

BACK UP MATERIAL FOR THE  
FOLLOWING LINE ITEMS:

13.2

13.3

14.3

14.4

16.3

16.4

**DATE:** August 16, 2012  
**TO:** Oversight Board  
**FROM:** Successor Agency Staff  
**RE:** Overview of AB 1484 as it Relates to Questions regarding Items Placed on ROPS 3

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**I. BACKGROUND:**

At the Oversight Board meeting held on August 8, 2012, several Board members requested additional information regarding project related expenses and provisions of the legislation which allow these types of expenses. The following provides a general overview of the relevant statutes with regard to administrative costs allowances, project related expenses, including legal fees. The passage of AB 1484 clarified a number of ambiguities in ABx1 26 as well as imposed new deadlines and requirements. Attached is a summary of AB 1484 from Varner & Brandt, the law firm that provides counsel to the Oversight Board of the CRA/LA. This is attachment A. In addition, we provide additional information from the League of Cities regarding the provisions of AB 1484 for your review. This is attachment B. Last, we provide an "annotated" version of AB 1484, which was prepared by the County of Los Angeles for its Oversight Board members. The color coded version of AB 1484 points out the new rules that relate to the recognized obligation payment schedules as well as areas where the previous law was clarified. This is attachment C.

**II. DISCUSSION**

**A. CLARIFICATION ON ADMINISTRATIVE COSTS AND PROJECT RELATED COSTS**

As stated by the County of Los Angeles in its FAQs posted on its website, "AB 1484 does add some clarification on administrative costs and provides additional flexibility that should be of benefit to successor agencies. HSC Section 34171(b) lists a variety of expenses that are excluded from being charged against the administrative cost allowance, and clarifies that bond proceeds and revenue sources other than property tax can be used to supplement the administrative allowance."

AB X126 established an administrative costs allowance for each Successor Agency, but did not specify which costs of a Successor Agency must be paid from the administrative cost allowance and which Successor Agency costs could be

separately placed on a ROPS for payment in addition to and outside of the administrative cost allowance. AB 1484 now provides clarification on this matter. Section 34171 clarifies the definition of administrative costs and states that:

"Employee costs associated with work on specific project implementation activities, including but not limited to, construction inspection, project management or actual construction, shall be considered project-specific costs and shall not constitute administrative costs."

In addition, the statute provides that litigation costs related to assets or obligations, settlements and judgments, and costs of maintaining assets prior to disposition are not considered administrative costs. Accordingly, such costs are appropriately placed on the ROPS for payment.

Project-specific costs are included in the ROPs for the various enforceable obligations listed. Those include items 13.2, 13.3, 14.3, 14.4, 16.3, 16.4 and are discussed in more detail below.

#### **B. ABILITY TO CREATE NEW ENFORCEABLE OBLIGATION TO CONDUCT WIND-UP ACTIVITIES**

AB 1484 expands the definition of "enforceable obligations" and the statute provides clear and explicit authorization for a Successor Agency to create enforceable obligations to conduct wind-down activities of the Dissolved RDA. Section 34177.3(b) provides:

"Successor Agencies may create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance"

Accordingly, it is clear that an enforceable obligation includes payments to legal counsel to assist the Successor Agency in its activities as well as other professionals. The list provided in the statute is not a complete list and the law provides the successor agency with flexibility in order to assist staff with winding down the activities of the successor agency.

#### **C. ABILITY TO ENTER INTO COOPERATIVE AGREEMENTS WITH THE CITY FOR ADMINISTRATIVE COSTS, ENFORCEABLE OBLIGATION AND PROJECT RELATED EXPENSES**

Questions were raised by the Oversight Board with regard to the Cooperative Agreement presented to the Board. AB 1484 adopted a new provision, Section 34173(h), which provides that with oversight board approval, the successor agency may borrow money from the entity that formed the former redevelopment agency for administrative costs, enforceable obligations and/or project related expenses

and if such funds are borrowed, an "enforceable obligation shall be deemed to be created for the repayment of those loans." The text of Section 34173(h) is as follows:

"The city, county or city and county that authorized the creation of a redevelopment agency may loan or grant funds to a successor agency for administrative costs, enforceable obligations, or project-related expenses at the city's discretion, but the receipt and use of these funds shall be reflected on the ROPS or administrative budget and therefore subject to approval of the Oversight Board. An enforceable obligation shall be deemed to be created for the repayment of those loans"

This will allow the entity that created the former redevelopment agency to assist the successor agency to fund shortfalls for Successor Agency administrative costs, enforceable obligations or project-related expenses. This also ensures that the City will be recognized as an enforceable obligation for eventual payment should monies be borrowed. There are a number of successor agencies that have entered into cooperative agreements with their cities and those agreements were approved by the respective oversight boards.

#### **D. CLARIFICATION ON ENFORCEMENT OBLIGATIONS RELATED TO THE ADMINISTRATION OR OPERATION OF THE SUCCESSOR AGENCY**

The definition of an "enforceable obligation" includes contracts or agreements necessary for the administration or operation of the successor agency. AB 1484 amended that definition to provide examples and Section 34171(d) (1) (F) states:

". . . including, but not limited to, agreements concerning litigation expenses related to assets or obligations, settlements and judgments, and the costs of maintaining assets prior to disposition and agreement to purchase or rent office space, equipment and supplies . . . ."

Accordingly, the items listed on the ROPS related to the clean-up of the Southland Steel property and legal expenses (14.2 and 14.4) and the various line items related to the Carmelita property with regard to the tenant eviction, demolition of the hazardous buildings on the site which create an attractive nuisance, the property maintenance agreement and the fence rental agreement fall under this provision (13.2, 13.3, 13.4, 13.5 and 13.6). Also litigation expenses related to the Middleton enforceable obligation (16.4) would also fall under this definition.

### **III. CONCLUSION**

In conclusion, AB 1484 provides clarity and flexibility for successor agencies as indicated by the overview of the provisions above. With this in mind, we

recommend that the Oversight Board authorize the placement of items that qualify under the new provisions of the law back onto ROPS 3.

Attachments



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CLIENT UPDATE

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TO:  
FROM: VARNER & BRANDT LLP  
SUBJECT: SUMMARY OF ASSEMBLY BILL 1484  
DATE: AUGUST 7, 2012

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In response to issues and questions resulting from the implementation of Assembly Bill x1 26 ("ABx1 26"), the State's redevelopment dissolution bill, the California Legislature introduced and the Governor signed Assembly Bill 1484 ("AB 1484") into law on June 27, 2012. AB 1484 not only clarifies certain ambiguities of ABx1 26, but also creates significant new obligations applicable to both successor agencies and oversight boards. In addition, AB 1484 raises new issues which will require further judicial and legislative interpretation as well as practical application before successor agencies and oversight boards will fully understand the obligations and rights emanating from the bill. Successor agencies and oversight boards should particularly note that AB 1484 sets critical deadlines, provides additional rights to the Department of Finance ("DOF"), the State Controller and the county auditor controller, creates significant penalties for failure to comply with the law and suspends all successor agency property dispositions until successor agencies have complied with certain requirements under the law. AB 1484 also provides that oversight board actions supersede actions by the successor agency and its staff.

In order to comply with ABx1 26 and AB 1484, it is important for successor agencies and oversight boards to establish a basic understanding of the new law. Diligence and preparation will be key in order for successor agencies and oversight boards to carry-out their respective responsibilities. This client update is intended to provide a summary of the key provisions of AB 1484 in order assist oversight boards and successor agencies in navigating the nuances and details of AB 1484. Unless otherwise provided, all section references in this client update are to sections of the California Health and Safety Code. Given the infancy of AB 1484, we believe that additional interpretation of this legislation will likely follow. Accordingly, we intend to supplement this client update from time to time as further judicial and legislative interpretation and practice application result in a comprehensive evaluation of AB 1484.

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1. **AFFORDABLE HOUSING; HOUSING ASSETS:** Revisions to Section 34176 not only provide a definition of "housing assets," but also require a successor agency to provide a list of housing assets to the DOF by August 1, 2012 for the DOF's review of the housing asset transfers from the successor agency to the entity assuming the housing functions of the successor agency. AB 1484 requires the oversight board to review any project that has both housing assets and non-housing assets and make equitable arrangements for the mixed uses.

- **Definition of Housing Assets.**

- New Section 34176(e) provides a definition of “housing assets,” and provides that housing assets include:
  - Real Property. Any real property, interest in, or restriction on the use of real property, whether improved or not, and any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low- and moderate-income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.
  - Encumbered Funds. Any funds that are encumbered by an enforceable obligation to build or acquire low- and moderate-income housing, unless required in the bond covenants to be used for repayment purposes of the bond.
  - Loan or Grant Receivables. Any loan or grant receivables, funded from the Low and Moderate Income Housing Fund, from homebuyers, homeowners, nonprofit or for-profit developers, and other parties that require occupancy by persons of low- or moderate-income.
  - Rents From Operations. Any funds derived from rents or operation of properties acquired for low- and moderate-income housing purposes by other parties that were financed with any source of funds, including residual receipt payments from developers, conditional grant repayments, cost savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.
  - Rents From Operations For Affordable Housing. A stream of rents or other payments from housing tenants or operators of low- and moderate-income housing financed with any source of funds that are used to maintain, operate, and enforce the affordability of housing or for enforceable obligations associated with low- and moderate-income housing.
  - Amounts Owed to Low and Moderate Income Housing Fund. Repayments of loans or deferrals owed to the Low and Moderate Income Housing Fund (e.g., deferred payments as of February 1, 2012), which must be used consistent with the affordable housing requirements. Repayment cannot start before the 2013–14 fiscal year and the maximum repayment amount authorized each fiscal year for repayments made is strictly limited by statute.
  
