the immediate neighborhood in which the project is located...”
 - b. “That the payment of funds for the cost of the improvements will assist in the elimination of one or more blighting conditions inside the project area and is consistent with the Implementation Plan adopted pursuant to Section 33490.”

Community Redevelopment Law (HSC 33445 and 33679) required that before a redevelopment agency could provide funding for a public facility, a city council would need to determine that the proposed project would (1) benefit the redevelopment project area, (2) assist in the elimination of blight, (3) be consistent with the five year implementation plan and (4) no other funds were available for the proposed projects.

On July 16, 2007, the Lawndale City Council adopted Resolution No. CC-0707-43 (attached) which made the determinations listed above for the construction of a park at 162nd Street (later named Hopper Park). On October 19, 2009, the City Council adopted Resolution No. CC-0910-57 (attached) which made the required determinations for the Community Center. A lengthy

report attached to Resolution CC-0910-57 extensively documents the redevelopment purposes served by the Community Center.

Staff believes that the evidence listed is sufficient that the Oversight Board may make a determination that loans and advances for Hopper Park and the Community Center were made for a legitimate redevelopment purpose.

Fiscal Impact

If the Oversight Board approves Resolution 2013-6 which reactivates the Public Works Agreement with respect to Hopper Park and the DOF also approves the action, staff believes that the Successor Agency would be able to receive payments from the Los Angeles County Auditor Controller for the Hopper Park I-Bank Loan payments. This allocation of additional funds to the Successor Agency would reduce the amount of tax increment available to be distributed to the taxing entities. The amount of the annual debt service payment is approximately \$59,000 per year (See attached debt service schedule).

The Successor Agency seeks to validate the expenditure of the bond proceeds for the Community Center. Staff believes that approval of Resolution 2013-7 by the Oversight Board will fulfill the California Department of Finances conditions for the validation of those bond expenditures. If the Oversight Board reactivates the Public Works Agreement with respect to the Community Center and the DOF also approves this action, staff believes that it will validate the expenditures of redevelopment agency bond proceeds for the construction of the Community Center. This action would not have a financial impact on the taxing entities as the bond proceeds would not be made available for distribution by the Auditor Controller. The Successor Agency has received a Finding of Completion and would be able to retain the bond proceeds for other projects if the Community Center expenditures continue to be disallowed.

FUNDING

None required at this time. Any expenditures would be included on ROPS 13-14B to be considered by the Oversight Board in September of 2013.

RECOMMENDATION

Staff recommends that the Oversight Board adopt the Resolution 2013-6 and Resolution 2013-7 confirming the existing Public Works Agreement between the City of Lawndale and the former Lawndale Redevelopment Agency were for loans and advances made for legitimate redevelopment purposes pursuant to HSC 34191.4 and authorize the Successor Agency to approve a resolution reactivating the Public Works Agreement and the Agreement for Services.

Attachments: Oversight Board Resolution 2013-6
 Oversight Board Resolution 2013-7
 Public Works Agreement
 DOF letter – December 18, 2012
 City Council Resolution – Community Center
 City Council Resolution – No. CC-070-43

I-Bank Debt Service Schedule

RESOLUTION NO. 2013 -6

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
LAWNDALE SUCCESSOR AGENCY CONFIRMING THE EXISTING PUBLIC WORKS
AGREEMENT BETWEEN THE FORMER LAWNDALE REDEVELOPMENT AGENCY AND
THE CITY OF LAWNDALE AND RE-ESTABLISHING SAID AGREEMENT WITH REGARD
TO THE HOPPER PARK I-BANK LOAN AND DETERMINING THAT THE LOAN FOR THE
HOOPER PARK I-BANK LOAN WAS FOR A LEGITIMATE REDEVELOPMENT PURPOSE**

WHEREAS, on October 16, 2006, the Lawndale Redevelopment Agency and the City of Lawndale entered into a cooperation and reimbursement agreement known as the Public Works Agreement (Attachment A); and

WHEREAS, the Public Works Agreement committed the City of Lawndale to assisting the Lawndale Redevelopment Agency in curing blight in the Redevelopment Project Area through the creation of public facilities; and

WHEREAS, in the Public Works Agreement the City agreed to construct public facilities for the Redevelopment Agency and the Agency agreed to provide funding for those improvements, including specifically a park at 162nd Street, and reimburse the City for such expenditures; and

WHEREAS, the Agency wished to use a California I-Bank Loan for a portion of the construction cost, but could not do so as the loan terms required that a public facility be pledged as collateral and the Agency owned no public facilities; and

WHEREAS, the City agreed to borrow funds for the 162nd Street park from the I-Bank and pledge its Public Works Yard and the Agency through the Public Works Agreement committed to reimburse the City for any costs incurred for the construction of this park which was later named Hopper Park ; and

WHEREAS, on February 1, 2010, the City executed the I-Bank Loan Agreement for Hopper Park and used the loan proceeds for the construction of Hopper Park and, as required by the Public Works Agreement. the Agency annually reimbursed the City for debt service payments for the I-Bank Loan; and

WHEREAS, in 2010 the City constructed Hopper Park for the Agency. The Agency also funded a portion of the construction cost with tax increment; and

WHEREAS, on December 29, 2011, the California Supreme Court upheld the Dissolution Act, ABx1 26, and all redevelopment agencies in California were dissolved as of February 1, 2012; and

WHEREAS, the Dissolution Act does not recognize cooperation agreements between the former Redevelopment Agency and the City as enforceable obligations as defined by Health and Safety Code Section 34171(d) and, consequently the Successor Agency has not continued the reimbursement payments to the City for the Hopper Park I-Bank Loan Payments as required by the Public Works Agreement; and

WHEREAS, AB 1484 subsequently added Health and Safety Code Section 34191.4(b) to state that after a successor agency receives a finding of completion by the Department of Finance, upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city that created the redevelopment agency will be deemed to be an enforceable obligations if the oversight board makes a finding that the loan was for legitimate redevelopment purposes; and

WHEREAS, on April 12, 2013, the Lawndale Successor Agency received a Finding of Completion from the California Department of Finance pursuant to Health and Safety Code section 34179.7.

NOW, THEREFORE, THE OVERISGHT 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 Lawndale Oversight Board finds and determines that the Public Works Agreement between the former Redevelopment Agency and the City that the Successor Agency seeks to re-enter pursuant to Health and Safety Code section 34191.4 with respect to the Hopper Park project was made for a legitimate redevelopment purpose.

SECTION 3. The Oversight Board agrees with the reinstatement of the Public Works Agreement with respect to the Hopper Park Project and finds that this action is in conformance with Health and Safety Code section 34191.4.

SECTION 4. This Resolution shall be effective after this Resolution is transmitted to the DOF, and after the expiration of five (5) business days pending a request for review by the DOF within the time periods set forth in the dissolution Act; in this regard, if the DOF requests review hereof DOF will have forty (40) days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by the DOF, will not be effective until approved by DOF.

SECTION 5. The Finance Director of the Successor Agency or the authorized designee is directed to post this Resolution on the Successor Agency's website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 30th day of May, 2013.

Chair

ATTEST:

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

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 13-06 at a regular meeting of said Oversight Board held on the 30th day of May, 2013, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Secretary

RESOLUTION NO. 2013 -7

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
LAWNDALE SUCCESSOR AGENCY CONFIRMING THE EXISTING PUBLIC WORKS
AGREEMENT BETWEEN THE FORMER LAWNDALE REDEVELOPMENT AGENCY AND
THE CITY OF LAWNDALE AND RE-ESTABLISHING SAID AGREEMENT WITH REGARD
TO THE CONSTRUCTION OF THE LAWNDALE COMMUNITY CENTER AND
DETERMINING THAT THE LOAN FOR THE LAWNDALE COMMUNITY CENTER WAS
FOR A LEGITIMATE REDEVELOPMENT PURPOSE**

WHEREAS, on October 16, 2006, the Lawndale Redevelopment Agency and the City of Lawndale entered into a cooperation and reimbursement agreement known as the Public Works Agreement (Attachment A); and

WHEREAS, the Public Works Agreement committed the City of Lawndale to assisting the Lawndale Redevelopment Agency in curing blight in the Redevelopment Project Area through the creation of public facilities; and

WHEREAS, in the Public Works Agreement the City agreed to construct public facilities for the Redevelopment Agency including the construction of public facilities for recreation and the Agency agreed to provide funding for those improvements and reimburse the City for such expenditures; and

WHEREAS, in 2009 the Redevelopment Agency issued tax allocation bonds for the purpose of funding the construction of a community center; and

WHEREAS, in 2010 the City began construction of the Lawndale Community Center for the Redevelopment Agency and the Redevelopment Agency funded the construction with tax allocation bonds issued for that purpose; and

WHEREAS, on December 29, 2011, in the California Supreme Court upheld the Dissolution Act, ABx1 26, and all redevelopment agencies in California were dissolved as of February 1, 2012; and

WHEREAS, the Dissolution Act does not recognize cooperation agreements between the former Redevelopment Agency and the City as enforceable obligations as defined by Health and Safety Code Section 34171(d) and, as a result, the California Department of Finance disallowed Successor Agency reimbursement of City construction expenses for the Lawndale Community Center as required by the Public Works Agreement; and

WHEREAS, AB 1484 subsequently added Health and Safety Code Section 34191.4(b) to state that after a successor agency receives a finding of completion by the Department of Finance, upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city that created the redevelopment agency will be deemed to be an enforceable obligations if the oversight board makes a finding that the loan was for legitimate redevelopment purposes; and

WHEREAS, on April 12, 2013, the Lawndale Successor Agency received a Finding of Completion from the California Department of Finance pursuant to Health and Safety Code section 34179.7 and notwithstanding Section 34171(d), upon application by the Successor Agency and approval by the Oversight Board, loan agreements entered into between the former redevelopment agency and the city that created the redevelopment agency shall be deemed enforceable obligations provided that the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes.

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 Lawndale Oversight Board finds and determines that the Public Works Agreement between the former Redevelopment Agency and the City that the Successor Agency seeks to re-enter pursuant to Health and Safety Code section 34191.4 with respect to the Lawndale Community Center project was made for a legitimate redevelopment purpose.

SECTION 3. The Oversight Board agrees with the reinstatement of the Public Works Agreement with respect to the Community Center Project and finds that this action is in conformance with Health and Safety Code section 34191.4.

SECTION 4. This Resolution shall be effective after this Resolution is transmitted to the DOF, and after the expiration of five (5) business days pending a request for review by the DOF within the time periods set forth in the dissolution Act; in this regard, if the DOF requests review hereof DOF will have forty (40) days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by the DOF, will not be effective until approved by DOF.

SECTION 5. The Finance Director of the Successor Agency or the authorized designee is directed to post this Resolution on the Successor Agency's website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 30th day of May, 2013.

Chair

ATTEST:

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

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 13-07 at a regular meeting of said Oversight Board held on the 30th day of May, 2013, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Secretary

B. Maximum Payments. The total amount to be paid by the Agency for all work performed under this Agreement shall not exceed the sum of FIFTEEN MILLION DOLLARS (\$15,000,000.00) without further Agency approval.

C. Defaults; Remedies. The payment of these amounts by the Agency shall be secured by "tax increment generated from the project area," which, for the purposes of this Agreement, shall mean property taxes paid on taxable property within the Lawndale Economic Revitalization Project and annually allocated and paid to the Agency pursuant to Section 33670 *et seq.* of the California Health and Safety Code, subject to (1) any amounts required to be set aside for low- and moderate-income housing purposes pursuant to California Health and Safety Code Section 33334.6 and (2) all existing or future bonded indebtedness incurred by the Agency relating to the implementation of the Redevelopment Plan for the Project. The City shall have a lien against such tax increment generated from the Project in the amount of any unpaid, past-due payments.

Failure by the Agency to make the above-described payments shall constitute a default under this Agreement, and the City may institute legal action to cure, correct or remedy such default, to recover damages for such default or to obtain any other remedy, including injunctive or declaratory relief, consistent with the purpose of this Agreement.

6. Indebtedness of Agency. This Agreement constitutes an indebtedness of the Agency incurred in carrying out the Project, and a pledging of tax allocations from the Project to repay the indebtedness, under the provisions of Section 16 of Article XVI of the California Constitution and Sections 33670-33674 of the Health and Safety Code; provided, however, that the pledge of tax allocations shall always be subordinate and subject to the right of the Agency to pledge or commit tax allocations from the Project to repay bonds or other indebtedness incurred by the Agency in carrying out the Project.

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

8. Termination of Agreement. This Agreement and the obligations of the City and Agency shall terminate on the completion of the Improvements by the City and the full payment by the Agency to the City of the costs for the Improvements as provided in this Agreement.

