

RESOLUTION NO. 2014 -8

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE
LAWNDALE SUCCESSOR AGENCY APPROVING A REPAYMENT SCHEDULE FOR
FUNDS BORROWED FROM THE LOW AND MODERATE INCOME HOUSING FUND**

WHEREAS, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*), the City Council of the City of Lawndale, activated the former Redevelopment Agency of the City of Lawndale (the "Former RDA") and adopted the Redevelopment Plan (the "Redevelopment Plan") for the Lawndale Economic Revitalization Project (the "Project"); and

WHEREAS, the California State Legislature enacted ABX4-26, which required redevelopment agencies to make certain payments to its county Supplemental Educational Revenue Augmentation Fund ("SERAF") in fiscal years 2009-2010 and 2010-2011; and

WHEREAS, Health and Safety Code Section 33334.2(k) provided that an agency could suspend all or part of its required allocation to the Low and Moderate Income Housing Fund ("Housing Fund") from July 1, 2009, to June 30, 2010 and required the repayment of the suspended payment over a maximum of five years; and

WHEREAS, the Former RDA elected to suspend its allocation to the Housing Fund for fiscal year 2009-2010, repaid a portion of the suspended Housing Fund allocation, but halted payments after the enactment of ABx1 26; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted, and the Governor signed, companion bills ABx1 26 and ABx1 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments. On December 29, 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of ABx1 26 and invalidated ABx1 27. The Court's decision resulted in the implementation of ABx1 26, which dissolved all redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, by operation of law under ABx1 26, the Successor Agency serves as the entity to which all powers and duties of the Former RDA inured, with the Successor Agency being charged primarily with the function of winding down the redevelopment activities of the Former RDA under AB 26; and

WHEREAS, ABx1 26 established that a debt of a former redevelopment agency to its housing fund was an enforceable obligation of the successor agency; and

WHEREAS, the California Department of Finance (DOF) has taken the position that before a successor agency may repay a debt to its housing fund its oversight board must adopt a repayment schedule; and

WHEREAS, HSC section 34191.4(b)(2)(B) restricts the repayment of housing fund debt to an amount equal to one-half of the increase between the amount distributed to the taxing entities in that fiscal year and the amount distributed to taxing entities in the 2012-13 base year.

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

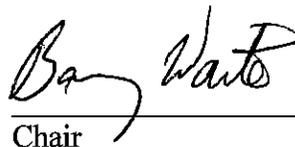
SECTION 1. The recitals above are true and correct and incorporated herein by this reference.

SECTION 2. That the Oversight Board approves a repayment schedule for the Housing Fund debt of the Former RDA in which the repayment for each fiscal year will be equal to the maximum amount allowed pursuant to HSC section 34176(e)(6)(B) as represented in Exhibit A.

SECTION 5. 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 6. 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 20th day of February, 2014.


Chair

ATTEST:

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

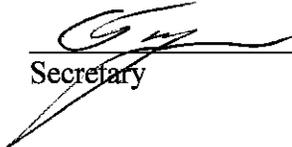
I, Otis Ginoza, Secretary of the Oversight Board of the Successor Agency of the Lawndale Redevelopment Agency, do hereby certify that the Members of the Oversight Board of the Successor Agency to the Lawndale Redevelopment Agency duly approved and adopted the foregoing Resolution No. 14-8 at a regular meeting of said Oversight Board held on the 20th day of February, 2014, by the following roll call vote:

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

Noes:

Absent: Steve Mandoki, John Vinke

Abstain:



Secretary