- **Transfer of Housing Assets. (Section 34176(a)(2))**
  - The entity assuming the housing functions of the former redevelopment agency must submit to the DOF by **August 1, 2012**, a list of all housing assets, together with an explanation of how the assets qualify as “housing assets.”
  - The DOF will have **up to 30 days** from the date of receipt of the list to object to any of the assets or transfers of assets identified on the list. If the DOF objects to assets on the list, the entity assuming the housing functions of the former redevelopment agency may request a meet and confer process **within 5 business days** of receiving the DOF objection.
  - If the transferred asset is not deemed a “housing asset,” it will be returned to the successor agency.
  - If a housing asset has been previously pledged to pay for bonded indebtedness, the successor agency must maintain control of the asset in order to pay for the bond debt.

- **Oversight Board Review of Mixed Use Assets.** (Section 34176(f))
  - If a development includes both low- and moderate-income housing and meets the definition of a “housing asset” and includes other types of property use, including, but not limited to, commercial use, governmental use, open space, and parks, the **oversight board** must consider the overall value to the community as well as the benefit to taxing entities of keeping the entire development intact or dividing the title and control over the property between the housing successor and the successor agency or other public or private agencies.
  - The disposition of such mixed use assets may be made by a revenue-sharing arrangement approved by the **oversight board** on behalf of the affected taxing entities.
  
- **Excess Housing Funds.** (Section 34176(g))
  - A successor housing agency must provide the successor agency with a list of excess housing funds **20 days before** the deadline to submit ROPS. The successor agency must specifically designate such excess housing funds on a ROPS. The **oversight board** must approve the designation and commitment of excess housing funds only to ensure that: (i) such designation and use are consistent with the underlying bond covenants, and (ii) sufficient funds are available to satisfy the bond requirements.

2. **DUE DILIGENCE REVIEW & REPORT:** The new Section 34179.5 requires the successor agency to either employ a licensed accountant approved by the county auditor-controller or utilize a county auditor-controller audit to review the unobligated successor agency funds available for transfer to the taxing entities. The new statute also provides specific deadlines for submitting the information and requires the **oversight board** to review the results and determinations in public at least **5 days before** an approval vote.

- **Due Diligence Review of Unobligated Funds.**
  - A successor agency must employ a licensed accountant (approved by the county auditor-controller) to conduct a due diligence review to determine the unobligated successor agency funds available for transfer to the taxing entities.
    - As an alternative, and upon the concurrence of the **oversight board**, an audit provided by the county auditor-controller that provides the information required by Section 34179.5 (set forth below) may be used.
  - The due diligence review must include:
    - Dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012;
    - Dollar value and purpose of assets and cash and cash equivalents transferred after January 1, 2011 through June 30, 2012, by the former redevelopment agency or the successor agency;
    - Dollar value and purpose of any cash or cash equivalents transferred after January 1, 2011 through June 30, 2012, by the former redevelopment agency or the successor agency to another public agency or private party;
    - Expenditure and revenue accounting information identifying transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the State Controller for the 2009–10 fiscal year; and

- A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts.
- **Deadlines For Submission of Results and Determinations.** (Section 34179.6)
  - **October 1, 2012**
    - The successor agency must provide to the (i) the oversight board, (ii) the county auditor-controller, (iii) the State Controller, and (iv) the DOF the results of the due diligence review for the Low and Moderate Income Housing Fund and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities.
  - **December 15, 2012**
    - The successor agency must provide to the (i) the oversight board, (ii) the county auditor-controller, (iii) the State Controller, and (iv) the DOF the results of the due diligence review for all of the other fund and account balances and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities.
  - Once the results are received, the oversight board must convene a public comment session at least 5 days before the oversight board holds the approval vote.
  - By October 15, 2012, for the Low and Moderate Income Housing Fund and by January 15, 2013, for all other funds and accounts, the oversight board must review, approve, and transmit to the DOF and the county auditor-controller the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities.
  - The review and approval must occur in public session.
- **Oversight Board Actions Based on Results from Due Diligence Review.** (Section 34179.6(c))
  - The oversight board may request from the successor agency any materials the oversight board deems necessary to assist in its review and approval of the determination of amounts available for transfer.
  - An oversight board may authorize the successor agency to retain assets or funds that are:
    - Amounts that are legally restricted and cannot be provided to taxing agencies;
    - Assets that are not cash or cash equivalents;
    - Enforceable obligations that require retention of any current balances; and
    - Current balances that are needed to satisfy obligations that will be placed on the ROPS for the current fiscal year.
  - If the oversight board authorizes the successor agency to retain assets, it must notify the DOF and identify:
    - the amount of funds authorized for retention;
    - the source of those funds; and
    - the purposes for which those funds are being retained.
  - The oversight board's determination and authorization to retain funds and assets is subject to the review and approval of the DOF.
- **DOF Review of Funds Determined To Be Available For Transfer.** (Section 34179.6(d))

- DOF may adjust any amount that is determined to be available for transfer.
- DOF must notify the **oversight board** no later than **November 9, 2012** of its decision to overturn a determination of the **oversight board** of the Low and Moderate Income Housing Fund and the DOF must notify the **oversight board** no later than **April 1, 2013**, of its decision to overturn a determination for the other funds and accounts. (Section 34179.6(d))
  - An explanation of the basis for overturning or modifying a determination will be provided by the DOF to the successor agency and the **oversight board**.
  - The successor agency and the entity that created the former redevelopment agency may request a meet and confer with the DOF to resolve any disputes involving the amounts and sources of funds determined by the DOF. (Section 34179.6(e)).

**3. SUCCESSOR AGENCY'S OBLIGATION TO TRANSFER FUNDS TO COUNTY AUDITOR-CONTROLLER:** The following summary of changes to the law created by AB 1484 is provided for reference as it does not directly involve oversight boards.

- **Transfer of Unencumbered Funds to County Auditor-Controller.** (Section 34179.6(f))
  - **Within 5 working days** of receipt of the DOF's notification regarding the amount of funds the DOF has determined are subject to transfer, the successor agency must transmit such amount to the county auditor-controller.
  - The successor agency must make diligent efforts to recover any funds determined to have been transferred without an enforceable obligation.
  - The DOF will notify the county auditor-controller of the DOF's actions and the county auditor-controller must disburse the funds received from the successor agency to taxing entities **within 5 working days** of receipt.
- **Deadline for Reporting Transfer of Unencumbered Funds.** (Section 34179.6(g))
  - **December 1, 2012**
    - The county auditor-controller must provide the DOF with a report specifying the amount submitted by each successor agency for low- and moderate-income housing funds, and specifically noting those successor agencies that failed to remit the full required amount.
  - **April 20, 2013**
    - The county auditor-controller must provide the DOF with a report detailing the amount submitted by each successor agency for all other funds and accounts, and specifically noting those successor agencies that failed to remit the full required amount.
- **Failure to Transfer Funds to County Auditor-Controller.** (Section 34179.6(h))
  - If a successor agency fails to remit to the county auditor-controller the sums required by the deadlines, the following remedies are available:
    - **Transfer to another public agency.**
      - If the successor agency cannot promptly recover the funds that have been improperly transferred to another public agency, the funds may be recovered through an offset of sales and use tax or property tax allocations to the local agency. To recover the funds, the DOF may

order the State Board of Equalization to make an offset; however if the DOF does not order a sales tax offset, the county auditor-controller may reduce the property tax allocations to any local agency in the county that fails to repay funds.<sup>1</sup>

- Transfer to private party.
  - If funds improperly transferred to a private person or other private entity are not repaid **within 60 days**, the funds may be recovered through any lawful means of collection and are subject to a 10% penalty plus interest at the rate charged for late personal income tax payments from the date the improper payment was made to the date the money is repaid.
- **Finding of Completion.** (Section 34179.7)
  - Upon confirmation that payments of amounts determined to be due have been received by the county auditor-controller, the DOF will issue a finding of completion to the successor agency **within 5 days**.

4. **ENFORCEABLE OBLIGATIONS:** AB 1484 expands the definition of enforceable obligations and provides that the successor agency may not create new enforceable obligations unless the enforceable obligation either: (i) complies with an enforceable obligation that existed on or before June 27, 2011, or (ii) involves the conduct of work to wind down the affairs of the former redevelopment agency. (Section 34177.3)

- **No New Enforceable Obligations.** (Section 34177.3)
  - A successor agency must not create new enforceable obligations or begin any new redevelopment work, except:
    - In compliance with an enforceable obligation that existed prior on or before June 27, 2011(Section 34177.3(a)); or
    - To conduct the work of winding down the redevelopment agency (including hiring staff, professional administrative services and legal counsel and procuring insurance) (Section 34177.3(b)); or
    - With **oversight board** approval, the successor agency may borrow money from the entity that formed the former redevelopment agency for administrative costs, enforceable obligations and/or project related expenses. (Section 34173(h))
- **Expanded Definition Of “Enforceable Obligations”.** (Section 34171(d)(1)(C))
  - Section 34171(d)(1)(C) includes costs incurred to fulfill collective bargaining agreements for layoffs or terminations of city employees who performed work directly on behalf of the former redevelopment agency. The successor agency or designated local authority shall enter into an agreement with the housing entity to reimburse it for any costs of the employee obligations.
  - Section 34171(d)(1)(F) includes agreements concerning litigation expenses related to assets or obligations, settlements and judgments, and the costs of maintaining assets prior to disposition.