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

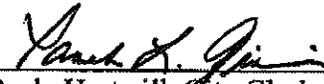
10. No officer, official, employee, agent or representative of the City or Agency shall be personally liable for any amount that may become due to the City or Agency hereunder.

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

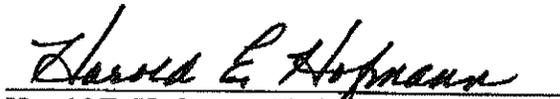
CITY:
CITY OF LAWNSDALE


Harold E. Hofmann, Mayor

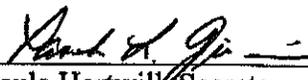
ATTEST:

for 
Paula Hartwill, City Clerk

AGENCY:
LAWNSDALE REDEVELOPMENT
AGENCY, a public body, corporate and
politic


Harold E. Hofmann, Chairman

ATTEST:

for 
Paula Hartwill, Secretary

APPROVED AS TO FORM:
ALESHERE & WYNDER, LLP


William W. Wynder, Esq.
City Attorney and Agency Counsel

Exhibit A

Lawndale Economic Revitalization Project Capital Needs

Public Parking Improvements

Transportation

- Over and underpasses
- Bridges
- Street improvements
- Streetscape improvements
- Curbs, gutters and sidewalks
- Streetlights
- Traffic signals and signage
- Motor vehicle parking facilities

Utilities

- Sewers and storm drains
- Electrical distribution systems
- Water distribution systems
- Communication systems
- Undergrounding of utility overhead lines

Recreation

- Parks, plazas and playgrounds
- Recreation facilities plans
- Landscaped areas and pedestrian paths
- Public art
- Bicycle paths
- William Green Park recreation building
- William Green Park ball fields
- 162nd Street park master plan
- Construction of 162nd Street park

Public Facilities

- Construction, rehabilitation and upgrading of police, education, recreation, library, fire, public health, and other facilities and buildings



CITY OF LAWDALE

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

DATE: October 16, 2006

TO: Honorable Mayor and City Council

FROM: Keith M. Breskin, City Manager

PREPARED BY: Otis W. Ginoza, Community Development Director ^{OWG}
Ken Louie, Director of Finance *KL*

SUBJECT: Public Works Agreement

BACKGROUND

The FY 2006-07 Redevelopment Agency Budget included expenditures for street and park improvements. The Redevelopment Agency's Lawndale Economic Revitalization Project ("Redevelopment Project Area") will provide funding for these projects and the City of Lawndale's Department of Public Works will construct the improvements.

STAFF REVIEW

To facilitate the transfer of funds for the public improvements from the Redevelopment Project Area to the City, staff recommends that the Agency and City enter into a public works agreement ("Agreement"). It is possible that the Redevelopment Project Area will provide funding for additional public improvements as part of future budgets. Therefore, the Agreement (attached) does not expire and can be used for similar fund transfers from the Redevelopment Project Area to the City as long as the Redevelopment Project Area has the ability to repay debt.

The Agreement is a commitment by the City Council to construct public improvements requested by the Redevelopment Agency. The Agreement is a commitment on the part of the Redevelopment Agency to reimburse the City for those expenditures using tax increment received by the Project Area. The Agreement commits the Redevelopment Agency to providing funding of \$15 million for public improvements that are of benefit to the Redevelopment Project Area.

The State of California's Community Redevelopment Law permits redevelopment agencies to collect a portion of the property taxes generated in its project areas that result from increases in assessed value. Redevelopment agencies may only collect this portion of the property tax, called tax increment, for the purpose of repaying project area debt. If a redevelopment project area does not have debt, a redevelopment agency cannot collect any tax increment. Redevelopment agencies establish debt for project areas by issuing bonds or approving loans to the project area. The initial debt of most project areas is a loan from a city. It is important that redevelopment

agencies maintain sufficient project area debt to allow for the collection of all future anticipated tax increment. Since it is very difficult to accurately predict the amount of tax increment that the Project Area will be eligible to receive in future years, it is a prudent practice to maintain significant amount of Project Area debt.

The proposed Agreement would create a debt of \$15 million from the Redevelopment Project Area to the City. This debt can be used to collect future tax increment until approximately 2044.

COMMISSION REVIEW

The Redevelopment Agency will also review the Public Works Agreement on October 16, 2006.

LEGAL REVIEW

The City Attorney has reviewed the Resolution and Agreement as to form.

FUNDING

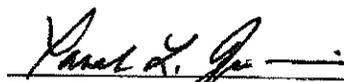
No additional funding required.

RECOMMENDATION

STAFF RECOMMENDS THAT THE City Council adopt the Resolution CC-0610-068 approving the Public Works Agreement with the Redevelopment Agency.

Attachments: Resolution CC-0610-068

Reviewed and Approved:



Pamela L. Gianario, Asst. City Clerk



Marlene Miyoshi, Director of Public Works



Keith M. Breskin, City Manager

RESOLUTION NO. CC-0610-068

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF LAWNSDALE, CALIFORNIA,
APPROVING THE PUBLIC WORKS AGREEMENT
BETWEEN THE CITY OF LAWNSDALE AND
THE LAWNSDALE REDEVELOPMENT AGENCY
(LAWNSDALE ECONOMIC REVITALIZATION PROJECT)**

WHEREAS, the Redevelopment Plan for the Lawnsdale Economic Revitalization Project ("Project") contemplates and provides for the undertaking of projects and activities to remove blighted conditions within the boundaries of the project area of the Lawnsdale Redevelopment Agency ("Agency"); and

WHEREAS, Agency and the City Council of the City have determined that certain street, utility and other public improvements described in the Agreement attached as Exhibit "1" are of benefit to the Project and that no other reasonable means of financing such improvements is available to the community; and

WHEREAS, the City Council desires to enter into the Agreement with the Agency to provide for the construction of public improvements (identified in the Agreement) by the City and reimbursement for the cost of those improvements by the Agency.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAWNSDALE, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That all of the above-stated recitals are true and correct and are incorporated herein by reference.

SECTION 2. That the City Council approves the Public Works Agreement Between the City of Lawnsdale and the Lawnsdale Redevelopment Agency (Lawnsdale Economic Revitalization Project) for the construction of public improvements and the reimbursement of expenditures a true and correct copy of which is attached hereto as Exhibit "1" and which is incorporated herein by this reference.

PASSED, APPROVED AND ADOPTED this 16th day of October, 2006.

Harold E. Hofmann, Mayor

ATTEST:

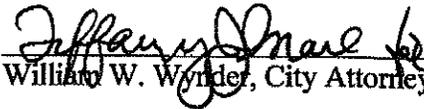
State of California)
County of Los Angeles) SS
City of Lawndale)

I, Paula Hartwill, City Clerk of the City of Lawndale, California, do hereby certify that the foregoing Resolution No. CC-0610-068 was duly approved and adopted by the City Council of the City of Lawndale at a regular meeting of said Council held on the 16th day of October, 2006, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Paula Hartwill, City Clerk

APPROVED AS TO FORM:



William W. Wynder, City Attorney



December 18, 2012

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

Dear Mr. Mandoki

Subject: Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated November 21, 2012. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Lawndale Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on October 11, 2012 for the period of January 1 through June 30, 2013. Finance issued its determination related to those enforceable obligations on November 21, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on December 6, 2012.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific item being disputed.

- Item No. 8 – City loans totaling \$728,000. Finance no longer objects to the item. Finance denied the item as HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable, unless issued within two years of the RDA's creation date or for issuance of indebtedness to third-party investors or bondholders. The Agency contends the item is an enforceable obligation because the Lawndale City Council activated its RDA in 1991 and in the same year provided a loan from the City to the Agency. Per HSC section 34171 (d) (2), loan agreements entered into between the RDA and the city, county, or city and county that created it, within two years of the date of creation of the RDA, may be deemed to be enforceable obligations. Based on further review, Finance approves this item as an enforceable obligation.
- Item No. 15 and 17 – City loans totaling \$15 million. Finance continues to deny the items at this time. Finance denied the items as HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the RDA and the former RDA are not enforceable, unless issued within two years of the RDA's creation date or for issuance of indebtedness to third-party investors or bondholders. Upon receiving a Finding of Completion from Finance, HSC section 34191.4 (b) may cause these items to be enforceable in future ROPS periods. The Agency requested further clarification. Per HSC section 34171 (d) (2), loan agreements entered into between the

RDA and the city, county, or city and county that created it, within two years of the date of creation of the RDA or solely for the purpose of securing or repaying indebtedness obligations, may be deemed to be enforceable obligations. However, the loans were not entered into within two years of the date of creation or solely for securing or repaying indebtedness. Finance has not issued a Finding of Completion to the Agency; therefore, the provisions of HSC section 34171 apply. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the RDA and the former RDA are not enforceable obligations. Therefore, this item is currently not an enforceable obligation.

- Item No. 9 – Hopper Park I-Bank Loan in the amount of \$704,739. Finance continues to deny the item at this time. Finance denied the item as it is our understanding the agreements are between the City and a third party and the Agency is not a party to the agreement. The Agency contends the item is an enforceable obligation because the I-Bank loan utilized sale-lease-back financing, which required the use of a public facility as loan collateral. Since that Agency did not own public facilities, the City applied for the I-Bank loan and provided the funds to the Agency for park construction. In 2006, the Agency and City entered into a cooperation agreement that required the Agency to reimburse the City for construction costs related to Agency projects. Per HSC section 34171 (d) (2), loan agreements entered into between the RDA and the city, county, or city and county that created it, at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and solely for the purpose of securing or repaying those indebtedness obligations, may be deemed to be enforceable obligations. However, the cooperation agreement was entered into in 2006 and the I-Bank Loan was entered into by the City in 2010. Finance has not issued a Finding of Completion to the Agency; therefore, the provisions of HSC section 34171 apply. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the RDA and the former RDA are not enforceable obligations. Therefore, this item is currently not an enforceable obligation.
- Item No. 10 – Lawndale Community Center project in the amount of \$2.9 million. Finance continues to deny the item at this time. Finance denied the item as HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the RDA and the former RDA are not enforceable, unless issued within two years of the RDA's creation date or for issuance of indebtedness to third-party investors or bondholders. Upon receiving a Finding of Completion from Finance, these items may become enforceable pursuant to HSC section 34191.4 (c). Until then, they are not enforceable obligations and not authorized for payment. The Agency contends the item is an enforceable obligation because the City and the RDA entered into a Public Works Agreement in 2006 to authorize the City to act as an agent of the RDA and commit and spend Agency funds for the construction of public improvements. In 2009, the RDA issued bonds for the purpose of constructing a Community Center. While it was the City that entered into the contract, the City used its authority under the Public Works Agreement, with the active consent of the RDA, to commit RDA bond proceeds for the payment of the construction contract. However, the Public Works Agreement did not specify the Lawndale Community Center as one of the projects the City would undertake on behalf of the former RDA. Finance has not issued a Finding of Completion to the Agency; therefore, the provisions of HSC section 34171 apply and the item is not eligible for bond funding at this time. However, successor agencies will be eligible to expend bonds issued prior to January 1, 2011, once a finding of completion is received per 34191.4 (c). Those obligations should be reported on a subsequent ROPS.

- Item No. 11 and 12 – Commercial Rehab Program (CRP) totaling \$72,778. Finance continues to deny the items. Although no funding is requested in the current ROPS period, Finance denied the items as it is our understanding contracts were entered into after June 27, 2011. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. Further these items were previously denied in Finance's letter dated May 27, 2012 for the ROPS period January through June 2012. The Agency contends the items are enforceable obligations because Successor Agency staff mistakenly listed the date of the construction agreement between the applicant and the contractor. Staff should have entered the date that the CRP committed funds to the applicants, which was September 15, 2010. Although funds were awarded in September 2010, the documents provided show the awards are from the City, not the former RDA. Additionally, reimbursement requests are submitted to the City and payments are made from the City. Since the former RDA is not a party to the awards or responsible for payment of the awards, the items are not enforceable obligations.
- Item No. 14 – Bond proceeds in the amount of \$6.6 million. Finance continues to deny the item at this time. Although no funding is requested in the current ROPS period, Finance denied the item as it is not an enforceable obligation. It is our understanding no contracts are in place for this line item. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. Therefore, this line item is not an enforceable obligation and not eligible for funding at this time. To the extent bond proceeds are the anticipated funding source for these projects, upon receiving a Finding of Completion from Finance, these items may become enforceable pursuant to HSC section 34191.4 (c). Until then, they are not enforceable obligations and not authorized for payment. The Agency requested further clarification. Since there are no contracts in place, the item is not eligible for bond funding at this time. However, successor agencies will be eligible to expend bonds issued prior to January 1, 2011, once a finding of completion is received per 34191.4 (c). Those obligations should be reported on a subsequent ROPS.
- Item No. 19 through 23 – Mobile Home Park Closure project totaling \$515,894. Finance continues to deny the items. Although no funding is requested in the current ROPS period, Finance denied the items as it is our understanding no contracts are in place or contracts were executed after June 27, 2011. The Agency listed the anticipated costs because they believed that the Oversight Board might wish to close the dilapidated mobile home park located on the site to increase its value and therefore listed closure expenses. These are anticipated costs associated with the Long-Range Property Management Plan. Since there are no contracts in place for these items they are not enforceable obligations and should not be listed on the ROPS.
- Item No. 27 – Successor Housing Administrative Cost in the amount of \$12,598. Finance no longer objects to the item. The item was denied as HSC section 34176 (a) (1) states if a city, county, or city and county elects to retain the authority to perform housing functions previously performed by a RDA, all rights, powers, duties, obligations, and housing assets shall be transferred to the city, county, or city and county. Since the City of Lawndale assumed the housing functions, the administrative costs associated with these functions are the responsibility of the housing successor. The Agency contends the item was an enforceable obligation because these are former RDA

expenditures for housing staff for January 2012. The former RDA used tax increment it received before February 1, 2012 to pay these staff costs. The Agency is asking that Finance validates this expenditure by approving it as part of ROPS III. The costs were for housing staff of the former RDA prior to dissolution. Therefore, the item was an enforceable obligation.

