



County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI
Interim Chief Executive Officer

March 23, 2015

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From: Sachi A. Hamai 
Interim Chief Executive Officer

SACRAMENTO UPDATE

Executive Summary

This memorandum contains reports on the following:

- **Pursuit of County Position to Support and Amend AB 204 (O'Donnell).** This measure would require an oversight board within the County of Los Angeles to continue to independently operate past the July 1, 2016 consolidation date until its successor agency adopts a resolution dissolving the board. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals which facilitate the successful implementation of the requirements and goals of ABx1 26 (Chapter 5, Statutes of 2011) and AB 1484 (Chapter 26, Statutes of 2012), **the Sacramento advocates will support AB 204, and request an amendment to require the former redevelopment agency oversight board to adopt the successor agency's resolution dissolving the oversight board.**
- **Pursuit of County Position to Support AB 446 (Ridley-Thomas).** This measure would repeal the January 1, 2018 sunset date for the Baldwin Hills Conservancy Act. Therefore, unless otherwise directed by the Board, consistent with existing policy to support measures to promote the preservation and restoration of Los Angeles County's mountain, bay, watershed, river, oak woodlands, and wetland areas, **the Sacramento advocates will support AB 446.**

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Pursuit of County Position on Legislation

AB 204 (O'Donnell), which as introduced on January 29, 2015, would require an oversight board within the County of Los Angeles to continue to independently operate past the July 1, 2016 consolidation date until its successor agency adopts a resolution dissolving the board. The bill would also make legislative findings and declarations as to the necessity of a special statute for the County of Los Angeles.

Existing law dissolved redevelopment agencies (RDAs) and community development agencies effective February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies, subject to review by oversight boards.

Existing law also requires all oversight boards within a county to be consolidated into a single countywide oversight board by July 1, 2016. The governing board of the consolidated oversight board would be comprised of: 1) one member appointed by the county board of supervisors; 2) one member appointed by the city selection committee; 3) one member appointed by the independent special district selection committee; 4) one member appointed by the county board of education; 5) one member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county; 6) one member of the public appointed by the county board of supervisors; and 7) one member appointed by the recognized employee organization representing the largest number of successor agency employees in the county.

Currently, there are 71 oversight boards within the County's geographical boundary overseeing their respective redevelopment agency's wind-down process. The responsibilities of the oversight boards include reviewing and approving the successor agencies' Recognized Obligation of Payments Schedule (ROPS), approving the successor agencies' administrative budget, approving the successor agencies' Long-Range Property Management Plan (LRPMP), and directing a successor agency to provide additional legal or financial advice.

The CEO Redevelopment Dissolution Unit reports that oversight boards in the County are in various stages of the dissolution process. Currently, 63 oversight boards have received a Finding of Completion (FOC) from the California Department of Finance (DOF), meaning the successor agency has paid the full amounts of unobligated balances available for transfer to taxing entities and can dispose of property in accordance with a DOF-approved LRPMP, spend bond proceeds issued prior to 2011, and reinstate loan agreements between the former redevelopment agency and the city. To date, 58 of the successor agencies in the County have submitted LRPMP's to DOF and 45 have been approved.

The CEO Redevelopment Dissolution Unit also indicates that it is in the process of compiling information on the number of properties to be disposed of pursuant to DOF-approved LRPMPs. To date, information for 36 cities has been reviewed and there are approximately 1,205 properties to be disposed, including large portfolios of properties for the cities of Lancaster, Industry, Los Angeles, and Long Beach. Over the last three years, during the review of their successor agency's LRPMP, members of the existing local oversight boards became familiar with the property disposition issues and, in some cases, included requirements that the successor agency bring back disposition actions at the time of property sale or transfer. Should all local oversight boards be consolidated prior to the completion of their individual disposition processed, the countywide oversight board will be required to review and analyze a large number of individual dispositions prior to approval, without prior knowledge of the issues involved. This could significantly delay the disposition process of the 71 successor agencies across the County.

The CEO Redevelopment Dissolution Unit also notes that there will also be numerous property dispositions that will require the creation of compensation agreements. Under current law, DOF requires compensation agreements with affected taxing entities for properties that are to be retained by a city or county for future development or are to be sold to provide each taxing entity a payment in proportion to its share of the base property tax generated by the property. If such an agreement cannot be reached with each affected taxing entity, the property's value will be established as the fair market value as of the 2011 property tax lien date by an independent appraiser approved by the oversight board.

As previously reported by this office, DOF has proposed budget trailer bill that, among other provisions, would designate county auditor-controllers' offices as staff for countywide oversight boards beginning on July 1, 2016.

