

**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 162<sup>nd</sup> 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 OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LAWDALE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

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

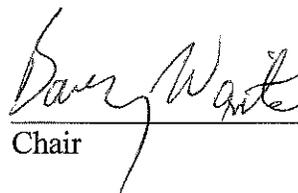
SECTION 2. Pursuant to the Dissolution Act, the Lawndale Oversight Board finds and determines that the Public Works Agreement between the former Redevelopment Agency and the City that the Successor Agency seeks to re-enter pursuant to Health and Safety Code section 34191.4 with respect to the Hopper 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 30<sup>th</sup> day of May, 2013, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

  
Secretary

) )

**PUBLIC WORKS AGREEMENT  
BETWEEN THE CITY OF LAWNSDALE  
AND THE LAWNSDALE REDEVELOPMENT AGENCY  
(LAWNSDALE ECONOMIC REVITALIZATION PROJECT)**

THIS AGREEMENT BETWEEN THE CITY OF LAWNSDALE AND THE LAWNSDALE REDEVELOPMENT AGENCY ("Agreement") is entered into this 16th day of October 2006, by and between the CITY OF LAWNSDALE, a municipal corporation ("City") and the LAWNSDALE REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency").

R E C I T A L S

A. The Agency is undertaking certain activities necessary for the execution of the Lawnsdale Economic Revitalization Project (the "Project") under the provisions of the California Community Redevelopment Law and pursuant to the Redevelopment Plan for the Project.

B. The Agency and the City Council of the City have determined that certain street, utility and other public improvements described in this Agreement are of benefit to the Project and that no other reasonable means of financing such improvements is available to the community.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. The above-stated recitals are incorporated herein by this reference.
2. Public Improvement Work. The City shall cause to be designed, constructed and installed within the Project certain street, utility and other public improvements (the "Improvements") in a satisfactory and proper manner pursuant to plans and specifications to be prepared by the City and submitted to Agency prior to obtaining bids. The Improvements are described in Exhibit "A", attached hereto and made a part of this Agreement.
3. Right-of-Way Acquisition. The City shall acquire all land, rights-of-way and other property interests as necessary to complete the Improvements.
4. Time of Performance. Prior to June 30 of each year during which this Agreement is in effect, the Executive Director of the Agency shall direct the Director of Public Works, in writing, as to what portion of the Improvements listed in Exhibit "A" are to be constructed during the coming fiscal year of the Agency. Such direction shall list the Improvements to be constructed, and shall contain an estimate of the cost of such Improvements.
5. Amounts and Method of Payment.
  - A. Payments. The Agency shall reimburse to the City the estimated cost of the Improvements when funds are available and are budgeted through the annual budget process.

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.

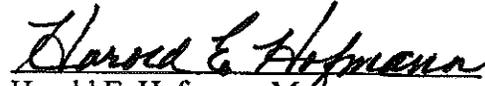
8. Termination of Agreement. This Agreement and the obligations of the City and Agency shall terminate on the completion of the Improvements by the City and the full payment by the Agency to the City of the costs for the Improvements as provided in this Agreement.

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.

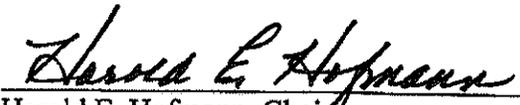
CITY:  
CITY OF LAWNSDALE

  
Harold E. Hofmann, Mayor

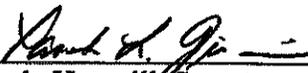
ATTEST:

*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:  
ALESIRE & 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 <sup>OWG</sup>  
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

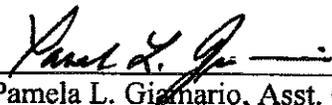
No additional funding required.

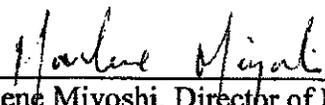
RECOMMENDATION

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

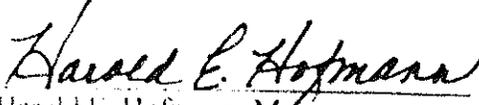
WHEREAS, the City Council desires to enter into the Agreement with the Agency to provide for the construction of public improvements (identified in the Agreement) by the City and reimbursement for the cost of those improvements by the Agency;

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.

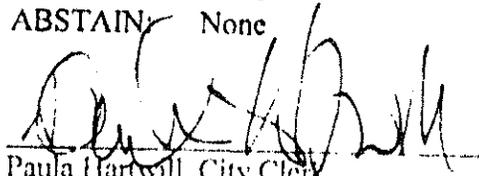
  
Harold E. Hofmann, Mayor

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

  
Paula Hartwill, City Clerk

APPROVED AS TO FORM:

  
William W. Wylder, City Attorney