

**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

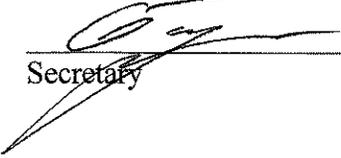
at a regular meeting of said Oversight Board held on the 30<sup>th</sup> day of May, 2013, by the following roll call vote:

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 6<sup>th</sup> 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