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<sup>1</sup> The constitutionality of these offset procedures is questionable, and will likely be challenged.

- Section 34171(d)(1)(G) any repayments for amounts borrowed under this section must be transferred to the Low and Moderate Income Housing Asset Fund as a housing asset and shall be used in a manner consistent with the affordable housing requirements of the Community Redevelopment Law (Part 1 (commencing with Section 33000)).

**5. NEW POWERS OF THE STATE CONTROLLER:** The following summary of changes is provided for reference only as it does not directly involve oversight boards.

- **Review of Successor Agency Activities.** (Section 34178.8)
  - The State Controller is required to review the activities of the successor agency to determine if an asset transfer occurred after January 31, 2012, between the successor agency and the city or county, or any other public agency that was not pursuant to an enforceable obligation of an approved ROPS.
  - If a transfer occurred, the Controller is required to order the city or county to return the assets to the successor agency.

**6. SUBMISSION AND APPROVAL OF ROPS:** The revisions to Section 34177 set forth critical timelines and penalties for failure to timely submit ROPS.

- **Submission of ROPS; Deadlines.** (Section 34177)
  - A successor agency is required to submit a copy of the ROPS to: (i) the county administrative officer; (ii) the county auditor-controller; and (iii) the DOF at the same time the successor agency submits the ROPS to the oversight board for approval. (Section 34177(1)(2)(B))
  - ROPS for the period of January 1, 2013, through June 30, 2013, must be submitted no later than September 1, 2012. (Section 34177(m))
  - Beginning with the ROPS covering the period July 1, 2013, through December 31, 2013, the successor agency must submit approved ROPS to the DOF and the county auditor-controller no less than 90 days before the date of property tax distribution.
    - DOF must make determination of the enforceable obligations and amount within 45 days that the ROPS is submitted.
    - Within 5 days the successor agency may request an additional review by the DOF and an opportunity to meet and confer regarding the disputed items.
  - Successor Agency must submit a copy of the ROPS to the DOF electronically.
- **Penalties For Not Submitting ROPS By The Deadlines.**
  - If the ROPS is not submitted by the September 1, 2012 deadline for the period January 1, 2013, through June 30, 2013, or 90 days prior to the date of property tax distribution for all subsequent ROPS, the city, county, or city and county that created the redevelopment agency will be subject to a civil penalty equal to \$10,000 per day for every day the ROPS is not submitted to the DOF.
  - Any creditor of the successor agency or the DOF may also seek a writ of mandate requiring the successor agency to immediately perform.
  - In addition, if ROPS are not submitted within 10 days of any deadline, the maximum administrative cost allowance for that period will be reduced by 25%.

7. **OVERSIGHT BOARD GENERALLY – CHANGES TO SECTION 34179:** Section 34179 makes revisions to the makeup and the activities of the oversight board. Of note, the oversight board must adopt resolutions for any actions taken by the oversight board and any such actions (within the authority of the oversight board) take precedent over those made by the successor agency and its staff.

- The county auditor-controller determines the largest special district for purposes of oversight board appointments. (Section 34179(a)(3)(B))
- The oversight board member representing the employees from the former redevelopment agency may be appointed by the recognized employee organization. (Section 39179(a)(7))
- All actions taken by the oversight board must be adopted by resolution. (Section 34179(e))
- Notice and information about all actions taken by the oversight board must be sent to the DOF electronically. (Section 34179(e))
- No action will be effective until 5 business days after notice and information is provided to the DOF. (Section 34179(e))
  - Under AB x1 26, the oversight board action was effective 3 business days after notice and information is provided to the DOF.
- If the DOF requests review of the oversight board action, it will have 40 days from the date of the request to approve the action, request additional information, or return the action to the oversight board for reconsideration. (Section 34179(e))
  - Under AB x1 26, DOF had 10 days from the date of the request to approve, request additional information, or return the action to the oversight board.
- Prior to the date of allocation of funds to successor agency, the DOF may eliminate or modify any item on the ROPS prior to approving it. (Section 34179(e))
- If the oversight board continues to dispute a determination with the DOF, one or more future ROPS may reflect any resolution of that dispute. (Section 34179(e))
- The oversight board may direct the successor agency staff to provide additional legal and/or financial advise independent from the successor agency. (Section 34179(n))
- The oversight board may contract with the county or other public or private agencies for administrative support. (Section 34179(o))
- Decisions made by the oversight board supersede decisions made by the successor agency board or staff of the successor agency. (Section 34179(p))
- It should also be noted that Section 34171(b) allows the oversight board to reduce the successor agencies administrative costs below the \$250,000 annual threshold.

8. **OVERSIGHT BOARD APPROVAL POWER – CHANGES TO SECTION 34180:** AB 1484 clarifies the approval powers of the oversight boards and modifies the process of information transmittal to the Department of Finance.

- **Approval of Issuance of Bonds.**
  - Subsection (b) of Section 34180 is deleted and replaced with approval for issuance of bonds or other indebtedness or the pledge or agreement for the pledge of property tax revenues.
- **Reestablish Agreements with the City or County. (Section 34180(h))**
  - An oversight board does not have the authority to reestablish loan agreements between the successor agency and the city, county, or city and county that formed the redevelopment agency except as provided in the postcompliance provisions. Any actions to reestablish any other agreements that are in furtherance of enforceable obligations, with the city, county, or city and county that formed the redevelopment agency are invalid until they are included in an approved and valid ROPS.
- **Submission of Document to Other Entities. (Section 34180(j))**
  - Any document submitted by a successor agency to an oversight board for approval must also be submitted to the: (i) county administrative officer; (ii) the county auditor-controller; and (iii) the DOF at the same time that the successor agency submits the document to the oversight board.

9. **OVERSIGHT BOARD DIRECTED POWER – CHANGES TO SECTION 34181:** AB 1484 also clarifies the oversight board's directive authority regarding disposition of properties and housing assets. It also provides the DOF with additional time to review decisions of the oversight board.

- **Disposition of Assets and Properties.**
  - The qualifying reference “*that were funded by tax increment revenues of the dissolved redevelopment agency*” when referring to the assets and properties of the former redevelopment agency has been deleted. (Section 34181(a))
  - The description of assets used for a governmental purpose has been expanded to include police and fire stations, libraries, and local agency administrative buildings. (Section 34181(a))
  - Asset distribution can be made by a distribution of income to taxing agencies proportionate to their property tax share from one or more property that may be transferred to a public or private agency for management as directed by the oversight board. (Section 34181(a))
- **Resolutions of the Oversight Board.**

- The directive to dispose of former redevelopment agency assets or transfer housing assets must be approved by a resolution of the oversight board at a public meeting after at least 10 days notice to the public. (Section 34181(f))
- **Actions Reviewed By DOF; Timing of Review and Challenge.**
  - All actions regarding transfer of former redevelopment agency assets or transfer of housing assets are subject to the DOF review which may be extended to 60 days. (Section 34181(f))
  - If the DOF does not object to any action, the action is considered final and can be relied upon as conclusive by any person if no action is commenced within 60 days of approval by the oversight board. (Section 34181(f))
  - If an action is brought to challenge an oversight board action involving title or an interest in real property, a notice of pendency of action must be recorded by the claimant within the 60 day period. (Section 34181(f))

10. **NEW REVIEW POWERS OF THE COUNTY AUDITOR-CONTROLLER:** The new Section 34182.5 adds the County Auditor-Controller as an entity with review and approval authority.

- **Authority to Review ROPS.** (Section 34182.5)
  - County auditor-controller has the right to review ROPS and object to the inclusions of items that are not shown to be enforceable obligations and object to the funding source.
    - This review can occur before or after the ROPS are submitted to the oversight board.
    - Notice of the objection must be submitted promptly to the successor agency, the oversight board and the DOF and must be given at least 60 days prior to an allocation date, except that for the January 1, 2013, to June 30, 2013, ROPS, notice shall be given no later than October 1, 2012.
    - If an oversight board disputes the finding of the county auditor-controller, it may refer the matter to the DOF for a determination of what will be approved for inclusion in the ROPS.

11. **CLAW-BACK PROVISIONS FOR PAYMENTS TO TAXING ENTITY:** The following summary of changes is provided for reference only as it does not involve oversight boards. It should be noted though that if the successor agency fails to make required payments, the county auditor-controller may take actions to take the funds from successor agency tax allocations.

- Section 34183.5(a)(1)
  - If a redevelopment agency or successor agency did not pay any portion owed for the 2011–12 fiscal year to an affected taxing entity pursuant to statute or to any passthrough agreement entered into before January 1, 1994, and to the extent the county auditor-controller did not remit the amounts owed for passthrough payments during the 2011–12 fiscal year, the county auditor-controller will make the required payments to the taxing entities owed passthrough payments by reducing the amounts to which the successor agency would otherwise be entitled at the next allocation of property tax.