- Item No. 4 for audit fees in the amount of \$4,350 is considered an administrative expense and should be counted towards the cap. Finance no longer reclassifies the item as an administrative cost, but denies it as an enforceable obligation. The Agency contends the item is an enforceable obligation because successor agencies are required to prepare annual audits and the former RDA entered into an agreement with an accounting firm in 2006 to prepare the annual audit. However, the agreement provided was between the City and a third party, not the former RDA. Since the former RDA was not a party to the agreement or responsible for payment, the item is not an enforceable obligation nor should it be reclassified as an administrative cost.

The Agency also requested clarification on what expenditures are considered administrative costs. Items that fall into any of the following categories are specifically excluded from the administrative cap as defined by HSC section 34171 (b):

- Any litigation expenses related to assets or obligations.
- Settlements and judgments.
- The costs of maintaining assets prior to disposition.
- Employee costs associated with work on specific project implementation activities, including, but not limited to, construction inspection, project management, or actual construction, shall be considered project-specific costs.

In addition, per Finance's ROPS letter dated November 21, 2012, the following items not disputed by the Agency continue to be denied:

- Item No. 7 – Pass through payments in the amount of \$304,871. Per HSC section 34183 (a) (1), the county auditor-controller will make the required pass through payments starting with the July through December 2012 ROPS. Therefore, these items are not enforceable obligations and not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$680,079 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 1,629,347
Less: Six-month total for items denied or reclassified as administrative cost:	
Item 4*	4,350
Item 7	304,871
Item 9	11,805
Total approved RPTTF for enforceable obligations	\$ 1,308,321
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	100,000
Total RPTTF approved:	\$ 1,408,321

* Reclassified as administrative cost

Administrative Cost Calculation	
Total RPTTF for the period July through December 2012	\$ 1,823,364
Total RPTTF for the period January through June 2013	1,308,321
Total RPTTF for fiscal year 2012-13:	\$ 3,131,685
Allowable administrative cost for fiscal year 2012-13 (Greater of 3% or \$250,000)	250,000
Administrative allowance for the period of July through December 2012	150,000
Allowable RPTTF distribution for administrative cost for ROPS III:	\$ 100,000

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

Except for items disallowed as noted above, Finance is not objecting to the remaining items listed in your ROPS III. Obligations deemed not to be enforceable shall be removed from your ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not questioned on this ROPS or a preceding ROPS.

Mr. Mandoki
December 18, 2012
Page 6

Please direct inquiries to Evelyn Sues, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

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

RESOLUTION NO. CC-0910-057

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF LAWNSDALE, CALIFORNIA
APPROVING THE LAWNSDALE REDEVELOPMENT AGENCY'S
FINANCING OF CERTAIN PUBLIC BUILDINGS AND IMPROVEMENTS
PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 33445 AND 33679**

WHEREAS, pursuant to the Community Redevelopment Law of the State of California ("Redevelopment Law"), the City of Lawnsdale ("City") has adopted a Redevelopment Plan for the Redevelopment Project Area ("Project Area") administered by the Lawnsdale Redevelopment Agency ("Agency"); and

WHEREAS, City general fund and reserves are limited and subject to uncontrollable reductions as a result of diminished sales tax and transient occupancy tax revenue, in addition to recent actions by the State of California ("State") that have taken City funds for State purposes; and

WHEREAS, pursuant to Health and Safety Code Section 33445, the Agency may, with the consent of the City Council, pay all or part of the costs of the public buildings and improvements if the City Council makes certain findings; and

WHEREAS, the public buildings and improvements proposed to be financed by the Agency as outlined in "Exhibit A," attached hereto and incorporated herein by this reference, are of benefit to the Project Area; and

WHEREAS, the Agency has duly considered the impacts the public buildings and improvements outlined in "Exhibit A" will have on the Project Area, and believes that no other funds are reasonably available to finance these projects and that the completion of the public buildings and improvements will assist in the elimination of one or more blighting conditions within the Project Area; and

WHEREAS, City staff has determined that the City's approval of the Agency's financing of the public buildings and improvements with tax increment and/or bonds secured by tax increment is not considered a "project" under the California Environmental Quality Act (CEQA) because such approval constitutes only the creation of a funding mechanism or other fiscal action; and

WHEREAS, in accordance with Health and Safety Code Section 33679, a public hearing by the City Council was duly noticed to consider this matter on September 21, 2009, which hearing was continued to October 19, 2009; and

WHEREAS, notice of such public hearing was published in the *Daily Breeze* on September 7, September 14, September 21 and September 28, 2009; and

WHEREAS, no later than the time of the first publication of the notice of the public hearing, the Agency made available for public review a Summary Report, also known as a "33679 Report,"

attached hereto as Exhibit "B" and by this reference incorporated herein (the "Summary Report"), setting forth the information required by Health and Safety Code Section 33679.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAWNSDALE, CALIFORNIA, HEREBY RESOLVES AS FOLLOWS:

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

SECTION 2. The City Council hereby consents to the Agency's financing of the specified public buildings and improvements and, in accordance with Health and Safety Code Sections 33445 and 33679, and based on the Summary Report and the findings therein, the staff report accompanying this resolution, the oral presentation of staff and such other written and oral evidence presented to the City Council, finds the following:

- (i) The Agency's financing of the public buildings and improvements listed on Exhibit "A" is of benefit to the Project Area because such payment will facilitate and permit the operation of the public buildings and improvements, thereby improving the municipal facilities in the City, increasing the economic and cultural vitality of the Project Area, eliminating physical blight in the Project Area, and contributing to the long term economic development and success of the Project Area; and
- (ii) Since general fund reserves are limited and subject to uncontrollable reductions and State takings and the City has been unable to secure grant funds to pay all of the costs of constructing the public buildings at issue, as further described in the Summary Report, the Agency's financing of the public buildings and improvements listed on Exhibit "A" is prudent because no other funds are reasonably available to finance the costs which will be incurred to develop these public buildings and improvements; and
- (iii) The Agency's financing of these public buildings and improvements will assist in the elimination of physical and economic blight conditions by encouraging new development and providing employment and recreation opportunities in the Project Area; and
- (iv) The Agency's financing of the public buildings and improvements listed on Exhibit "A" is consistent with the Five-Year Implementation Plan adopted for the Redevelopment Plan pursuant to Health and Safety Code Section 33490. Goal 2 of the Five-Year Implementation Plan is to "Enhance the public safety and welfare by providing improved community services," which is to be "achieved through the design and construction of needed public facilities and utilities." Also, long-term Goal 5 of the Implementation Plan is to "Improve public facilities and public infrastructure to provide adequate infrastructure facilities and public services." Financing the public buildings and improvements listed on Exhibit "A" will support these goals.

SECTION 3. This resolution will take effect upon adoption.

PASSED, APPROVED AND ADOPTED this 19th day of October, 2009.

Harold E. Hofmann
Harold E. Hofmann, Mayor

ATTEST:

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

I, Paula Hartwill, City Clerk of the City of Lawndale, California, do hereby certify that the City Council of the City of Lawndale duly approved and adopted the foregoing Resolution No. CC-0910-057 at a regular meeting of said Council held on the 19th day of October, 2009, by the following roll call vote:

AYES: Hofmann, Rudolph, Ramsey, Pullen-Miles, Osborne
NOES: None
ABSENT: None
ABSTAIN: None

Paula Hartwill
Paula Hartwill, City Clerk

APPROVED AS TO FORM:

Tiffany J. Israel
Tiffany J. Israel, City Attorney

EXHIBIT "A"

Projects to be funded with Lawndale Redevelopment Agency financing:

- Construction of the Lawndale Community Center including furniture, fixtures and equipment (FF&E)
- Reimbursement of Redevelopment Agency expenditures for Community Center soft costs
- Reimbursement of Redevelopment Agency expenditures for acquisition of 14718 Burin Avenue
- Construction of new improvements for Hogan Tot Lot
- Construction of a recreation building at Rogers/Anderson Park
- Erection of field lights at Rogers/Anderson and Jane Addams Parks
- Construction of picnic shelters at Rogers/Anderson Park
- Replacement of playground equipment at Rogers/Anderson, William Green and Jane Addams Parks
- Construction of splash pads in William Green and Jane Addams Parks
- New park acquisition and improvement
- Widening of Inglewood Avenue north of Marine Avenue
- Construction of sidewalks, pavement, curb and gutter in the Redevelopment Project Area

**CITY OF LAWNSDALE/
LAWNSDALE REDEVELOPMENT AGENCY**



**REPORT ON COMMUNITY CENTER PROJECT AND
THE ROGERS ANDERSON PARK RECREATION BUILDING
PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 33445 AND 33679**

I. INTRODUCTION

This summary ("Summary") is compiled in compliance with the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.* (the "CRL")), and more particularly, Section 33679 of the CRL, which provides in part that before an agency commits to use a portion of taxes to be allocated and paid to an agency pursuant to subdivision (b) of Section 33670 (the "Tax Increment") for the purpose of paying all or part of the value of the land for, and the cost of the installation and construction of, any publicly owned building, other than parking facilities, the City Council of the City of Lawndale (the "City") shall provide this Summary for review and copying and shall hold a public hearing.

The Lawndale Redevelopment Agency (the "Agency") desires to use Tax Increment and bonds or loans secured thereby to fund all or a portion of the costs for the following public infrastructure projects: sidewalk reconstruction; pavement, curb and gutter improvements; street widening and improvements; park acquisition, development, and improvements including the construction of a recreation building at Rogers Anderson Park (the "Rec Building"); and the acquisition of land, if required, the design and construction of a community center to be located at 14700 Burin Avenue (the "Community Center"). The Community Center is located within the Lawndale Economic Revitalization Project Area (the "Project Area"). The Rec Building is located in Rogers Anderson Park, which is adjacent to the Project Area.

Section 33679 of the CRL requires that prior to the public hearing there be available for public inspection and copying this Summary which includes all of the following: (a) estimates of the amount of such taxes proposed to be used to pay for the Community Center and the Rec Building, including interest payments; (b) the facts supporting the determinations required to be made by the legislative body pursuant to Section 33445 of the CRL relating to the financing of public improvements, and (c) the redevelopment purpose for which such taxes are being used to pay for the land and construction of such publicly owned buildings.

The City has previously approved and adopted the Amended Redevelopment Plan for the Lawndale Redevelopment Project Area ("Redevelopment Plan")¹. The Agency is charged with the responsibility for carrying out the Redevelopment Plan. Pursuant to Article XVI, Section 16 of the California Constitution, Section 33670 *et seq.* of the CRL and the Redevelopment Plan, the Agency will receive the Tax Increment from the project area (increases in property taxes above the base year in which the plan was adopted) to pay the principal of and interest on loans, monies advanced to or indebtedness incurred by the Agency to finance or refinance, in whole or in part, redevelopment in accordance with the Redevelopment Plan. The Agency intends to use such funds to finance the Community Center and the Rec Building.

The City Council held a public hearing on September 21, 2009 and continued the public hearing to October 19 and, as required by Section 33679 of the Redevelopment Law, published notice of the time and place of the public hearing in a newspaper of general circulation in the City for at least two successive weeks prior to the public hearing.

¹ Redevelopment Plan was adopted by Ordinance No. 860-99, on June 21, 1999, as amended by Ordinance No. 943-04, adopted on June 7, 2004.

II. BACKGROUND

A. There is a Need for a New Community Center, the New Rec Building and Certain Other Public Infrastructure Projects.

In 2007, the Lawndale Civic Center Building was demolished to make way for a new County library. The Civic Center Building had functioned as both a senior center and a community center, serving the needs of Lawndale residents. As a temporary measure to facilitate senior and other community activities, a modular building was installed; however, the modular building was never intended to be a permanent solution.

