County of Los Angeles
CHIEF EXECUTIVE OFFICE
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WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

February 3, 2012

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

DISSOLUTION OF REDEVELOPMENT AGENCIES

On January 17, 2012, on motion by Board Chairman Zev Yaroslavsky and Supervisor Mark Ridley-Thomas, your Board directed the Chief Executive Officer (CEO), in conjunction with the Executive Director of the Community Development Commission (CDC) and the Housing Authority of Los Angeles County (HACoLA), Auditor-Controller (A-C) and County Counsel (CoCo), to report back on several directives related to the dissolution of redevelopment agencies, effective February 1, 2012. This memorandum addresses the following directives:

Direct the CEO, in conjunction with the CDC/HACoLA and County Counsel, to take all required steps to formally transfer all existing affordable housing assets, functions, and powers held by the redevelopment agency from the redevelopment agency to HACoLA within the next 14 days.

Direct the CEO to, within the next 30 days, a) report back to the Board with a recommendation as to whether the CDC should be made the agent responsible for day-to-day implementation of the County's statutory role as successor agency of the County's redevelopment agency; and, b) prepare any required resolutions or other technical documents necessary to implement this recommendation.

Direct the CEO and A-C to immediately identify and procure all in-house and/or contract resources that will be required to carry out the A-C's role under ABx1 26 and begin carrying out these tasks without delay;

Direct the Executive Officer of the Board of Supervisors to place a set item on the Board of Supervisors agenda each week until further notice that will allow the Board to take any required actions with respect to the implementation of ABx1 26 and related matters; and,

Direct the CEO to coordinate these actions among all departments, agencies, and special districts that report to either the Board of Supervisors or the CEO, and take all other actions which are needed to successfully implement the requirements and goals of ABx1 26.

Separate correspondence will be transmitted to your Board to address the remaining directives.

Transfer of Affordable Housing Assets

On January 31, 2012 on a motion by Supervisor Yaroslavsky, your Board approved the transfer of any and all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of CDC's redevelopment functions to HACoLA.

CDC as Successor Agency

According to ABx1 26, the originating governmental entity will assume the role of successor agency to the former RDA, unless that entity chooses to opt out of that role. The County did not opt out. Therefore, the County assumes that role for the RDA activities formerly performed by CDC on behalf of the County. County Counsel is developing the appropriate steps that will be required in order to grant the CDC administrative authority to perform the successor agency functions, and will report back to your Board with recommendations within the requested 30-day period.

Identification of Necessary Resources

The CEO, A-C, and the Executive Office are currently assessing the extraordinary workload that will be required to effectively carry out the responsibilities of the dissolution of the 71 former RDAs in the County of Los Angeles. The State Controller recently released the auditing guidelines, which the A-C will assess in order to determine the contract auditing resources required. Once determined, the A-C will begin its contract selection process and obtain third-party auditing firms to begin the required audits. In addition, the A-C anticipates augmenting its existing staff with retirees and other temporary staff in order to review over one thousand pass-through agreements that former RDAs executed with other taxing entities. CEO staff is

coordinating with prospective consultants who have redevelopment expertise in order to identify external assistance. Initial estimates of the necessary internal and external additional resources that will be required, will be communicated to your Board within 30 days. The Executive Office will also provide your Board with an estimate on additional staff necessary to support and coordinate the 71 oversight boards.

Set Item on Board Agenda

Commencing with the January 24, 2012 Board agenda, the Executive Officer of the Board of Supervisors has placed a set item on the weekly Board agenda to allow the Board to address issues regarding implementation of redevelopment dissolution.

CEO Coordination of Redevelopment Dissolution

The CEO has established a work group and executive team to lead the coordination of this complex undertaking. Members include staff from CEO, CoCo, A-C, CDC, the Executive Office, TTC, LACoE, others as needed, and Chief Deputies and Policy Deputies from your Board Offices.

Please let me know if you have any questions, or your staff may contact Charlene Abe at 213.974.2529, or cabe@ceo.lacounty.gov.

WTF:ES:MKZ
CA:RM:ib

c: Executive Office, Board of Supervisors
Auditor-Controller
County Counsel
Community Development Commission/Housing Authority