- If the amount of available property tax allocation to the successor agency is not sufficient to make the required payment, the county auditor-controller will continue to reduce allocations to the successor agency until the time that the amount owed is fully paid. Alternately, the county auditor-controller may accept payment from the successor agency's reserve funds for payments of passthrough payments owed.
- Section 34183.5(a)(2)
  - If a redevelopment agency did not pay any portion of the amount owed for the 2011–12 fiscal year to an affected taxing entity pursuant to statute or any passthrough agreement entered into before January 1, 1994, but the county auditor-controller did pay the difference that was owing, the county auditor controller will deduct from the next allocation of property tax to the successor agency, the amount of the payment made on behalf of the successor agency by the county auditor-controller, not to exceed one-half the amount of passthrough payments owed for the 2011–12 fiscal year.
  - If the amount of available property tax allocation to the successor agency is not sufficient to make the required deduction, the county auditor-controller shall continue to reduce allocations to the successor agency until the time that the amount is fully deducted. Alternatively, the county auditor-controller may accept payment from the successor agency's reserve funds for deductions of passthrough payments owed.

**12. CHAPTER 9 – POST-COMPLIANCE PROVISIONS:** Chapter 9 suspends the property and asset disposition process for successor agencies and oversight boards pending compliance with this chapter. It is unclear exactly how this impacts non-real property assets, except those that are related to enforceable obligations.

- **Suspension of Disposition of Property.** (Section 34191.3)
  - The disposition obligations of the successor agency and the oversight board are suspended, other than for governmental use properties, until the DOF has approved the successor agency's long-range property management plan, at which point the plan shall govern, and supersede all other provisions relating to, the disposition and use of the real property assets of the former redevelopment agency.
    - If a plan has not been approved by the DOF by January 1, 2015, then the suspended provisions regarding property disposition will become operative again.
- **Finding of Completion – DOF.** (Section 34191.4)
  - Upon the issuance of a finding of completion by the DOF:
    - All real property and interests in real property identified as not cash or cash equivalents of the Low and Moderate Income Housing Fund shall be transferred to the Community Redevelopment Property Trust Fund of the successor agency, unless that property is subject to the requirements of any existing enforceable obligation.
    - Loan agreements entered into between the former redevelopment agency and the city or county will be deemed enforceable obligations if the oversight board makes a finding that the loan was for a legitimate redevelopment purpose.

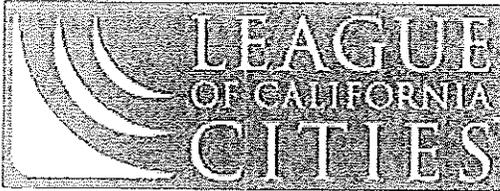
- Repayment of loans may not be made prior to the 2013-14 fiscal year and the repayment amount will be at a maximum amount set forth in the statute.
- **Long-Range Property Management Plan – Real Property Disposition.** (Section 34191.5)
  - Successor agency is responsible for preparing and must submit the plan to the oversight board and DOF for approval no later than 6 months after the successor agency receives the finding of completion.
  - The long-range property management plan must include:
    - Inventory of all properties.
      - Inventory must include:
        - date of acquisition and value at that time;
        - estimated current value;
        - purpose for which the property was acquired;
        - parcel data, including address, lot size, current zoning, specific plan or general plan;
        - estimate of current market value;
        - estimate of any lease, rental or other revenues generated from the property;
        - environmental matters;
        - development potential; and
        - history of previous development proposals.
    - Use or disposition of the properties.
      - Permissible uses including retention for governmental use, future development, sale of property, or use of the property to fulfill enforceable obligation.
      - If the plan directs use or liquidation of property for a project identified in an approved redevelopment plan, the property must transfer to the city or county.
      - If the plan directs liquidation of the property or use of the revenues from the property for any purpose other than to fulfill an enforceable obligation, the proceeds from the sale must be distributed to the taxing entities.
      - No property may be transferred to a successor agency, city or county unless the plan has been approved by the oversight board and the DOF.

13. **MISCELLANEOUS / CLEAN-UP CHANGES:** The following provides some additional cleanup changes. Of note, the oversight board members have been granted express immunity applicable to the public agencies and public employees.

- Expanded definition of “Administrative Cost Allowance”. (Section 34171(b))
- New definitions for Sections 34171(l) – (o):
  - Property taxes;
  - Department;
  - Sponsoring entity; and
  - Final judicial determination.
- Any actions taken by the former redevelopment agency after **June 27, 2011**, are invalid and do not create enforceable obligations. (Section 34177.3(d))

- A successor agency or an **oversight board** may not reenter/reaffirm an agreement, contract or arrangement that restored funding for an enforceable obligation between the successor agency and the city or county if the DOF deleted or reduced the matter. (Section 34178(a))
- **Oversight board** members are protected by the immunities applicable to public agencies and public employees by Part 1 (commencing with Section 810) and Part 2 (commencing with Section 814) of Division 3.6 of Title 1 of the Government Code.
- Designated local authority members are protected by the immunities applicable to public entities and public employees governed by Part 1 (commencing with Section 810) and Part 2 (commencing with Section 814) of Division 3.6 of Title 1 of the Government Code. (Section 34173(d)(3)(B))
- Existing cleanup plans and liability limits authorized under the Polanco Redevelopment Act are transferred to the successor agency and may be transferred to the successor housing entity. (Section 34173(f))
- A successor agency is a separate public entity from the public agency that provides its governance. All litigation involving a redevelopment agency automatically transfers to the successor agency. (Section 34173(g))
- Successor Agency must have a CPA conduct an annual post-audit of the financial transactions and records of the successor agency. (Section 34177(n))

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## Redevelopment Dissolution Resources and Information

With the California Supreme Court's ruling in [California Redevelopment Association v. Ana Matosantos](#), city officials, redevelopment experts and other stakeholders are asking for information to help them understand the decision and dissolution process. This page contains a variety of resources and information related to redevelopment and will be continually updated as new developments occur.

### AB 1484

AB 1484 contains a comprehensive set of amendments to last's years AB x1 26, the redevelopment dissolution bill. While some of the provisions may be viewed as helpful to local agencies, the League was forced to oppose the measure due to numerous provisions aimed at granting excessive powers to the Department of Finance, a lack of sufficient due process, and state authority to divert local sales and property tax to offset amounts under dispute.

- [AB 1484 Briefing 07-16-12](#)
- [AB-1484-Summary-07-02-12](#)
- [AB-1484-Timeline-07-02-12](#)

## Document Repository

- Correspondence
- Frequently Asked Questions
- Guidance
- Litigation

## AB x 1 26 Information

- [!\[\]\(2321033d7f8aeff0ab037235b29adffb\_img.jpg\) AB x1 26 Timeline](#)  
Timeline for the dissolution of redevelopment agencies under AB x 1 26
- [!\[\]\(57f51fd9966d233bebf78b2d50eed70f\_img.jpg\) Auditor Controller Draft Implementation Guidelines](#)
- [!\[\]\(633c17f9948b6d5429d7af7303cca428\_img.jpg\) Auditor Controller Audit Guidelines](#)
- [!\[\]\(1a603a09a3c5c44a3ecd089aec022b80\_img.jpg\) Essential Elements of AB x 1 26 Successor Agencies](#)  
< p> Prepared by Betsy Strauss, League of California Cities</p>
- [!\[\]\(7475962fa90a0fb0496adbbb297e8214\_img.jpg\) Essential Elements of AB x 1 26 Housing](#)  
Prepared by Polly Marshall and Lynn Hutchins, Goldfarb & Lipman
- [!\[\]\(87ba7986c403932c3fe4d2913fac7221\_img.jpg\) Essential Elements of AB x 1 26 Environmental](#)  
Prepared by Robert Doty and Andrew Fogg, Cox Castle Nicholson
- [!\[\]\(6468f49ba70ca3d4379951b862ed2596\_img.jpg\) Essential Elements of AB x 1 26 Employment](#)  
Prepared by Scott Tiedemann, Liebert Cassidy Whitmore
- [!\[\]\(e24a7437d8283cb7286c9e92764e0eb3\_img.jpg\) Essential Elements of AB x 1 26 Bond Financing](#)  
Prepared by Kimberly Byrens, Best Best & Krieger

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# Briefing on AB 1484—True-Ups, Timelines and Safe Harbors

Monday, July 16, 2012  
3 – 4:00 p.m.



## How to Ask a Question

- All phone lines have been muted
- For Questions - Use the Q&A window to the right side of your screen
- Please enter your **Name**, **Title** and **City** when you ask a question

## Upcoming Important Dates

- **August 1:** Successor housing entity submits list to DOF of housing assets that successor agency transferred to it after February 1.
- **August 15 +/-:** Oversight Board meets to approve ROPS for January – June 2013
- **September 1:** ROPS for January – June 2013 submitted to DOF
- **October 1:** Audit of LMIHF due to DOF, auditor-controller and oversight board

## Successor Agency To-Do's

- Prepare ROPS for January – June 2013
- Schedule Oversight Board meeting for early to mid-August
- Hire Licensed Accountant for LMIHF and other funds audit. Approval of auditor-controller required.