The City is deficient in recreation and open space and ranks very low amongst South Bay cities in regards to the amount of recreational facility space per capita. Furthermore, much of the available park space in the City is owned by the local school districts, which share the space with the City but apply restrictions to its use, such as the hours of use. And, when the school districts unilaterally elect to expand a school, the expansion typically results in the sacrifice of a portion of what was previously park space. These constraints have severely limited the recreational programming offered to Lawndale residents, and since the City's population is expected to grow over the next 25 years, this lack of recreational activities will only be magnified unless new facilities are constructed.

Faced with an existing deficiency in recreational facilities made only worse by the demolition of the Civic Center Building, City staff researched potential options for developing a new community center. In August 2007, after having conducted a preliminary needs assessment, programming, and cost estimates, it was determined by the City Council that the best solution would be the construction of the new Community Center on City-owned land within the Civic Center area. A new building is more efficient and cost effective considering the numerous upgrades that would be required for any existing facility. Hence, anything other than a new facility was considered a band-aid solution. The City Council also felt the design and construction of the facility should proceed as soon as possible. As construction and building material costs continue to rise rapidly, delays will only increase the cost of construction.

Similarly, the construction of a new Rec Building with updated restrooms will allow residents to use Rogers Anderson Park as more than an open space type park. Currently, the facility at the park only allows storage of recreational equipment by City staff. Accordingly a new larger Rec Building at Rogers/Anderson Park will help the City to substantially increase the parks and recreation services offered to youth and teens that currently do not exist in that particular area. The building would also provide employees with an office in which customer service and employee functions could be performed, as well as meeting space for youth, teen and/or community groups.

In addition to the need for the new Community Center and the Rec Building, Lawndale has other needs such as street and sidewalk improvements and park improvements and development. There are a number of inadequate street and sidewalks that are located within or serve the project area. Improvements to these types of public infrastructures would enhance the community's environment. Lawndale also lacks in adequate public park facilities. In 2003, the South Bay Cities Council of Governments (SBCCOG) and Southern California Association of Governments (SCAG) published a

report of key findings entitled "South Bay Cities Infrastructure and Services Capacity Assessment". This document noted that the City of Lawndale has the lowest ratio of park and beach acreage to every 1,000 residents within the South Bay at 0.1. Accordingly, improvements or development of new park space will help to eliminate blight and enhance the quality of life for Lawndale residents.

B. The Community Center, Rec Building and Certain Other Public Infrastructure Projects Will Meet the Community's Needs.

The City evaluated a number of potential sites for the Community Center facility against a series of criteria that included adequate size, centralized location, and sufficient parking. The approximate 26,000 square foot 147th Street and Burin Avenue property was determined to be a suitable site and was unanimously selected by the City Council in August 2007. A site of this size can accommodate the construction of a new 25,000 square foot facility.

The City Council has expressed a desire to expand the City's recreation programs. A Community Center that is larger than the current facilities can provide more rooms for recreation activities. This range of large and small rooms will allow the City to offer many additional recreational activities for infants and their parents, children, teens, adults and seniors. The types of classes that could be offered in a well designed and larger facility are virtually limitless and the number of classes offered would be limited only by the amount of available operational space. The Community Center will also provide better facilities for the staff that oversee the activities to be provided within the building. The cable television operations could be given a space more suitable than the residential house on Burin Avenue and Community Services could be given offices that allow for better supervision of recreation activities.

The area around City Hall is undergoing significant change. The civic center area has increasingly become a center of activity for the City of Lawndale. A new school has been expanded nearby, a new library was recently completed, across from which the City will soon be building the Community Center. A new, larger community center with many rooms for classes and meetings would also bring more residents to the City Hall area, in addition to those visiting the new library and school. Residents would be better able to access city services in the Community Center because staff will be co-located where many of the services will be provided and parking will be centralized and immediately adjacent to the center. In addition, the yet to be identified use of the current makeshift community center facility could, after completion of the Community Center, be modified to a new purpose to further add to the vitality of the Civic Center area and enhance the community.

The Rec Building at Rogers/Anderson Park will help the City to substantially increase the park and recreation services offered at that particular location. The new building would give the City the opportunity to provide recreational opportunities for youth and teens that currently do not exist, such as: indoor after school and summer programs, evening and weekend programs, and a classroom environment for games and/or educational opportunities. The building would also provide employees with an office in which customer service and employee functions could be performed, as well as meeting space for youth, teen and/or community groups. Lastly, the new building would continue to serve as recreational equipment storage and would provide updated public restrooms.

The additional street, sidewalk, curb, and park projects are needed improvements within Lawndale. With these types of public infrastructure type projects undertaken, the project area will become an attractive and well-serviced environment for all residents and visitors.

III. FINDINGS

The following constitutes the summary of the information required by Section 33679 and the findings required by Section 33445:

A. Estimates of the Amount of Tax Increment Proposed to be Used to Pay for Construction of the Community Center and Rec Building, Including Interest Payments.

The Agency expects to finance the Community Center, Rec Building and other infrastructure projects by the payment of principal and interest on a portion of tax allocation bonds or loans secured by tax increment (the "Bonds") which the Agency expects to issue in 2009 to finance redevelopment projects, including the Community Center and the Rec Building.

The estimated costs of the acquisition, installation or construction of the Community Center and the estimated costs to construct the Rec Building are shown on Exhibit 1 hereto and by this reference incorporated herein. The estimated payments of interest and principal on Bonds issued to finance the total cost of the Community Center and Rec Building are shown on Exhibit 2 hereto and by this reference incorporated herein. In summary, it is estimated that the Agency will need to borrow a total of \$19,875,000 to fund all the approximate \$18 million project costs listed on Exhibit 1, costs to issue the bonds, and reserves. The total principal and interest payments over the life of the bonds are expected to be \$51,542,000. The Bonds will mature in 2045, one year prior to the last year that tax increment revenues may be allocated to the Agency pursuant to the Redevelopment Plan.

B. The Facts Supporting the Determinations Required to be Made by the Legislative Body Pursuant to Section 33445 of the CRL.

Section 33445 of the CRL states that the Agency, with the consent of the City Council, may pay the cost of the Community Center, the Rec Building and other public infrastructure projects whether located within or outside of the Project Area if the City Council determines: (1) that the Community Center, the Rec Building and other infrastructure improvement projects are of benefit to the Project Area or the immediate neighborhood in which each project is located, regardless of whether the improvements are within another project area; (2) that no other reasonable means of financing the Community Center, the Rec Building and other infrastructure projects are available to the City and (3) that the payment of funds for the Community Center, the Rec Building and infrastructure projects will assist in the elimination of one or more blighting conditions inside the Project Area or provide housing for low- or moderate-income persons, and is consistent with the implementation plan adopted pursuant to Section 33490.

The following facts support the determinations required to be made by the City Council pursuant to Section 33445 of the Redevelopment Law, as well as the similar determinations to be made pursuant to the Redevelopment Plan.²

1. *The Community Center, the Rec Building and the other Identified Public Infrastructure Projects are of benefit to the Project Area.*

The proposed Community Center, the Rec Building and other listed infrastructure projects would benefit the Project Area by eliminating blighting conditions within the Project Area and providing needed services and facilities consistent with the Redevelopment Plan.

The Community Center has excellent access to major streets and will increase the number and type of services that the City will be able to provide to the community. Additionally, it will be better located adjacent to City Hall and a new Los Angeles County Public Library. This will, in turn, enhance the general welfare of the community. Likewise, a new and larger Rec Building at Rogers/Anderson Park will help the City to substantially increase the parks and recreation services offered at that particular location and provide recreational opportunities for youth and teens that currently do not exist.

The increased facilities and services will in turn spur residential, commercial and industrial development within the Project Area thereby increasing employment opportunities, housing activities and eliminating blighting conditions. Property owners will have additional incentives to rehabilitate, revitalize and beautify older properties within these areas to keep pace with the increased demands and the increased services. The growing population and demands on current resources as well as the current lack of recreation facilities all necessitated the increase in community service facilities and services.

The Redevelopment Plan contemplates that the development of the Community Center, the Rec Building and the specified infrastructure projects benefit the Project Area. More specifically, the Redevelopment Plan includes among its purposes the elimination of blight in the Project Area by providing for the installation and construction of public improvements necessary to carry out the purposes of the Plan and with the cooperation with other public bodies as may be appropriate or necessary to achieve the highest public good. (See Sections 400, 510 and 518). Under Section 518, the Community Center, Rec Building, and other public improvements, which the Agency is authorized to construct, may be within or outside the Project Area.

The Redevelopment Plan states that the Agency's goal is to eliminate and prevent the spread of conditions of blight including, but not limited to, underutilized properties and deteriorating buildings, and to improve public facilities and public infrastructure to provide adequate infrastructure facilities and public services. (See section 400). Under Section 500, the Agency proposes to eliminate and prevent the recurrence of blight by "acquiring, installing, developing, constructing, reconstructing, redesigning, planning, replanning, or reusing streets, curbs, gutters, sidewalks, traffic control devices, utilities, flood control facilities and other public improvements and public facilities," acquisition and management of real property,

² More Particularly, Sections 518 (Public Improvements), 525 (Property Disposition and Development) and 500 (Redevelopment Actions) of the Redevelopment Plan.

vacating or abandoning streets and alleys as necessary, and "combining parcels and properties where and when necessary." Under Section 600, the Agency's uses permitted in the Project Area involve encouraging new construction in accordance with applicable State laws and City codes. (See section 610.) In doing so, the Agency's intent is to provide assistance by constructing needed public improvements and facilities. Proposed projects, public facilities, and infrastructure improvement projects include but are not limited to public facilities improvement including the Community Center, the Rec Building and parks, drainage improvements, streetscape improvements, street and alley improvements, signalization improvements, and utility improvements (See Exhibit C of the Redevelopment Plan). Hence, the construction of the Community Center, the Rec Building and other specified public infrastructure improvements will actually help improve the community services and facilities and social quality of life within the community consistent with the goals mentioned in Section 400.

2. *No other reasonable means of financing the Community Center, the Rec Building and other Public Infrastructure Projects are available to the community.*

During these current economic uncertainties, the City lacks the confidence in its available resources to fund the Community Center, the Rec Building and other infrastructure projects and the necessary ongoing needs of the City. The Agency, in collaboration with the City, has examined the possible sources from which to secure other financing for the Community Center, the Rec Building and the infrastructure projects, and has determined that there is no alternative feasible means to secure the necessary funding to construct the Community Center, the Rec Building and to undertake the infrastructure projects without the investment of Tax Increment and/or the Bonds.

The City, like many California cities, faces difficult fiscal realities, including (a) the need to fund ongoing necessary public service obligations despite fewer and smaller federal and state contributions and other revenue sources and (b) the increased uncertainty of every city's financial position due to the state's current and projected budget deficits. The City has examined the general fund and has not found the appropriate financing for the projects. The City prefers to maintain its reserves at the current level as it moves into more challenging economic times due to a reduced expectation for revenues from property taxes, sales taxes and other sources. The Agency's limited fund balance and liquid resources preclude the use of internal Agency financing for the construction of the Community Center, the Rec Building and the other identified infrastructure improvements. As a result, the Agency will use the Tax Increment as a last-resort funding source to provide the necessary project funds. Leveraging the Tax Increment by issuing bonds will enable the City and the Agency to construct the needed Community Center, Rec Building, and other public infrastructure projects listed on Exhibit 1 in an appropriate time frame to fulfill the needs of the community and requirements of the law.

3. *The payment of funds for the cost of the Community Center, the Rec Building and certain other Public Infrastructure Projects will assist in the elimination of one or more blighting conditions inside the Project Area and is consistent with the Implementation Plan for the Project Area.*

The use of Tax Increment for the Community Center, the Rec Building and the other identified infrastructure improvements will assist in the elimination of one or more blighting conditions inside the Project Area and is consistent with the Agency's current Five-Year Implementation Plan 2005-09 dated September, 2005 pursuant to Section 33490 of the Redevelopment Law (the "Implementation Plan"). As described in Subsection 1 above, payment of funds for the Community Center, the Rec Building and the other identified infrastructure improvements is contemplated under the Redevelopment Plan to assist with the elimination of blight within and outside of the Project Area. The design and construction of needed public facilities and infrastructure is also one of the contemplated capital improvements to assist and enhance improved community services. (See Page 5, Implementation Plan.)

In addition, the Implementation Plan sets forth the Agency's goals with respect to the Project Area, which includes providing a broad range of public infrastructure improvements to induce private investment in the Project Area. This goal will be achieved through the design and construction of needed public improvements. (See Implementation Plan Page 5.) One of the long term goals listed in the Implementation Plan is to improve public facilities and public infrastructure to provide adequate infrastructure facilities and public services (Page 3).