The Auditor-Controller reports that having auditor-controller offices staff a countywide oversight board could pose a conflict of interest, as they would be charged with acting as fiduciaries for the affected taxing entities and assisting successor agency oversight boards. The Auditor-Controller also indicates that the task of staffing redevelopment oversight boards should be assigned to other departments, such as the Chief Executive Office, or the Executive Office of the Board of Supervisors, that are more knowledgeable of the requirements of the Brown Act, administrative duties (such as preparing minutes), and other public meeting logistics.

This office believes that the volume of work to be done related to the LRPMPs, and property disposition, in particular, is significant, and that allowing the successor agencies' oversight boards to continue past July 1, 2016 would help successor agencies to expeditiously dispose of property, which is in the financial best interest of all affected taxing entities. This office also concurs with the Auditor-Controller's concerns about designating county auditor-controllers as staff for the countywide oversight board beginning in July 2016. Additionally, consolidation of all successor agency oversight boards into one countywide oversight board would likely hinder the efficient and effective implementation of the required wind-down activities of the former redevelopment agencies, thereby possibly delaying retirement of the dissolved redevelopment agencies debts eventual shut down of the successor agencies.

This office supports the goals of AB 204. However, to be consistent with current law which requires certain actions of the successor agency to be reviewed and approved by the former-RDA's oversight board, the bill should be amended to require that the oversight board approve the successor agency's resolution dissolving the oversight board. This would provide an added level of review by DOF, which may request a review of any of the oversight board's action within three business days. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals which facilitate the successful implementation of the requirements and goals of ABx1 26 (Chapter 5, Statutes of 2011) and AB 1484 (Chapter 26, Statutes of 2012), **the Sacramento advocates will support AB 204 and request an amendment to require the successor agency's oversight board to adopt the successor agency's resolution dissolving the oversight board.**

AB 204 is awaiting a hearing in to the Assembly Committees on Local Government and Housing and Community Development. Currently, there is no registered support for or opposition to AB 204.

AB 446 (Ridley-Thomas), which as introduced on February 23, 2015, would eliminate the January 1, 2018 repeal date for the Baldwin Hills Conservancy Act.

The Baldwin Hills Conservancy Act establishes the Baldwin Hills Conservancy in the California Natural Resources Agency to, among other things, acquire and manage public lands within the Baldwin Hills area, and provide recreational, open space, wildlife habitat restoration and protection, and lands for educational uses within the area. These provisions are scheduled to sunset on January 1, 2018.

AB 446 would delete the sunset provision of the Baldwin Hills Conservancy's authorizing legislation.

According to the authors' office, this measure is needed to continue the Conservancy's legislative mandate to accomplish two main objectives to: 1) acquire the remaining open space in the Baldwin Hills for the expansion of Kenneth Hahn State Recreation Area into a two-square-mile park; and 2) coordinate an integrated program of resources stewardship so that the area is managed for optimum recreational and natural resource values based upon the needs and desires of the surrounding community. The author's office also notes that without the Conservancy, the area will continue to face many of the challenges that led to the Conservancy's creation, including a growing population and scarce availability of open space for public enjoyment, as well as the absence of leadership and funding to acquire and develop parkland pursuant to the community-based Baldwin Hills Park Master Plan. Lastly, the author's office indicates that without the Conservancy, many of the planning and implementation efforts initiated over the past five years would be abandoned.

The Department of Parks and Recreation reports that AB 446 would aid the Conservancy in its goal of providing needed open space and recreation opportunities in one of California's most densely populated urban areas, as it would allow the Conservancy to continue its acquisition, planning and development processes for a two-square-mile park and open space area in urban Los Angeles County.

The Department further indicates that the scope of the Conservancy's statutory mission, and the timeline required to develop an innovative approach to acquisition and development park space around an active oil field, makes it imperative that the Conservancy's sunset date be repealed. Using normal methodology and timeline for appraisals, acquisitions and construction, the private and publicly held open space in the Baldwin Hills could remain in stasis for an undetermined period. Acquisition of strategic parcels, decommissioning of retired wells, and remediation of acquired lands along with restoration and development of park amenities are among the required steps to create a natural park and recreation facility in Baldwin Hills.

The Department of Parks and Recreation also notes that only two of the ten conservancies in the State have statutory sunset dates. By repealing the statutory sunset date, the Baldwin Hills Conservancy would be given parity with its other conservancies across the State and allow it to focus on long-term acquisition, development and funding strategies.

This office and the Department of Parks and Recreation support AB 446. Therefore, unless otherwise directed by the Board, consistent with existing policy to support measures to promote the preservation and restoration of Los Angeles County's mountain, bay, watershed, river, oak woodlands, and wetland areas, **the Sacramento advocates will support AB 446.**

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There is no current support or opposition to AB 446 on file. The bill has been referred to the Assembly Natural Resources Committee. A hearing date has not been set.

We will keep you advised.

SAH:JJ:MR
VE:AO:ma

c: All Department Heads
Legislative Strategist
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