## Excess reserve payment demands ("true-ups")

- Timeline
  - **July 9**—County auditor-controller demand letter
  - **July 12**—Payment from successor agency due
  - **July 16**—County auditor-controller distributes money to taxing entities
  - **July 18**—sales tax payments suspended for non-payment
- Issues
  - DOF position
  - Litigation
  - Penalties

## Housing assets

- Timeline
  - **August 1**—successor housing entity must submit housing asset list to DOF
  - Other deadlines
- Issues
  - Definition of housing assets
  - DOF review and approval of housing asset list/meet-and-confer process
  - Housing Bonds

## ROPS—January-June 2013

- Timeline
  - **Around August 15**—Oversight board approval of ROPS
  - **September 1**—ROPS submitted electronically to DOF after oversight board approval
  - **October 1**—Auditor-controller estimate of amounts to be allocated for January-June 2013 ROPS
- Issues
  - Penalty for late submittal
  - Auditor-controller may object to items on ROPS
  - Timeframe for DOF determinations

## Audits and due diligence review

- Timeline
  - **As soon as possible**—successor agency to hire accountant and conduct due diligence review of unobligated balances in LMIHF and other funds and submit for approval to oversight board
  - **October 1**—successor agency to submit LMIH due diligence report to oversight board, auditor controller, State Controller and DOF
  - **October 1**—auditor-controller to complete agree-upon procedures audit
  - **October 15**—oversight board approval of LMIHF review, transmit to DOF
  - **November 9**—DOF to complete review of LMIHF due diligence report; successor agency to transfer LMIHF funds to auditor-controller within 5 days of DOF final determination

## Audits and due diligence review (continued)

- Issues
  - Penalties for failure to transfer funds
  - Definitions

## Finding of Completion (so-called “safe harbor”)

- Pay following amounts
  - LMIHF funds
  - Unobligated funds in other accounts
  - Excess reserve payment

## Finding of Completion (so-called “safe harbor”)

- Results of Finding of Completion with oversight board approval
  - City-redevelopment agency loan agreements are enforceable obligations
  - Bond proceeds from bonds issued before 12/31/10 may be used for purposes for which bonds were sold
  - Real property assets may be retained pursuant to long range property management plan approved by DOF
  - Longer statute of limitations to challenge actions of former RDA do not apply

## Finding of Completion (so-called “safe harbor”)

- Issues
  - Disposal of property prior to receiving Finding of Completion
  - Use of bond proceeds

## Questions

- For Questions - Use the Q&A window to the right side of your screen
- Please enter your **Name**, **Title** and **City** when you ask a question

**Thank you!**



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### Major Provisions of AB 1484<sup>1</sup>

**1. Three payments:** Successor agency must make three payments:

- July 12: Taxing entities' share of December 2011 property tax distribution to redevelopment agency/successor agency
- November 9+/-: Low-Moderate Income Housing Fund
- April 10 +/- : Unencumbered cash

In addition to these three payments, if a successor agency did not make complete 2011-12 pass-through payments, amount of payment not made will be deducted from property tax distribution from auditor-controller.<sup>2</sup>

**2. New audit by October 1:** Successor agency must retain licensed accountant to audit books:<sup>3</sup>

- Audit of LMIHF
- Audit of cash assets
- Audit of cash transfers to public agencies and private parties<sup>4</sup>

**3. New penalties:**

- Failure to make July 12 payment: successor agency subject to civil penalty of 10% of the amount owed plus 1.5% of the amount owed for each month that payment is not made unless DOF finds that payment of penalty will jeopardize payment of enforceable obligations. Until payment is made,

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<sup>1</sup> The League will continue to refine this analysis with the assistance of its RDA Attorney Working Group and other city officials.

<sup>2</sup> Additional information about these payments is found in the Appendix.

<sup>3</sup> Agreed-upon procedures audit completed by auditor-controller can substitute for the licensed accountant audit if it includes all statutory requirements

<sup>4</sup> Successor agency must attempt to recover cash transferred to public agency without an enforceable obligation.

July 2, 2012

successor agency may only pay bond debt. City subject to same civil penalty. City will not receive July 18 sales tax payment (up to amount owed),<sup>5</sup>

- Failure to transfer LMIHF funds: Offset of city sales tax or property tax of the amount required to be transferred<sup>6</sup>
- Failure to transfer cash assets: Offset of city sales tax or property tax of the amount required to be transferred<sup>7</sup>
- Failure to recover cash transferred to local agency without enforceable obligation: Offset of sales tax or property tax of the local agency to which the cash was transferred.<sup>8</sup>
- Failure to submit ROPS by September 1, 2012 and subsequent deadlines: City to pay civil penalty of \$10,000 per day for each day beyond deadline

#### 4. Safe Harbor: Finding of Completion<sup>9</sup>

The Department of Finance will issue a finding of completion to a successor agency that pays the following amounts:

- ✓ The amount determined in the audit of the LMIHF<sup>10</sup>
- ✓ The amount determined in the audit of all other funds<sup>11</sup>
- ✓ The amount (if any) owing to taxing entities from the December 2011 property tax payment<sup>12</sup>

The following applies to a successor agency that is issued a finding of completion:

- ✓ Loan agreements entered into between the redevelopment agency and the city are deemed to be enforceable obligations if oversight board makes a finding that loan was for legitimate redevelopment purposes. As enforceable obligations, payments are listed on ROPS<sup>13</sup>.

Repayments of loans may not begin prior to 2013-14 fiscal year at maximum amount described in statute. Repayment amounts received by city must first be used to retire outstanding amounts borrowed and owed to LMIHF of the

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<sup>5</sup> Section 34183.5(b)(2)

<sup>6</sup> Section 34179.6(h)

<sup>7</sup> Section 34179.6(h)

<sup>8</sup> Section 34179.6(h); see, also 34179.8

<sup>9</sup> Section 34191.1.

<sup>10</sup> Section 34179.6

<sup>11</sup> Section 34179.6

<sup>12</sup> Section 34183.5

<sup>13</sup> DOF continues to retain final authority to approve items listed on ROPS.

former redevelopment agency for purposes of the SERAF payment. 20% of loan repayment amount must be transferred to LMIH Asset Fund.<sup>14</sup>

- ✓ Bond proceeds derived from bonds issued on or before 12/31/10 shall be used for the purposes for which the bonds were sold. Proceeds which cannot be spent consistent with bond covenants shall be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.<sup>15</sup> Use of bond proceeds listed on ROPS.<sup>16</sup>
- ✓ Real property assets: In lieu of the provisions of AB 26 which require disposal of real property assets at the direction of the oversight board, successor agency prepares a long-range property management plan and submits to oversight board and DOF for approval. Permissible uses of property include retention for governmental use; retention for future development; sale of property; use of the property to fulfill enforceable obligations. If plan directs use or liquidation of property for a project identified in an approved redevelopment plan, the property shall transfer to the city. No transfers until plan approved by oversight board and DOF.<sup>17</sup>
- ✓ Statute of Limitations: The longer statutes of limitations (2 years) to challenge actions of the former redevelopment agencies do not apply.<sup>18</sup>

## 5. New Power of State Controller<sup>19</sup>

AB 1484 directs the Controller to review the activities of successor agencies to determine whether an asset transfer occurred after January 31, 2012, between the successor agency and the city or county that created the redevelopment agency, or any other public agency that was not pursuant to an enforceable obligation on an approved ROPS. The Controller is directed to order the assets returned to the successor agency. "City" is defined very broadly to include any entity which is controlled by the city or for which the city is financially responsible or accountable.<sup>20</sup>

## 6. Increase in authority for Department of Finance

- DOF may eliminate or modify any item on an oversight board-approved ROPS. The auditor-controller must distribute property tax in accordance with changes made to the ROPS by DOF. If successor agency disputes DOF

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<sup>14</sup> 34191.4(b)(2).

<sup>15</sup> 34191.4(c)

<sup>16</sup> DOF continues to retain final authority to approve items listed on ROPS.

<sup>17</sup> Section 34191.5

<sup>18</sup> Section 33500, 33501

<sup>19</sup> Section 34178.8

<sup>20</sup> Section 34167.10. AB 26 directed the State Controller to review asset transfers from redevelopment agencies to the city or county that created the agency that occurred after January 1, 2011. If the city or county was not contractually committed to a third party for the expenditure or encumbrance of those assets, the Controller was directed to order the return the assets to the redevelopment agency or successor agency.

action, disputed item may be carried on ROPS. If dispute resolved in favor of successor agency in the future, the past allocation of property tax to the successor agency is not changed nor is a "liability" created for any affected taxing entity.<sup>21</sup>

- DOF may review and object to oversight board actions approving (1) establishment of new repayment terms for outstanding loans; and (2) setting aside amounts in reserves as required by bond indentures, and similar documents<sup>22</sup>

## 7. New restrictions on authority of Successor agency

- No new enforceable obligations except (1) as specifically authorized by the statute; (2) in compliance with enforceable obligations that existed prior to June 28, 2011; or (3) to hire staff, acquire professional services and procure insurance.<sup>23</sup>
- May not transfer revenues or powers to any other public or private party except pursuant to enforceable obligation on an approved ROPS. Any such transfer of authority or revenues are "void" and successor agency required to reverse transfers. Controller may audit and order return of transfers of authority or revenues.<sup>24</sup>
- Actions taken by redevelopment agencies pursuant to VARP (Voluntary Alternative Redevelopment Program in AB 27) are "ultra vires" and do not create enforceable obligations.<sup>25</sup>
- If successor agency exercised power to reenter into agreements with city (section 34178) and agreement was approved by oversight board but rejected by DOF, successor agency and oversight board may not act to restore funding for the reentered agreement.<sup>26</sup>
- No reestablishment of loan agreements between successor agency and city except pursuant to safe harbor provisions.<sup>27</sup>