The issuance of the Bonds to fund the Community Center, the Rec Building and infrastructure projects will stretch the Agency's resources to fund the immediate need for the facilities and will spur other development and redevelopment within the Project Area. In accordance with the Implementation Plan, the Agency intends to eliminate the following blighted conditions within the Project Area: underutilized properties, deteriorating buildings, incompatible and uneconomic land uses, deficient infrastructure and facilities, obsolete structures, parking deficiencies, and other economic deficiencies. Construction of the needed Community Center, the Rec Building and infrastructure projects will assist the Agency to accomplish these goals through creating a more favorable environment that will promote the desirability of the community as a place to live and work. Increasing community services and providing adequate infrastructure will also encourage development and redevelopment, leading to an increase in the potential for new businesses and the expansion of existing businesses, thereby enabling the City to become increasingly economically independent.

Pursuant to Section 400 of Redevelopment Plan, the Agency intends to implement its goals by assessing the financing of infrastructure that supports redevelopment efforts in the Project Area. The historical increase in assessed values experienced in past years will enable the Agency to finance the Community Center, the Rec Building and infrastructure projects and maintain consistency with the goals and determinations of the Implementation Plan and beyond.

C. **The Redevelopment Purpose for Which Tax Increment is Being Used to Pay for the Construction of the Community Center and the Rec Building.**

The purpose of the investment of Tax Increment is to finance the necessary Community Center, the Rec Building and other public infrastructure projects and thereby eliminate blighting conditions present in the Project Area. Such purposes will accomplish the actions described in Section 500 of the Redevelopment Plan, the installation and construction of public structures in the project area and the redevelopment of land. These objectives are consistent with the provisions of the CRL.

EXHIBIT 1

Potential Use of Bond Proceeds
3-Sep-09

Community Center Construction	
Community Center Construction & FFE	\$10,258,311
Reimbursement of Community Center Expenses that Occurred Before Bond Issuance	
Reimburse Agency for Community Center soft costs	\$1,000,000
Reimburse Agency for Acquisition of 14718 Burin	\$450,000
Total	<u>\$1,450,000</u>
Other Capital Expenditures	
Widen Inglewood North of Marine	\$1,500,000
Splash Pads at Green and Addams Parks	\$400,000
Rogers/Anderson Field Lights	\$300,000
W. Green Picnic Shelters	\$80,000
Rogers/Anderson Rec Building	\$600,000
Addams Field Lights	\$300,000
Replace Anderson, Addams and Green Playground Equipment	\$300,000
Hogan Tot Lot	\$1,200,000
New Park Acquisition and Improvement	\$200,000
Sidewalk, Pavement, Curb and Gutter	\$1,500,000
Total	<u>\$6,380,000</u>
Total	\$18,088,311

EXHIBIT 2

**Lawndale Economic Revitalization Area
Tax Allocation Bonds, Series 2009
Non-Housing Debt Service Coverage**

Fiscal Year Ending	Net Tax Increment⁽¹⁾	Net Tax Increment with Subordination⁽²⁾	2009 Estimated Debt Service	Coverage (No Subordination)	Coverage (With Subordination)
2010	2,847,630	3,885,561	721,297	3.948	5.387
2011	2,847,630	3,885,561	1,451,875	1.961	2.676
2012	2,847,630	3,885,561	1,451,475	1.962	2.677
2013	2,847,630	3,885,561	1,450,425	1.963	2.679
2014	2,847,630	3,885,561	1,453,725	1.959	2.673
2015	2,847,630	3,885,561	1,451,050	1.962	2.678
2016	2,847,630	3,885,561	1,452,725	1.960	2.675
2017	2,847,630	3,885,561	1,453,425	1.959	2.673
2018	2,847,630	3,885,561	1,453,150	1.960	2.674
2019	2,847,630	3,885,561	1,451,900	1.961	2.676
2020	2,847,630	3,885,561	1,454,675	1.958	2.671
2021	2,847,630	3,885,561	1,451,150	1.962	2.678
2022	2,847,630	3,885,561	1,451,650	1.962	2.677
2023	2,847,630	3,885,561	1,450,850	1.963	2.678
2024	2,847,630	3,885,561	1,453,750	1.959	2.673
2025	2,847,630	3,885,561	1,450,025	1.964	2.680
2026	2,847,630	3,885,561	1,450,000	1.964	2.680
2027	2,847,630	3,885,561	1,453,350	1.959	2.674
2028	2,847,630	3,885,561	1,454,750	1.957	2.671
2029	2,847,630	3,885,561	1,454,200	1.958	2.672
2030	2,847,630	3,885,561	1,451,700	1.962	2.677
2031	2,847,630	3,885,561	1,452,250	1.961	2.676
2032	2,847,630	3,885,561	1,450,525	1.963	2.679
2033	2,847,630	3,885,561	1,451,525	1.962	2.677
2034	2,847,630	3,885,561	1,449,925	1.964	2.680
2035	2,847,630	3,885,561	1,450,725	1.963	2.678
2036	2,847,630	3,885,561	1,453,600	1.959	2.673
2037	2,847,630	3,885,561	1,453,225	1.960	2.674
2038	2,847,630	3,885,561	1,449,600	1.964	2.680
2039	2,847,630	3,885,561	1,452,725	1.960	2.675
2040	2,847,630	3,885,561	1,451,950	1.961	2.676
2041	2,847,630	3,885,561	1,452,275	1.961	2.675
2042	2,847,630	3,885,561	1,453,375	1.959	2.673
2043	2,847,630	3,885,561	1,449,925	1.964	2.680
2044	2,847,630	3,885,561	1,451,925	1.961	2.676
2045	2,847,630	3,885,561	1,451,925	1.961	2.676
Total	102,955,500	138,075,917	51,542,622		

2009 Estimated debt service and coverage is preliminary and subject to change.

- (1) Based on FY 2009-10 Assessed Valuation of \$996,734,401. Assumes a 1.0% tax rate and no growth. Includes pass through payments.
- (2) Based on FY 2009-10 Assessed Valuation of \$996,734,401. Assumes a 1.0% tax rate, no growth and that pass through payments are subordinated.
- (3) Assumes 150% coverage, interest rates as of 8/25/2009, reserve fund calculated on a stand-alone basis.

Daily Breeze

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(310) 543-6635 * (310) 540-5511 Ext. 396

PROOF OF PUBLICATION (201 5.5 C.C.P.)

STATE OF CALIFORNIA

County of Los Angeles,

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of the THE DAILY BREEZE

a newspaper of general circulation, printed and published

in the City of Torrance
County of Los Angeles, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of County of Los Angeles, State of California, under the date of

June 10, 1974

Case Number SWC7146

that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement there of on the following dates, to-wit

September 07, 14,

all in the year 2009

the foregoing is true and correct.

Dated at Torrance

California, this 14, September 2009

Amelia
Signature

This space is for the County Clerk's Filing Stamp

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2009 SEP 15 P 1:33

CITY CLERK DEPT.
LAWDALE, CA.

Proof of Publication of

DB

DB 9-30

NOTICE OF PUBLIC HEARING

BY THE CITY COUNCIL OF THE CITY OF LAWDALE REGARDING THE FINANCING OF CERTAIN PUBLIC IMPROVEMENTS AS REQUIRED BY SECTION 33679 OF THE CALIFORNIA HEALTH AND SAFETY CODE

NOTICE IS HEREBY GIVEN that a public hearing will be held before the City Council of the City of Lawndale, California on the following date:

DATE OF HEARING: September 21, 2009 (Monday)
TIME OF HEARING: 6:30 p.m.
PLACE OF HEARING: City Hall - City of Lawndale
Council Chambers, 14717 Burin Avenue
Lawndale, California 90260

FOR THE FOLLOWING PURPOSE:

The City Council of the City of Lawndale will hold a public hearing pursuant to Section 33679 of the California Health and Safety Code (the "CHSC") to consider the financing by the Lawndale Redevelopment Agency (the "Agency") of certain public improvements with tax increment moneys received by the Agency and/or bonds or loans secured thereby, including the construction of a new community center in the Civic Center and a recreation building at Rogers Anderson Park. The Redevelopment Agency is proposing to issue tax allocation bonds secured by tax increment within the Lawndale Redevelopment Project Area to finance these public improvements. Pursuant to Section 33679 of the CHSC, the City Council is required to make a summary ("Summary") available for copying at least two weeks prior to the hearing and on the date of the first publication of this notice. The Summary describes the following pursuant to Section 33679 of the CHSC: (a) estimates of the amount of taxes received by the Agency proposed to be used to pay for the land and construction of any publicly owned building, including interest payments; (b) the facts supporting the determinations required to be made by the legislative body pursuant to Section 33445 of the CHSC; and (c) the redevelopment purpose for which such taxes are being used to pay for the land and construction of such publicly owned building.

Any person affected or concerned by this Notice and Summary may submit written comments to the City Clerk's office before the public hearing or appear and be heard in support of or in opposition to the proposed action at the time of the public hearing.

Any person interested in this Summary may contact the City Clerk's Office at 14717 Burin Avenue, Lawndale, California 90260, (310) 973-3200 during normal business hours. The Summary will be available for public inspection and copying at the above address.

If you challenge this proposed action in court, you may be limited to raising only those issues you, or someone else raised at the public hearing described in this Public Hearing Notice, or in written correspondence delivered to the City Clerk at or prior to the public hearing.

Pub: September 07, 14, 2009



CITY OF LAWDALE

14717 BURIN AVENUE, LAWDALE, CALIFORNIA 90260
PHONE (310) 973-3200, FAX (310) 970-2183

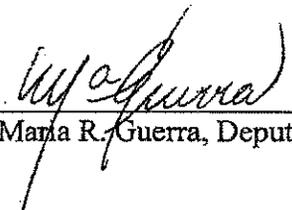
NOTICE OF CONTINUANCE OF CITY COUNCIL PUBLIC HEARING

Notice is hereby given that the Lawndale City Council, at its meeting of September 21, 2009, continued the public hearing scheduled to be held on the same date and described in the agenda of such meeting as follows:

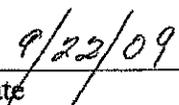
7. Approval of Redevelopment Agency Financing of Certain Public Building and Improvements

Notice is further given that the Lawndale City Council will hold the public hearing described above in the Lawndale City Hall council chamber at 14717 Burin Avenue, on **October 19, 2009**, at or about 6:30 p.m. to receive and consider all evidence relative to the proposal described above.

By order of the City Council of the City of Lawndale



Maria R. Guerra, Deputy City Clerk



Date

RESOLUTION NO. CC-0707-043

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF LAWNSDALE, CALIFORNIA,
MAKING FINDINGS RELATING TO THE FUNDING OF
PUBLIC IMPROVEMENTS BY THE REDEVELOPMENT AGENCY,
PURSUANT TO HEALTH AND SAFETY CODE
SECTIONS 33421.1 AND 33445**

WHEREAS, the Redevelopment Agency of the City of Lawndale ("Agency") is a public body, corporate and politic, organized and existing under the California Community Redevelopment Law (Health & Safety Code Section 33000, *et seq.*) ("CRL"); and

WHEREAS, by previous action of the Agency, and by the City Council of the City of Lawndale, California (the "City Council" or "City", as appropriate), the Redevelopment Plan for the Lawndale Economic Revitalization Project was established; and

WHEREAS, the Redevelopment Plan for the Project Area lists the improvement of public facilities and public infrastructure as a redevelopment plan goal; and

WHEREAS, the Implementation Plan for the Project Area lists as one of its five year goals the provision of a broad range of public infrastructure improvements to induce private investment in the Project Area; and

WHEREAS, the Redevelopment Agency has approved funding for the resurfacing of Marine Avenue, the construction of a park on 162nd Street west of Hawthorne Boulevard, street improvements to Larch Avenue, street improvements at various locations including pavement, curb and gutter, sidewalk improvements, Hawthorne Boulevard hardscape and storm drains, a new ball field and recreation building at William Green Park, a master plan for the Hogan Tot Lot, preliminary planning for a new community center, and the acquisition of as yet unidentified sites for new parks as part of its FY 2007-08 budget; and

WHEREAS, Section 33445 of the California Community Redevelopment Law requires that the City Council consent to the Agency's payment of all or part of the value of the cost of the installation and construction of any improvement which is publicly owned if the City Council determines all of the following:

1. That the improvements are of benefit to the project area or the immediate neighborhood in which the project is located, regardless of whether the improvement is within another project area;
2. That no other reasonable means of financing the improvements are available to the community; and

3. That the payment of funds for the cost of the improvements will assist in the elimination of one or more blighting conditions inside the project area and is consistent with the Implementation Plan adopted pursuant to Section 33490.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAWNSDALE, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

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

SECTION 2. The provision of the public improvements is consistent with the Agency's adopted Implementation Plan 2005-2009 for the Lawndale Economic Revitalization Project.

SECTION 3. The provision of the public improvements to be funded by the Redevelopment Agency will assist in the elimination of blight in the Project Area and the improvements will benefit the Project Area.

SECTION 4. The Agency's Implementation Plan identified the need for a wide range of public improvements to induce private investment in the Project Area.

SECTION 5. The City will have inadequate funds in fiscal year 2007-08 to pay the costs of constructing the public improvements, and there are no state or federal grant funds available to fund these projects.

SECTION 6. The City Clerk shall certify to the passage and adoption hereof.

PASSED, APPROVED AND ADOPTED this 16th day of July, 2007.


Harold E. Hofmann, Mayor

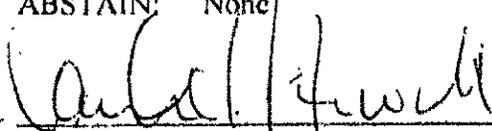
ATTEST:

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

I, Paula Hartwill, City Clerk of the City of Lawndale, California, do hereby certify that the foregoing Resolution No. CC-0707-043 was duly approved and adopted by the City

Council of the City of Lawndale at a regular meeting of said Council held on the 16th day of July, 2007, by the following roll call vote:

AYES: Hofmann, Rhodes, Rudolph, Ramsey, Pullen-Miles
NOES: None
ABSENT: None
ABSTAIN: None



Paula Hartwill, City Clerk

APPROVED AS TO FORM:



Piffaly J. Israel, City Attorney

PAYMENT SCHEDULE

EXHIBIT F

BASE RENTAL PAYMENTS

City of Lawndale – CIEDB Agreement No. BC04-090

NOTE: The Base Rental Payments below shall conform to the following guidelines:

This schedule is based on a term of 20 years from the Effective Date at an interest rate of 3.35% per annum and indicates what the Base Rental Payments will be over the course of the Facility Lease. Base Rental Payments shall have an interest only component through July 31, 2010.

The interest component of each Base Rental Payment shall be calculated on the basis of a 360-day year of twelve 30-day months. Any installment of a principal component or an interest component of a Base Rental Payment that is not paid when due shall continue to accrue interest at the lesser of twelve percent (12%) per annum or the maximum rate permitted by law from and including the Base Rental Payment date with respect to which such principal component or interest component is payable to but not including the date of actual payment.

Base Rental Payment billing statements will be mailed to the Lessee reflecting the actual amount owed prior to each Base Rental Payment due date. With the exception of the annual fee, any Additional Rental Payments will be billed separately as the cost is incurred.

Payment Date	Ending Principal Balance	Principal Payment	Interest Payment	Total Principal & Interest	Annual Fee	Total Payment	Total Payment Fiscal Year Ending 30-Jun
1-Feb-2010	\$830,100.00						
1-Feb-2010							
1-Aug-2010	\$800,291.53	\$29,808.47	\$13,904.18	\$43,712.64	\$2,490.30	\$46,202.94	
1-Feb-2011			\$13,404.88	\$13,404.88		\$13,404.88	\$59,607.83
1-Aug-2011	\$769,484.48	\$30,807.05	\$13,404.88	\$44,211.93	\$2,400.87	\$46,612.81	
1-Feb-2012			\$12,888.87	\$12,888.87		\$12,888.87	\$59,501.67
1-Aug-2012	\$737,645.39	\$31,839.09	\$12,888.87	\$44,727.95	\$2,308.45	\$47,036.41	
1-Feb-2013			\$12,355.56	\$12,355.56		\$12,355.56	\$59,391.97
1-Aug-2013	\$704,739.70	\$32,905.70	\$12,355.56	\$45,261.26	\$2,212.94	\$47,474.19	
1-Feb-2014			\$11,804.39	\$11,804.39		\$11,804.39	\$59,278.58
1-Aug-2014	\$670,731.66	\$34,008.04	\$11,804.39	\$45,812.43	\$2,114.22	\$47,926.65	
1-Feb-2015			\$11,234.76	\$11,234.76		\$11,234.76	\$59,161.40
1-Aug-2015	\$635,584.35	\$35,147.31	\$11,234.76	\$46,382.06	\$2,012.19	\$48,394.26	
1-Feb-2016			\$10,646.04	\$10,646.04		\$10,646.04	\$59,040.29
1-Aug-2016	\$599,259.61	\$36,324.74	\$10,646.04	\$46,970.78	\$1,906.75	\$48,877.53	
1-Feb-2017			\$10,037.60	\$10,037.60		\$10,037.60	\$58,915.13
1-Aug-2017	\$561,717.99	\$37,541.62	\$10,037.60	\$47,579.22	\$1,797.78	\$49,377.00	
1-Feb-2018			\$9,408.78	\$9,408.78		\$9,408.78	\$58,785.77
1-Aug-2018	\$522,918.73	\$38,799.26	\$9,408.78	\$48,208.04	\$1,685.15	\$49,893.19	
1-Feb-2019			\$8,758.89	\$8,758.89		\$8,758.89	\$58,652.08
1-Aug-2019	\$482,819.69	\$40,099.04	\$8,758.89	\$48,857.93	\$1,568.76	\$50,426.68	
1-Feb-2020			\$8,087.23	\$8,087.23		\$8,087.23	\$58,513.91
1-Aug-2020	\$441,377.33	\$41,442.36	\$8,087.23	\$49,529.59	\$1,448.46	\$50,978.05	
1-Feb-2021			\$7,393.07	\$7,393.07		\$7,393.07	\$58,371.12
1-Aug-2021	\$398,546.65	\$42,830.68	\$7,393.07	\$50,223.75	\$1,324.13	\$51,547.88	
1-Feb-2022			\$6,675.66	\$6,675.66		\$6,675.66	\$58,223.54
1-Aug-2022	\$354,281.15	\$44,265.50	\$6,675.66	\$50,941.16	\$1,195.64	\$52,136.80	
1-Feb-2023			\$5,934.21	\$5,934.21		\$5,934.21	\$58,071.01
1-Aug-2023	\$308,532.75	\$45,748.40	\$5,934.21	\$51,682.61	\$1,062.84	\$52,745.45	

1-Feb-2024			\$5,167.92	\$5,167.92		\$5,167.92	\$57,913.37
1-Aug-2024	\$261,251.78	\$47,280.97	\$5,167.92	\$52,448.89	\$925.60	\$53,374.49	
1-Feb-2025			\$4,375.97	\$4,375.97		\$4,375.97	\$57,750.46
1-Aug-2025	\$212,386.90	\$48,864.88	\$4,375.97	\$53,240.85	\$783.76	\$54,024.61	
1-Feb-2026			\$3,557.48	\$3,557.48		\$3,557.48	\$57,582.09
1-Aug-2026	\$161,885.04	\$50,501.86	\$3,557.48	\$54,059.34	\$637.16	\$54,696.50	
1-Feb-2027			\$2,711.57	\$2,711.57		\$2,711.57	\$57,408.07
1-Aug-2027	\$109,691.37	\$52,193.67	\$2,711.57	\$54,905.24	\$485.66	\$55,390.90	
1-Feb-2028			\$1,837.33	\$1,837.33		\$1,837.33	\$57,228.23
1-Aug-2028	\$55,749.22	\$53,942.16	\$1,837.33	\$55,779.49	\$329.07	\$56,108.56	
1-Feb-2029			\$933.80	\$933.80		\$933.80	\$57,042.36
1-Aug-2029		\$55,749.22	\$933.80	\$56,683.02	\$167.25	\$56,850.27	\$56,850.27
Total Payments:		\$830,100.00	\$308,332.17	\$1,138,432.17	\$28,856.99	\$1,167,289.16	\$1,167,289.16



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: May 30, 2013

TO: Honorable Chairman and Agency Members

FROM: Otis Ginoza, Deputy City Manager *OG*

SUBJECT: Resolution Regarding the Transfer of Non-Cash Housing Assets to Successor Housing Agency

BACKGROUND

ABx1 26, approved in June of 2011, terminated redevelopment agencies, but authorized communities to establish successor agencies and successor housing agencies. On January 12, 2012, the Lawndale City Council adopted Resolution CC-1201-007 which designated the Lawndale Housing Authority as the Successor Housing Agency. It was the understanding of the City of Lawndale and other California cities that with the designation of a housing successor agency, the non-cash housing assets of the former redevelopment agency would transfer to the successor housing agency as a matter of law and Oversight Board approval was not required.

AB 1484, approved in June of 2012, modified the redevelopment dissolution process. The legislation required successor agencies to submit a list of non-cash housing assets retained by the housing successor agency to the California Department of Finance (DOF) for review and final approval. The Housing Assets list prepared by the Lawndale Successor Agency was provided to the Oversight Board on August 16, 2012, as an informational item. The Housing Assets List and the DOF review are attached to this staff report.

The DOF approved the Housing Assets List with the exception of one item; a house purchased by the Lawndale Redevelopment Agency for rehabilitation as an affordable housing unit as the purchase took place after the deadline for redevelopment activity.

STAFF REVIEW

Two State of California agencies have taken differing opinions on the transfer of housing assets to successor housing agencies. The DOF has supported the position that housing assets transferred to successor housing agencies as a matter of law with the adoption of resolutions designating successor housing agencies whereas the California State Controller has taken the position that the transfer of housing assets must be approved by the Oversight Board.

Staff believes the DOF position is correct and that the State Controller misunderstands AB 1484. However, out of an abundance of caution, staff requests that the Oversight Board confirm the transfer of non-cash housing assets at this time.

FUNDING

None required at this time.

RECOMMENDATION

Staff recommends that the Oversight Board to approve a resolution confirming the transfer of housing assets from the Redevelopment Agency of the City of Lawndale to the Lawndale Housing Authority.

Attachments: Resolution
Housing Assets List
DOF Review Letter

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RESOLUTION NO. 2013 -8

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
LAWNDALE SUCCESSOR AGENCY ACKNOWLEDGING AND APPROVING THE
TRANSFER OF HOUSING ASSETS TO THE LAWNDALE HOUSING AUTHORITY AS
HOUSING SUCCESSOR**

WHEREAS, California Health and Safety Code Section 34176(a) provides that the city that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the redevelopment agency; and

WHEREAS, California Health and Safety Code Section 34176(a) further provides that if a city elects to retain the responsibility for performing housing functions previously performed by a redevelopment agency, all rights, powers, duties, obligations, and housing assets, excluding any amounts on deposit in the Low and Moderate Income housing fund, shall be transferred to the city; and

WHEREAS, California Health and Safety code Section 34181(c) provides that the oversight board shall direct the successor agency to transfer housing assets to the housing successor, and California Health and Safety Code Section 34177(g) requires the successor agency to effectuate transfer of housing assets and functions to the housing successor; and

WHEREAS, on January 12, 2012, by City Council Resolution No. CC-1201-007 the City of Lawndale elected to retain, through the Lawndale Housing Authority, the housing assets and functions previously performed by the Lawndale Redevelopment Agency; and

WHEREAS, upon dissolution of the Lawndale Redevelopment Agency on February 1, 2012, all housing assets, obligations, and functions of the former Redevelopment Agency were transferred by operation of law to the Lawndale Housing Authority in its own capacity.

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

SECTION 1. That the Lawndale Oversight Board hereby acknowledges and approves the transfer of housing assets to the Lawndale Housing Authority as housing successor under California Health and Safety Code Section 34176(a), including those housing assets set forth in the memorandum attached to this Resolution as Exhibit A.

SECTION 2. That the Lawndale Oversight Board hereby acknowledges and confirms the City as successor agency and confirms and directs the transfer of housing responsibilities and all rights, powers, duties, and obligations to the Housing Authority as housing successor if and to the extent such transfer has not already taken place.

SECTION 3. That the Lawndale Oversight Board hereby confirms the Lawndale Successor Agency transfer of funds on deposit in the Low and Moderate Income Housing fund to the Housing Authority as housing successor as needed to meet the enforceable obligations of the Housing Authority as housing successor in accordance with the approved Recognized Obligation Payment Schedule.

SECTION 4. That, pursuant to California Health and Safety Code Section 34179(h), this action by the Lawndale Oversight Board shall be effective five business days from the date of this Resolution, pending a request for review by the California Department of Finance.

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

PASSED, APPROVED AND ADOPTED this 30th day of May, 2013.