## 8. Miscellaneous

- City loans to successor agency: City may loan or grant funds for administrative costs, enforceable obligations or project-related expenses. Receipt and use of these funds shall be reflected on the ROPS or in the

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<sup>21</sup> Section 34179(h)

<sup>22</sup> Section 34181(f)

<sup>23</sup> Section 34177.3(a); 34177.3(b)

<sup>24</sup> Section 34177.3(c)

<sup>25</sup> Section 34177.3(d)

<sup>26</sup> Section 34178(a)

<sup>27</sup> Section 34180(a)

administrative budget subject to oversight board approval. An enforceable obligation is created for repayment of loans.<sup>28</sup>

- New Oversight Board Provisions<sup>29</sup>
  - ✓ Auditor-controller may determine "largest special district"
  - ✓ Section 1090 does not apply to employee representative on oversight board
  - ✓ Oversight board members are protected by immunities applicable to public entities and public employees
  - ✓ Meetings at which oversight board will consider disposal of successor agency assets or allow set-aside of reserves required by bond indentures requires 10 days' public notice.<sup>30</sup>
  - ✓ Written notice and information about all oversight board actions must be provided to DOF by electronic means. DOF has 40 (instead of 10) days to review and approve, reject, or modify oversight board action.
  - ✓ Oversight board may direct successor agency to provide additional legal or financial advice.
  - ✓ Authorized to contract with the county or other public or private agencies for administrative support
  - ✓ On matters within its purview, decisions made by oversight board "supersede those made by the successor agency or the staff of the successor agency."<sup>31</sup>
- New authority for auditor-controller<sup>32</sup>: A county auditor-controller can object to an item on the ROPS or to the funding source listed for an item on the ROPS. Objections are sent to DOF to resolve.
- Polanco Act protection for successor agency: Cleanup plans and liability limits of redevelopment agency transferred to successor agency and to housing entity, upon entity's request.<sup>33</sup>
- Limited authority for successor agency to refinance existing debt.<sup>34</sup>
- Successor agency is separate public entity.<sup>35</sup>

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<sup>28</sup> Section 34175(h)

<sup>29</sup> Section 34180

<sup>30</sup> Section 34181(f)

<sup>31</sup> Section 34179

<sup>32</sup> Section 34182.5

<sup>33</sup> Section 34173(f)

<sup>34</sup> Section 34177.5

<sup>35</sup> Section 34173(g)

## Appendix – Successor Agency Required Payments/Fund Transfers

### ✓ Transfer of Unencumbered Balances<sup>36</sup>

AB 26 requires that a successor agency transfer unencumbered cash balances and low and moderate income housing funds to the county auditor-controller for distribution to the taxing entities. AB 1484 requires a successor agency to retain the services of a licensed accountant to audit (1) the balance in the LMIHF; (2) the balance in other cash funds; (3) cash payments that were made in compliance with an enforceable obligation; and (4) cash transfers that were made without an enforceable obligation. In addition to transferring the balances in the LMIHF and other cash funds, a successor agency must make efforts to recover the cash transferred without an enforceable obligation.

### ✓ Payment of December 2011 Taxing Entity Property Tax<sup>37</sup>

AB 26 distributes property tax through a “waterfall” of payments which includes passthrough payments, payments to successor agencies for enforceable obligations, payments to successor agencies for administrative costs, and payments to taxing entities. The waterfall for the December 2011 property tax payment did not operate as intended because of the stay imposed by the Court in *Matosantos*. The property tax payment to taxing entities was not made. AB 1484 requires successor agencies to make those payments by July 12.

### ✓ Payment of 2011-12 Passthrough Payments

Some successor agencies made 2011-12 passthrough payments and some did not. AB 1484 requires the auditor-controller to reduce property tax payments to those successor agencies that did not make pass through payments in 2011-12.

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<sup>36</sup> Section 34179.5; 34179.6

<sup>37</sup> Section 34183.5



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#### AB 1484: Important Dates

- July 9: County auditor-controller notifies successor agency of amount of funds owing taxing entities based upon December 2011 property tax payment<sup>1</sup>
- July 12: Successor agency must make payment to auditor-controller for deposit into Redevelopment Property Tax Trust Fund and distribution to taxing entities.<sup>2</sup>
- July 16: Auditor-controller distributes money received from successor agencies to taxing entities. Monies received after July 12 date distributed within 5 days of receipt.<sup>3</sup>
- July 18: **City sales tax payment suspended if successor agency doesn't make July 12 payment.**<sup>4</sup>
- August 1: Successor housing entity must submit to DOF a list of housing assets that contains explanation of how assets meet criteria set forth in the law. DOF will prescribe format for list. DOF may object to any of the assets within 30 days. If after meet and confer, DOF continues to object, asset must be returned to the successor agency.<sup>5</sup>
- August 10: Successor housing entity notifies successor agency of any designations of use or commitments of funds that successor housing entity authorizes successor agency to retain.<sup>6</sup>
- August 15 +/-: Oversight board meets to consider ROPS for January 1, 2013 through June 30, 2013 which must be submitted to DOF by September 1.
- September 1: ROPS for January 1, 2013 through June 30, 2013 must be submitted electronically to DOF after oversight board approval.<sup>7</sup> DOF makes determinations within 45 days. Within 5 days of determination, successor agency may request additional review and meet and confer.

<sup>1</sup> Section 34183.5(b)(2)(A). Note: The statute, that may be drafted in error, states that if June 1 property tax payment has not been made to successor agencies, the amount owing to taxing entities will be deducted from that same June 1 payment (34183.5(b)(1)).

<sup>2</sup> Section 34183.5(b)(2)(A).

<sup>3</sup> Section 34183.5(b)(2)(A).

<sup>4</sup> Section 34183.5(b)(2)(A)

<sup>5</sup> Section 34176(a)(2). Definition of "housing asset" found at section 34176(e).

<sup>6</sup> Section 34179.6(c)

<sup>7</sup> Section 34177(m). Future ROPS must be submitted to DOF 90 days prior to property tax distribution. City subject to civil penalty of \$10,000 per day for successor agency's failure to timely submit ROPS (Section 34177(m)(2)).

July 2, 2012

- October 1: Auditor-controller may provide notice to successor agency of any objections to items on January – June 2013 ROPS.<sup>8</sup>
- October 1: Successor agency submits to oversight board, county auditor-controller, State Controller, and DOF results of the review of the LMIHF conducted by the licensed accountant agency must retain.<sup>9</sup> Note: licensed accountant must be approved by the county auditor-controller.
- October 1: County auditor-controller completes agreed-upon procedures audit of each redevelopment agency.<sup>10</sup> Auditor-controller provides estimate of property tax payments to successor agency for upcoming six-month period.<sup>11</sup>
- October 15: Oversight Board must review, approve, and transmit LMIHF audit to DOF, auditor-controller. Note that oversight board must hold a public session to consider audit at least five business days prior to the meeting of oversight board in which LMIHF audit is considered for approval.<sup>12</sup>
- November 9: Last day for DOF to complete review of LMIHF audit and reports findings, determinations, and decision to overturn oversight board decision to allow retention of successor agency assets.<sup>13</sup>

W/in 5 days of receipt of DOF

audit findings: Successor agency may request meet and confer to resolve disputes with DOF findings on LMIHF audit.<sup>14</sup> DOF must confirm or modify its determination and decisions within 30 days.

W/in 5 days of receipt of DOF final audit

determination: Successor agency to transfer LMIHF funds to auditor-controller.<sup>15</sup> **City sales tax/property tax may be offset for unfunded amounts.**

December 1: Successor agency may report to auditor-controller that total amount of available revenues will be insufficient to fund enforceable obligations.<sup>16</sup>

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<sup>8</sup> Section 34182.5.

<sup>9</sup> Section 34179.6(a). The requirement to retain a licensed accountant is found in section 34179.5. The audit provided by the county auditor-controller can be substituted for an audit by a licensed accountant if it contains the information required by Section 34179.5.

<sup>10</sup> Section 34182(a)(1).

<sup>11</sup> Section 34182(c)(3)

<sup>12</sup> Section 34179.6(c) and (b)

<sup>13</sup> Section 34179.6(d)

<sup>14</sup> Section 34179.6(e)

<sup>15</sup> Section 34179.6(f)

<sup>16</sup> Section 34183(b)

December 15: Successor agency submits to oversight board, county auditor-controller, State Controller, and DOF results of the review of all other fund and account balances by licensed accountant.<sup>17</sup>

## 2013

- January 2: Auditor-controller makes distributions of property tax for January – June 2013 ROPS.<sup>18</sup>
- January 15: Oversight board must review, approve, and transmit other funds audit to DOF, auditor-controller.<sup>19</sup>
- March 3: Successor agency submits ROPS for July 1, 2013 through December 31, 2013 to DOF after oversight board approval.<sup>20</sup>
- April 1: County auditor-controller provides estimate of property tax payments to successor agency for upcoming six-month period.<sup>21</sup>
- April 1: DOF completes review of other funds audit and reports findings, determinations, and decision to overturn oversight board decision to allow retention of successor agency assets.<sup>22</sup>
- April 6 +/-: No later than 5 days after receiving DOF determination on other funds audit, successor agency may request meet and confer to resolve disputes with DOF findings. DOF must confirm or modify its determination and decisions within 30 days.
- April 10: +/- Successor agency to transfer other "cash and assets" audit payment to auditor-controller if meet and confer process complete.<sup>23</sup> **City sales tax/property tax may be offset for unfunded amounts.**
- May 1: Successor agency reports to auditor-controller if total amount of available revenues will be insufficient to fund enforceable obligations.<sup>24</sup>

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<sup>17</sup> Section 34179.6(a).