Chair

ATTEST:

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

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 13-08 at a regular meeting of said Oversight Board held on the 30th day of May, 2013, by the following roll call vote:

Ayes: Patricia Flynn, Joann Higdon, Michael Stewart, Greg Tsujiuchi, Barry Waite, and John Vinke

Noes:

Absent: Steve Mandoki

Abstain:

Secretary



OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LAWNDALE REDEVELOPMENT AGENCY

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

DATE: May 30, 2013

TO: Honorable Chairman and Agency Members

FROM: Otis Ginoza, Deputy City Manager *OG*

SUBJECT: Approve Cooperation Agreement between the City of Lawndale and the Lawndale Successor Agency for the Expenditure of Bond Proceeds

BACKGROUND

AB1484 encouraged successor agencies to quickly relinquish the funds of the liquidated redevelopment agencies by offering benefits to successor agencies that did so. One of the benefits is the ability to use unspent redevelopment bond proceeds.

On April 13, 2013, the Lawndale Successor Agency (Successor Agency) received a Finding of Completion from the California Department of Finance (DOF) which allows the Successor Agency to use approximately \$6 million in unspent Lawndale Redevelopment Agency bond proceeds. However, the Successor Agency does not have staff with the expertise to administer a program of public improvements and has requested assistance from the City of Lawndale (City). On May 6, 2013, the Successor Agency and the City entered into a cooperation agreement in which the City agrees to construct public facilities for the Successor Agency and the Successor Agency agrees to provide funding from the its unspent bond proceeds.

STAFF REVIEW

The Lawndale Successor Agency has bond proceeds in the amount of \$6 million and a list of projects (see attached Cooperation Agreement Exhibit A) that was reviewed by the City Council on March 4, 2013. The Successor Agency is expected to approve a Capital Improvement Program (CIP) containing these capital projects on June 3, 2013.

The personnel needed to administer these projects is limited and therefore staff is proposing to construct them over several fiscal years.

The City of Lawndale and the Successor Agency approved the attached cooperation agreement for the expenditure of bond proceeds on May 6, 2013. The Agreement contains a list of bond funded projects based on those projects that staff will likely propose to the Successor for the Agency for construction.

FUNDING

None required at this time.

RECOMMENDATION

Staff recommends that the Oversight Board adopt a resolution approving the Cooperation Agreement between the City and Successor Agency for the expenditure of bond proceeds.

Attachments: Successor Agency FY 2013-2014 proposed budget
Resolution
Cooperation Agreement
Projects to Be Funded with bond Proceeds

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RESOLUTION NO. 2013 -9

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
LAWNDALE SUCCESSOR AGENCY APPROVING COOPERATION AGREEMENT
BETWEEN THE CITY OF LAWNDALE AND THE SUCCESSOR AGENCY TO THE
LAWNDALE REDEVELOPMENT AGENCY FOR FUNDING OF CERTAIN CAPITAL
IMPROVEMENT PROJECTS AND RELATED ADMINISTRATIVE AND PROFESSIONAL
SERVICES**

WHEREAS, on October 16, 2006, the City of Lawndale and the Lawndale Redevelopment Agency entered into a cooperation and reimbursement agreement called the Public Works Agreement which allowed the City of Lawndale to assist the Lawndale Redevelopment Agency by constructing public facilities and committed the Lawndale Redevelopment Agency to reimburse the City of Lawndale for its expenses; and

WHEREAS, in 2009 the Lawndale Redevelopment Agency issued tax allocation bonds in the amount of \$20,545,000 for the construction of a Community Center and other public facilities for the benefit of the redevelopment project area; and

WHEREAS, the City of Lawndale constructed public facilities for the Lawndale Redevelopment Agency and the Lawndale Redevelopment Agency reimbursed the City of Lawndale with the proceeds of the Series 2009 Bonds until the dissolution of the Lawndale Redevelopment Agency and the nullification of the Public Works Agreement by ABx1 26; and

WHEREAS, in June of 2012, AB 1484, clean up legislation to ABx1 26, was adopted which further defined requirements for the shut-down of redevelopment agencies and distribution of unencumbered property taxes to taxing entities, including issuance of a Finding of Completion by the California Department of Finance. AB 1484 also clarified that, with issuance of a Finding of Completion, redevelopment successor agencies could, with approval of the Oversight Board and California Department of Finance, spend unencumbered bond proceeds obtained prior to 2011, consistent with the original bond covenants; and

WHEREAS, on April 13, 2013, the Successor Agency to the Lawndale Redevelopment Agency received a Finding of Completion from the California Department of Finance; and

WHEREAS, Health and Safety Code Section 34178(a) permits the Lawndale Successor Agency to enter into an agreement with the City of Lawndale to provide services and to reimburse the City of Lawndale for such services, with the approval of the Oversight Board; and

WHEREAS, the City of Lawndale has staff with capital project management experience; and

WHEREAS, a Cooperation Agreement between the City of Lawndale and the Successor Agency to the Lawndale Redevelopment Agency for Funding of Certain Capital Improvement Projects and Related Administrative and Professional Services, for the funding of City services relating to the design and construction of the public improvement projects, has been prepared and is provided as Exhibit A; and

WHEREAS, the City of Lawndale and Successor Agency to the Lawndale Redevelopment Agency approved the Cooperation Agreement on May 6, 2013.

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

SECTION 1. The Cooperation Agreement between the City of Lawndale and Successor Agency to the Lawndale Redevelopment Agency for Funding of Certain Capital Improvement Projects and Related Administrative and Professional Services is hereby approved.

SECTION 2. That, pursuant to California Health and Safety Code Section 34179(h), this action by the Lawndale Oversight Board shall be effective five business days from the date of this Resolution, pending a request for review by the California Department of Finance.

SECTION 3. The Finance Director of the Lawndale Successor Agency or the authorized designee is directed to post this Resolution on the Lawndale Successor Agency’s website pursuant to the Dissolution Act.

PASSED, APPROVED AND ADOPTED this 30th day of May, 2013.

Chair

ATTEST:

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

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 13-08

at a regular meeting of said Oversight Board held on the 30th day of May, 2013, by the following roll call vote:

Ayes: Patricia Flynn, Joann Higdon, Michael Stewart, Greg Tsujiuchi, Barry Waite, and John Vinke

Noes:

Absent: Steve Mandoki

Abstain:

Secretary

**COOPERATION AGREEMENT BETWEEN THE CITY OF LAWNSDALE AND
THE
SUCCESSOR AGENCY FOR THE LAWNSDALE REDEVELOPMENT AGENCY
FUNDING OF CERTAIN CAPITAL
IMPROVEMENT PROJECTS AND RELATED ADMINISTRATIVE AND
PROFESSIONAL SERVICES**

THIS COOPERATION AGREEMENT BETWEEN THE CITY OF LAWNSDALE AND THE SUCCESSOR AGENCY TO THE LAWNSDALE REDEVELOPMENT AGENCY FOR FUNDING OF CERTAIN CAPITAL IMPROVEMENT PROJECTS AND RELATED ADMINISTRATIVE AND PROFESSIONAL SERVICES (the "Agreement") is dated for reference purposes as of the 6th day of May, 2013 (the "Agreement Date"), and is being entered into by and between the CITY OF LAWNSDALE, a political subdivision of the State of California ("City"), and the SUCCESSOR AGENCY TO THE LAWNSDALE REDEVELOPMENT AGENCY, a public body, corporate and politic ("Successor Agency").

RECITALS:

A. On or about November 1, 2009, the former Lawnsdale Redevelopment Agency ("Agency") issued Tax Allocation Bonds (Lawnsdale Economic Revitalization Project Area) in the amount of Twenty Million Five Hundred Forty-Five Thousand Dollars (\$20,545,000.00), the proceeds of which (the "Bond Proceeds") are expressly stated to be for the following uses: (i) to finance redevelopment projects benefiting the Lawnsdale Economic Revitalization Project Area (the "Project Area"), (ii) to satisfy the reserve requirement for the bonds, and (iii) to provide for the costs of issuing the bonds.

B. City and the Agency had intended to use portions of the Bond Proceeds to fund the public improvement projects (collectively, the "Projects") identified in the bond documents, each of which serve the Project Area. The Projects are described in Exhibit "A" hereto, which is incorporated herein by this reference. On October 16, 2006, City and the Agency (i) entered into that certain Public Works Agreement Between the City of Lawnsdale and the Lawnsdale Redevelopment Agency for Funding of Various Ongoing Capital Improvement Projects, (the "Public Works Agreement"), pursuant to which the City agreed to assist the Agency with various projects and tasks, including the Projects (collectively, the "Agency Activities"), and the Agency agreed to pay the costs for the same; and (ii) agreed to take all additional actions, and made all findings and determinations, required by the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) to provide for the completion of the Agency Activities by City and the funding of the costs to complete the Agency Activities by the Agency.

C. On June 28, 2011, the Governor signed Assembly Bill x1 26 from the 2011-12 First Extraordinary Session of the California Legislature ("ABx1 26"), pursuant to which all redevelopment agency activities, except continued performance of "enforceable obligations," were immediately suspended. A lawsuit was filed, challenging the constitutionality of ABx1 26 and companion bill ABx1 27 (which would have allowed

redevelopment agencies to remain in existence and continue redevelopment, if the legislative bodies that established the agencies elected to participate in a "voluntary alternative redevelopment program" and make certain remittance payments). The California Supreme Court upheld the constitutionality of ABx1 26, revising the effective dates of certain provisions, and struck down as unconstitutional ABx1 27. (California Redevelopment Assn. v. Matosantos (2011) 53 Ca1.4th 231 (the "CRA Case"). ABx 1 26 is chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 (suspension provisions) and Part 1.85 (dissolution provisions) ("Part 1.85") of Division 24 of the Health and Safety Code. Under the CRA Case, on February 1, 2012: (i) all redevelopment agencies dissolved, and (ii) all agreements between a redevelopment agency and its host city or county, including the Public Works Agreement, became invalid, pursuant to Health and Safety Code Section 34178(a), added by Part 1.85.

D. Pursuant to Health and Safety Code section 34178(a), the Successor Agency may enter or reenter into agreements with the City upon obtaining the approval of its oversight board. The provisions of ABx1 26 were ambiguous, however, as to whether the provisions of Health and Safety Code Section 34177(i) permit the Successor Agency to enter into new contractual agreements that provide for the expenditure of the Bond Proceeds for the development of capital improvement projects benefiting the Project Area, or whether the Bond Proceeds are subject to the requirements of Health and Safety Code section 34177(d), added by Part 1.85, which obligates the Successor Agency to remit to the Los Angeles County Auditor-Controller "unencumbered balances of redevelopment agency funds" for allocation and distribution to the "taxing entities" (as that term is defined in Health and Safety Code Section 34171, added by Part 1.85).

E. On June 27, 2012, the California Legislature passed, and the Governor signed, Assembly Bill 1484 ("AB 1484"). AB 1484, among other things, added certain new statutes to Part 1.85, and made certain revisions to certain of the statutes added by ABx1 26. AB 1484 added Health and Safety Code section 34191.4(c), which permits a successor agency that has received a "finding of completion" from the Department of Finance pursuant to Health and Safety Code section 34179.7, added by AB 1484 (a "Finding of Completion"), to use bond proceeds issued on or before December 31, 2010 that are not needed to satisfy approved "enforceable obligations" (as defined in Health and Safety Code section 34171(d)), in a manner consistent with the bond covenants.

F. The Successor Agency received its Finding of Completion from the Department of Finance on April __, 2013.

G. The City and Successor Agency desire to enter into this Agreement to provide for City to implement and complete, and Successor Agency to fund, such portions of the Projects as requested by Successor Agency.

AGREEMENT:

NOW, THEREFORE, based on the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and

sufficiency of which is acknowledged by both parties, City and Successor Agency hereby agree as follows:

1. City Completion of Projects. Upon written request by Successor Agency, City hereby agrees to perform any and all tasks necessary to complete the design and development of the Projects, or any portion thereof, as requested by Successor Agency.

2. Successor Agency Funding. Following the approval of this Agreement by the Oversight Board for the Lawndale Successor Agency (Oversight Board) and the California Department of Finance, Successor Agency shall deliver to City a portion of the Bond Proceeds in the amount not to exceed Six Million One Hundred Seventy-Two Thousand Dollars (\$6,000,000) (the "Allocated Bond Proceeds"). City shall draw down portions of the Allocated Bond Proceeds to pay the actual and reasonable costs incurred by City in City's performance of the design and development work requested by Successor Agency pursuant to Section 1 above, including, without limitation, the administrative and professional services costs relating thereto, estimates of all of which are identified in Exhibit "A", with the understanding that actual costs may differ from estimated costs and this Agreement is intended to cover all actual and reasonable costs incurred by City in completing the design and development of such portions of the Projects, up to the amount of the Allocated Bond Proceeds, regardless of whether such actual and reasonable costs are higher or lower than estimated herein. City shall expend portions of the Allocated Bond Proceeds only for the identified Projects, as the same may be modified from time to time consistent with the limitations set forth herein. It is understood that the proposed projects identified in Exhibit "A" of this Agreement exceed the available Allocated Bond Proceeds. It is further understood that all the identified projects cannot be completed with the available \$6,172,000 and that at no time will the City's general fund be obligated or used to fund any of the projects identified in Exhibit "A" unless the City Council take a separate and future action to identify and fund any given project. Upon Successor Agency's request, City shall account to Successor Agency for all City costs and expenditures hereunder. Within sixty (60) days after the last Project is completed, City shall deliver any unexpended Allocated Bond Proceeds to Successor Agency.