<sup>18</sup> Section 34183(b).

<sup>19</sup> Section 34179.6(a).

<sup>20</sup> Section 34177(m).

<sup>21</sup> Section 34182(c)(3)

<sup>22</sup> Section 34179.6(a)

<sup>23</sup> Section 34179.6(f). The statute does not allow sufficient time between completion of DOF review on April 1 and required payment on April 10.

<sup>24</sup> Section 34183(b).



COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION  
600 WEST TEMPLE STREET, ROOM 625  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE  
AUDITOR-CONTROLLER

JUDI E. THOMAS  
CHIEF DEPUTY

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS  
JOHN NAJMO  
JAMES L. SCHNEIDERMAN

June 1, 2012

All Successor Agencies within Los Angeles County

**DEPARTMENT OF FINANCE (DOF) REJECTED ABx1 26 RECOGNIZED  
OBLIGATIONS PAYMENT SCHEDULE (ROPS) ITEMS**

This letter is to inform you how Los Angeles County determined the amount of Redevelopment Property Tax Trust Funds (RPTTF) to distribute to Successor Agencies. Specifically, this supports the ROPS payment for July 1, 2012 to December 31, 2012.

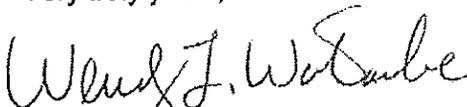
We first deposited into each Successor Agency's RPTTF the amount of property tax collections that would have been distributed in the months of February 20<sup>th</sup> through May 20<sup>th</sup>, 2012. In accordance with ABx1 26, we then deducted County Auditor administrative costs and pass-through for all taxing entities.

Next, we reviewed each Successor Agency's ROPS and determined which items DOF approved. For item(s) that the DOF approved, we processed the payment to your Successor Agency accordingly. For items(s) that does/do not meet the criteria of an Enforceable Obligation and were disapproved by the DOF, we have redirected the funds to affected taxing entities, as required by Health and Safety §34188(a).

Please note that in the event your agency did not have sufficient funds remaining in the RPTTF to fund your ROPS, we deducted subordinated pass-through, in accordance with the pass-through agreements.

If you have any questions regarding this issue, please contact Arlene Barrera at [abarrera@auditor.lacounty.gov](mailto:abarrera@auditor.lacounty.gov) or (213) 974-8361 or Kristina Burns at [kburns@auditor.lacounty.gov](mailto:kburns@auditor.lacounty.gov) or (213) 974-8362.

Very truly yours,

  
Wendy L. Watanabe  
Auditor-Controller

WLW:JN:AB:ilm



COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE  
AUDITOR-CONTROLLER

JUDI E. THOMAS  
CHIEF DEPUTY

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS  
JOHN NAIMO  
JAMES L. SCHNEIDERMAN

July 9, 2012

All Applicable Successor Agencies within Los Angeles County

**NOTICE OF DEMAND FOR PAYMENT PURSUANT TO  
HEALTH AND SAFETY CODE SECTION 34183.5(b)**

State Assembly Bill 1484 (AB 1484) became effective on June 27, 2012. It added Health and Safety Code Section 34183.5(b), which requires the Los Angeles County Auditor-Controller to calculate if amounts are owed by successor agencies to taxing entities pursuant to Health and Safety Code Section 34183(a)(4), for the period of January 1, 2012 through June 30, 2012.

The Attachment to this letter itemizes the applicable AB 1484 calculations made in determining the repayment amount due from your agency. To summarize, we compared the tax revenues distributed for Fiscal Year 2011-12 (indicated through January 31, 2012) to the Recognized Obligation Payment Schedule (ROPS) for the period from January 1, 2012 through June 30, 2012, as approved by the Department of Finance (DOF). Any excess revenues over the DOF-approved ROPS amounts are listed as Total Residual Amount Due. We then made adjustments for unpaid pass-through obligations to arrive at the final amount owed.

AB 1484 requires that we demand your agency to pay the amount indicated on the Attachment to the Los Angeles County Auditor-Controller. Please remit your payment to the following by **Thursday, July 12, 2012, no later than 5:00 p.m.:**

Los Angeles County, Department of Auditor-Controller  
Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 525  
Los Angeles, California 90012-3873

Please note that if the demanded remittance is **not received** by July 12, 2012, the successor agency and the city that created the redevelopment agency may be subject to civil penalties pursuant to Health and Safety Code Section 34183.5(b)(2)(C).

If you have any questions regarding this letter, please contact Arlene Barrera, Chief of Property Tax at [abarrera@auditor.lacounty.gov](mailto:abarrera@auditor.lacounty.gov) or (213) 974-8361, or Kristina Burns, Property Tax Manager at [kburns@auditor.lacounty.gov](mailto:kburns@auditor.lacounty.gov) or (213) 974-8362.

Very truly yours,

Wendy L. Watanabe  
Auditor-Controller

Attachment



COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER

150 WEST 7TH STREET, SUITE 1500  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE  
AUDITOR-CONTROLLER

JUDI E. THOMAS  
CHIEF DEPUTY

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS  
JOHN NAIMO  
JAMES L. SCHNEIDERMAN

July 11, 2012

Applicable Successor Agencies within Los Angeles County

**URGENT UPDATE TO THE JULY 9TH DEMAND  
LETTER PERTAINING TO PASS THROUGH AMOUNTS OWED**

This afternoon, the State Department of Finance (DOF) made a major change in their AB 1484 "true up" guidelines, which includes guidance on the collection of delinquent pass through payments to local taxing entities. Our July 9<sup>th</sup> demand letter included an amount owed by your agency for pass through, payable to our office by tomorrow, July 12<sup>th</sup>. The new DOF guidelines have now made **optional** the July 12<sup>th</sup> due date for pass through payments. This provides successor agencies with the **choice** of paying the pass through amount computed in our demand letter by July 12, 2012, or to defer paying this amount until January 2013.

The new instructional language posted on DOF's website today states, in part, "...if the successor agency chooses to provide the amounts necessary to fund pass-through payments...." Therefore, we request that you notify our office by tomorrow if your agency elects to pay the pass through portion of the July 9<sup>th</sup> demand letter or chooses to defer this payment until January 2013.

For agencies that received a demand notice for pass through amounts only and have already sent us payment, we will return your check if you choose not to pay at this time. For agencies that a payment amount was requested for **both** "pass through" and "residual", the new guidelines only apply to pass through and any residual amount owed remains due and payable by tomorrow. If you have remitted both amounts by one check, we will expedite a refund for the pass through amount, if you elect to defer making this payment until January 2013.

We apologize for this notification and its urgency, especially during a week which has been very difficult for all parties.

You may deliver your response to the address above or send via email to [Successor@auditor.lacounty.gov](mailto:Successor@auditor.lacounty.gov). If you have any questions regarding this letter, please contact Arlene Barrera at [abarrera@auditor.lacounty.gov](mailto:abarrera@auditor.lacounty.gov) or (213) 974-8361 or Kristina Burns at [kburns@auditor.lacounty.gov](mailto:kburns@auditor.lacounty.gov) or (213) 974-8362.

Very truly yours,

Wendy L. Watanabe  
Auditor-Controller

c: Each Supervisor  
William T Fujioka, Chief Executive Officer



COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

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JUDI E. THOMAS  
CHIEF DEPUTY

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS  
JOHN NAIMO  
JAMES L. SCHNEIDERMAN

July 19, 2012

All Successor Agencies within Los Angeles County

**APPROVAL OF ACCOUNTANTS TO CONDUCT "DUE DILIGENCE" REVIEWS AS  
REQUIRED BY AB 1484**

As part of AB 1484, California Health and Safety Code Section 34179.5(a) requires each successor agency to select and employ a licensed accountant to complete a "due diligence" review. The selected accountant must have experience and expertise in local government work, and the review is intended to determine the unobligated balances available for transfer to taxing entities. The Code Section requires the County Auditor-Controller to approve the selected accountants.

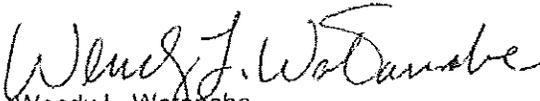
After your agency has selected an accountant to perform the due diligence review, please submit the following information to [RDAAudits@auditor.lacounty.gov](mailto:RDAAudits@auditor.lacounty.gov):

- Accountant/firm name
- Information on the accountant's local government experience and expertise
- The accountant's relationship, if any, to the former redevelopment agency, the successor agency, and/or the sponsoring city/county
- Contact information for a successor agency representative who can answer follow-up questions

We will verify that the selected accountant is in good standing with the California State Board of Accountancy, and has the required local government experience. We may also inquire about potential conflicts of interest, if any. We anticipate responding to most requests within two business days.