3. Subordination. Successor Agency's funding obligations set forth in this Agreement shall, until paid by Successor Agency to the City, be junior and subordinate to (i) all tax allocation bonds issued by the former Agency or other indebtedness of the former Agency which is now indebtedness of Successor Agency, and all pledges by the former Agency of tax increments for tax allocation bonds or other indebtedness of the former Agency which is now a pledge of Successor Agency, (ii) financial agreements and other contractual obligations of the former Agency to which Successor Agency has succeeded, and (iii) any contingent obligations of the former Agency to which Successor Agency has succeeded.

4. No Third Party Beneficiaries; Binding on Successors and Assigns. There are no third party beneficiaries under this Agreement. No person or entity other than City and Successor Agency and their respective successors and assigns shall have any rights or

and right of action hereunder. To the maximum extent permitted by law this Agreement is intended to be binding upon the voluntary and involuntary successors and assigns of City and Successor Agency.

5. Severability. Each provision of this Agreement shall be severable from the whole, and if any provision of this Agreement shall be found contrary to law, the remainder of this Agreement shall remain in full force and effect.

6. Non-Liability of Members, Officials, Employees, and Agents; Non-Recourse Obligation. No member, official, employee, or agent of City or Successor Agency shall be personally liable for performance by City or Successor Agency hereunder, for breach or default by County or Successor Agency hereunder, for any amounts which may payable or become due hereunder, or for any judgment or execution thereon entered in any action.

7. Entire Agreement; Amendment. This Agreement shall constitute the entire agreement of the parties hereto concerning the subject matter addressed herein. This Agreement may be amended or modified only by an agreement in writing signed by the authorized representatives of the parties, after any and all required actions by the parties' governing boards.

IN WITNESS WHEREOF, City and Successor Agency have entered into this Agreement to be effective as of the Agreement Date.

CITY:
CITY OF LAWNSDALE,
a municipal corporation

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

ATTEST:

Paula Hartwill
Paula Hartwill, City Clerk

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

Tiffany J. Israel
Tiffany J. Israel, City Attorney

[Signatures continued on next page]

**SUCCESSOR AGENCY TO THE
LAWNDALE REDEVELOPMENT
AGENCY, a public body, corporate and
politic**

By: Harold E. Hoffmann
Harold Hoffmann, _ Chairperson

ATTEST:

Paula Hartwill
Paula Hartwill, Secretary

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

Tiffany J. Israel
Tiffany J. Israel, Successor Agency General Counsel

EXHIBIT "A"

Redevelopment projects benefitting the Project Area including, but not limited to, the following projects:

- Remaining Community Center improvements - \$300,000
 - a. Network, Telecommunication and Cable

- Road improvements including sidewalk, pavement, and curb gutter - \$2,280,000
 - a. Inglewood Avenue widening
 - b. Alley Rehabilitation
 - c. Burin Avenue – Marine to 145th
 - d. Firmona Avenue – 147th to 149th
 - e. 145th Street – Kingsdale to Hawthorne Boulevard
 - f. 160th Street – Hawthorne Boulevard to Freeman Avenue
 - g. 154th and Condon Avenue intersection

- Park and open space improvements - \$1,392,000
 - a. Hogan Tot Lot construction
 - b. Field Lights and Park Plan – Rogers Anderson Park
 - c. Field Lights – Jan Adams Park
 - d. Field Lights – William Green Park
 - e. Picnic Shelters – Rogers Anderson Park
 - f. Playground Equipment – Green Park
 - g. Wading Pool – William Green Park

- New park acquisitions and improvements - \$1,400,000
 - a. Hogan Tot Lot construction

- Other permitted redevelopment purposes – \$800,000
 - a. Fencing – Civic Center South Parking Lot
 - b. Relocation of recreation modular building
 - c. Larch Park Homes – expansion, demolition, and relocation



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: May 30, 2013

TO: Honorable Chairman and Board Members

FROM: Otis W. Ginoza, Deputy City Manager *OWG*

SUBJECT: Request to Approve Transferring the Lawndale Community Center to the City of Lawndale

BACKGROUND

AB1484 encouraged successor agencies to quickly relinquish the funds of the liquidated redevelopment agencies by offering benefits to successor agencies that did so. One of the benefits is the ability to transfer properties that are being used for a governmental purpose to the local jurisdiction pursuant to any existing agreements relating to the construction or use.

STAFF REVIEW

AB 1484, which was enacted by the California Legislature in 2012, states that when a Successor Agency has relinquished all of its redevelopment funds to the satisfaction of the California Department of Finance (DOF), the Agency can receive a Finding of Completion and receive certain benefits. One of those benefits is that a Successor Agency can request the Oversight Board to allow the transfer of property being put to use for a governmental purpose to the local jurisdiction (City of Lawndale). Health and Safety Code section 34181(a) states in part that the Oversight Board may direct the Successor Agency to “transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local administrative building to the appropriate public jurisdiction...”.

The Lawndale Community Center (Center) was recently completed using redevelopment bond proceeds and state and federal grant funds. The Center was specifically built for a governmental purpose which was to provide recreational and public services to local communities. The Center is also being used as an administrative building for the City’s Community Services Department which administers the activities of the Center and all other public recreational facilities, events, and parks throughout the City.

Prior to requesting Oversight Board and DOF approval for such property transfers, a successor agency must first obtain a Finding of Completion from the DOF. The Lawndale Successor Agency received a Finding of Completion from the DOF on April 12, 2013. Therefore, it recommended that the

Oversight Board direct the Successor Agency to transfer the Lawndale Community Center property to the City of Lawndale for on-going management and operation of the facility.

COMMISSION REVIEW

None required.

LEGAL REVIEW

The Successor Agency attorney has reviewed and approved Resolution No. 2013-10 as to form.

FUNDING

None required.

RECOMMENDATION

Staff recommends that the Oversight Board approve Resolution No. 2013-10 authorizing the transfer of the Lawndale Community Center property to the City of Lawndale.

RESOLUTION NO. 2013 -10

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
LAWNDALE SUCCESSOR AGENCY DIRECTING THE SUCCESSOR
AGENCY TO TRANSFER OWNERSHIP OF CERTAIN PUBLIC USE
PROPERTY TO THE CITY OF LAWNDALE**

WHEREAS, the Oversight Board has a fiduciary responsibility to the taxing entities that benefit from the distribution of revenues pursuant to Section 34188 of AB1x26; and

WHEREAS, pursuant to Health and Safety Code section 34177(e), the Successor Agency is responsible for disposing of assets and properties of the former Redevelopment Agency, as directed by the Oversight Board, expeditiously and in a manner maximizing value; and

WHEREAS, Health and Safety Code section 34177(h) further directs that the Successor Agency wind up the affairs of the former Redevelopment Agency, and directs that the Successor Agency continue to oversee development of properties until completion or until the former Redevelopment Agency's contractual obligations can be transferred to other parties; and

WHEREAS, pursuant to Health and Safety Code section 34181(a), the Oversight Board may direct the Successor Agency to "transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school building, parks, police and fire stations, libraries, and local administrative buildings to the appropriate public jurisdiction..."; and

WHEREAS, the Successor Agency has identified those former Redevelopment Agency properties which have a clear public use and are appropriate for transfer to the City of Lawndale ("City"); and

WHEREAS, the real property assets that are appropriate for transfer to the City are listed on the attached "Exhibit 1" to this Resolution; and

WHEREAS, the Successor Agency desires to transfer the properties to the City and the City desires to accept the transfer of such properties from the Successor Agency subject to the authorization of the Oversight Board and the approval of the State Department of Finance.

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

SECTION 1. That the Lawndale Oversight Board hereby acknowledges and approves the transfer of certain real property assets identified in "Exhibit 1" to the City of Lawndale as such properties are being put to a clear governmental use.

SECTION 2. The Oversight Board finds that the requested transfer of Successor Agency owned properties as described in "Exhibit 1" to the City of Lawndale complies with Health and Safety Code section 34181(a) and hereby approves such transfers.

SECTION 3. This Resolution shall be effective five (5) business days after its transmission to the Department of Finance unless the Department of Finance requests a review.

SECTION 4. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 30th day of May, 2013.

Chair

ATTEST:

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

I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 2013-10 at a regular meeting of said Oversight Board held on the 30th day of May, 2013, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Secretary

“EXHIBIT 1”

Assessors Parcel Number: APN 4078-024-908

Address: 14718 Burin Avenue, Lawndale, CA 90260

LEGAL DESCRIPTION OF THE SITE

IN THE CITY OF LAWNSDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING ALL OF LOTS 17, 18, 19, 20, 21, 22, 23, AND 24 IN BLOCK 10 OF LAWNSDALE, AS SHOWN ON A MAP RECORDED IN BOOK 9, PAGE 122 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT 19, SAID POINT BEING ON THE SOUTHERLY AND EASTERLY RIGHT-OF-WAY LINE OF 147TH STREET AND BURIN AVENUE, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING; THENCE, SOUTHERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF BURIN AVENUE

1. SOUTH 00° 00' 00" EAST 190.00 FEET; THENCE, LEAVING SAID RIGHT-OF-WAY LINE
2. NORTH 89° 59' 00" EAST 120.00 FEET; THENCE,
3. NORTH 00° 00' 00" EAST 65.00 FEET; THENCE,
4. NORTH 89° 59' 00" EAST 32.50 FEET; THENCE,
5. NORTH 00° 00' 00" EAST 125.00 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF 147TH STREET; THENCE, WESTERLY ALONG SAID RIGHT-OF-WAY LINE
6. SOUTH 89° 59' 00" WEST 152.50 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 0.617 ACRES, MORE OR LESS

**MINUTES OF THE
LAWDALE SUCCESSOR AGENCY
OVERSIGHT BOARD REGULAR MEETING
FEBRUARY 14, 2013, 3 PM**

A. CALL TO ORDER

The regular meeting of the Lawndale Successor Agency Oversight Board was called to order at 3:00 p.m. in the City Hall council chamber, 14717 Burin Avenue, Lawndale, California by Chair Barry Waite.

B. ROLL CALL

Board Members Present: Patricia Flynn, Joann Higdon, Greg Tsujiuchi, Barry Waite

Board Member Absent: Steve Mandoki, Michael Stewart, John Vinke

Also Present: Otis Ginoza, Lawndale Deputy City Manager, Ken Louie, Lawndale Finance Director/City Treasurer, Chris Wilson, Lawndale Assistant Planner

C. PLEDGE OF ALLEGIANCE

Flag Salute - led by Board Member Tsujiuchi

D. ADMINISTRATION – NEW BUSINESS

1. FOURTH RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET

Deputy City Manager Ginoza delivered staff report. Deputy City Manager Ginoza stated that staff recommends that the Oversight Board approve the Fourth Recognized Obligation Payment Schedule with the correction on Item # 13 and the Administrative Budget.

A motion by Board Member Higdon to approve Resolution 2013-3 and Resolution 2013-5 and seconded by Board Member Flynn and carried unanimously with Board Members Mandoki, Stewart, and Vinke absent.

2. USE OF LAND AT HAWTHORNE AND MANHATTAN BEACH BOULEVARDS

Deputy City Manager Ginoza delivered staff report. Deputy City Manager Ginoza stated that staff requests approval of Resolution 2013-4, to allow the Parks, Recreation and Social Services Commission to have a Fireworks Stand on the site.

A motion by Board Member Flynn to approve Resolution 2013-4 and was seconded by Board Member Higdon and carried unanimously with Board Members Mandoki, Stewart, and Vinke absent.

3. FUTURE MEETINGS OF THE OVERSIGHT BOARD

Board Member Stewart joined the meeting

The Oversight Board Members agreed to meet at 4 pm on April 25, 2013.

E. CONSENT CALENDAR

1. MINUTES OF JANUARY 10, 2013

A motion by Board Member Stewart to approve the Oversight Board Meeting Minutes of January 10, 2013. Motion seconded by Board Member Flynn and carried unanimously with Board Members Mandoki and Vinke absent.

F. PUBLIC COMMENTS

None.

G. ITEMS FROM SECRETARY/ADMINISTRATIVE CLERK

None.

H. ITEMS FROM BOARD MEMBERS

None.

I. ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 4:17 p.m.

Barry Waite, Chair

ATTEST:

Otis W. Ginoza, Deputy City Manager
/clc