Please contact Ken Van Orden at [kvanorden@auditor.lacounty.gov](mailto:kvanorden@auditor.lacounty.gov) if you have any questions.

Very truly yours,

  
Wendy L. Watanabe  
Auditor-Controller

WLW:JLS:RGC



July 11, 2012

## TO REDEVELOPMENT SUCCESSOR AGENCY REPRESENTATIVES

As part of our ongoing effort to work with Successor Agencies on the implementation of Assembly Bill 26, First Extraordinary Session (ABx1 26), the Department of Finance (Finance) would like to advise you of several new responsibilities and deadlines implemented by the recently enacted Assembly Bill 1484 (AB 1484, Chapter 26, Statutes of 2012). Specifically, AB 1484 establishes a catch-up process for revenues distributed in 2011-12. Going forward, AB 1484 expands the review time and creates a meet-and-confer process for future substantial's and processes. The measure also establishes incentives for compliance and penalties for noncompliance effective July 2012. These changes are described below, and Finance's website will continue to be updated to provide the most current information available.

### 2011-12 Catch-Up Process

AB 1484 establishes a catch-up process for the distribution of 2011-12 property taxes associated with the dissolution of redevelopment agencies. The timeline is short to ensure that the allocation of last year's revenues is quickly resolved.

- By July 9, 2012, county auditor-controllers must calculate the amount of residual property tax revenue that Successor Agencies owe to cities, counties, special districts, and K-14 schools (collectively known as Affected Taxing Entities) for the period covered by the January 2012 through June 2012 Recognized Obligation Payment Schedule (ROPS). These calculations are based on the information reported by the Successor Agencies on the January 2012 through June 2012 ROPS.
- By July 12, 2012, Successor Agencies must remit to the county auditor-controller the residual property tax revenue identified in the aforementioned billing.
- By July 16, 2012, county auditor-controllers must distribute to the Affected Taxing Entities the residual property tax revenue remitted by the Successor Agencies.

### 2012-13 and Future Processes

AB 1484 extends the time available for Finance to review Successor Agency submittals. In addition, for each submittal, it creates the option of a meet-and-confer process for Agencies to appeal Finance decisions beginning with the first deliverable for 2012-13. These new procedures will provide significantly more opportunities to discuss the specific details of each Agency's submittals.

- By August 1, 2012, Housing Successor Agencies must provide Finance a list of all housing assets transferred to it by the Successor Agency since February 1, 2012. A template for Housing Successor Agencies to use in reporting this information will soon be posted on the Finance website. AB 1484 provides Finance 30 days to review the list, and to question any transfers.

- By September 1, 2012, Successor Agencies must provide Finance with an Oversight Board-approved ROPS covering the January 2013 through June 2013 period. Finance will have 45 days to review the ROPS, and to object to any items that do not meet the definition of an Enforceable Obligation.
- By October 1, 2012, Successor Agencies must provide Finance an Oversight Board-approved Due Diligence Review that has been prepared by a licensed accountant. This Due Diligence Review will list all encumbered and unencumbered low-and-moderate income housing fund (low-mod fund) assets, and will state whether or not those assets are encumbered by Enforceable Obligations. Finance has until November 9, 2012 to finalize its review of the submittals, and to determine which low-mod fund assets are not encumbered by Enforceable Obligations.
- By January 15, 2013, Successor Agencies must provide Finance a second Oversight Board-approved Due Diligence Review that has been prepared by a licensed accountant. This Due Diligence Review will list all encumbered and unencumbered assets of the Successor Agency that are from sources other than the low-mod fund. The Due Diligence Review also will state whether or not those assets are encumbered by Enforceable Obligations. Finance has until April 1, 2013 to finalize its review of the submittals, and to determine which assets are not encumbered by Enforceable Obligations.

#### **Incentives and Penalties**

Once a Successor Agency has complied with the July payment process and the asset transfer provision, AB 1484 provides certain benefits to the Successor Agencies, and also to the cities and counties that operate those Agencies. These benefits are as follows:

- The city or county may be eligible to receive repayment of sums loaned to their former redevelopment agency (RDA) more than two years after the former RDA was created. Under ABx1 26, loans made by a city or county to its former RDA more than two years after it was created are generally ineligible for repayment.
- The city or county may be eligible to receive title to certain real properties of the former RDA, and use those properties for purposes outlined in the redevelopment plan of the former RDA. Under ABx1 26, those real properties must be liquidated, with the sales proceeds distributed to the Affected Taxing Entities.
- The Successor Agency may be eligible to use for their intended purpose the proceeds from certain bonds that were not contractually obligated before ABx1 26 was enacted. Under current law, those bond proceeds only can be used to defease the bonds.

To help ensure that counties, cities, special districts, schools, and community colleges are receiving the appropriate level of revenues, AB 1484 allows strict civil penalties to be imposed if Successor Agencies fail to remit revenues on time. These civil penalties are as follows:

- The city or county that operates the Successor Agency shall be subject to civil penalties equal to: (a) 10 percent of the residual property tax owed the Affected Taxing Entities and (b) a monthly penalty of 1.5 percent of the amount owed the Affected Taxing Entities while the payments are late.

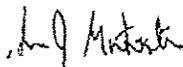
- The Successor Agency itself shall be subject to own penalties equal to (a) 10 percent of the residual property tax owed the Affected Taxing Entities and (b) a monthly penalty of 1.5 percent of the amount owed the Affected Taxing Entities while the payments are late.

The Successor Agency also would be prohibited from making any future ROPS payments while the owed amount is outstanding, other than those ROPS payments needed for bond debt service.

- The city or county that operates the Successor Agency shall be subject to interruption of their monthly Sales and Use Tax remittance from the Board of Equalization until the owed amounts are paid.

We hope this information is helpful. If you have follow up questions, you can reach Finance at (916) 445-1546.

Sincerely,



ANA MATOSANTOS  
Director

cc: County Auditor-Controllers

AMENDED IN SENATE JUNE 25, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1484**

**Introduced by Committee on Budget (Blumenfield (Chair), Alejo, Bonilla, Brownley, Buchanan, Butler, Cedillo, Chesbro, Dickinson, Feuer, Gordon, Huffman, Mitchell, Monning, and Swanson)**

January 10, 2012

*An act relating to the Budget Act of 2012. An act to amend Section 53760.1 of the Government Code, and to amend Sections 33500, 33501, 34163, 34171, 34173, 34175, 34176, 34177, 34178, 34179, 34180, 34181, 34182, 34183, 34185, 34186, 34187, 34188, and 34189 of, to add Sections 34167.10, 34177.3, 34177.5, 34178.8, 34179.5, 34179.6, 34179.7, 34179.8, 34182.5, 34183.5, 34189.1, 34189.2, and 34189.3 to, to add Chapter 9 (commencing with Section 34191.1) to Part 1.85 of Division 24 of, and to add and repeal Section 34176.5 of, the Health and Safety Code, relating to community redevelopment, and making an appropriation therefor; to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1484, as amended, Committee on Budget. ~~Budget Act of 2012.~~ *Community redevelopment.*

*The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, and, among other things, provides that an action may be brought to review the validity of specified agency actions, findings, or determinations that occurred after January 1, 2011, within 2 years of the triggering event.*

<b>AB 1484 Overview</b>
<b>New Rules and Clarification for Oversight Boards</b>
<b>New Rules for ROPS</b>
<b>Due Diligence Review</b>
<b>Post Finding of Completion Actions</b>
<b>Bonds</b>
<b>Housing</b>
<b>Other Issues</b>

*This bill would toll the time limit for bringing an action until the Department of Finance issues a finding of completion to the successor agency.*

*Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies, as defined. Existing law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations, as defined, perform obligations required pursuant to any enforceable obligation, dispose of all assets of the former redevelopment agency, and to remit unencumbered balances of redevelopment agency funds, including housing funds, to the county auditor-controller for distribution to taxing entities.*

*Existing law authorizes the city, county, or city and county that authorized the creation of a redevelopment agency to retain the housing assets, functions, and powers previously performed by the redevelopment agency, excluding amounts on deposit in the Low and Moderate Income Housing Fund.*

*The bill would modify provisions relating to the transfer of housing responsibilities associated with dissolved redevelopment agencies and would define the term “housing asset” for these purposes. The bill would impose new requirements on successor agencies with regard to the submittal of the Recognized Obligation Payment Schedule, the conducting of a due diligence review to determine the unobligated balances available for transfer to affected taxing entities, and the recovery and subsequent remittance of funds determined to have been transferred absent an enforceable obligation. The bill would authorize the Department of Finance to issue a finding of completion to a successor agency that completes the due diligence review and meets other requirements. Upon receiving a finding of completion, the bill would authorize the successor agency to participate in a loan repayment program and limited property management activities.*

*Existing law authorizes the Department of Finance and the Controller to require any documents associated with enforceable obligations to be provided to them in a manner of their choosing.*

*The bill would authorize the county auditor-controller and the department, under specified circumstances, to require the return of funds improperly spent or transferred to a public entity and would authorize the department and the Controller to require the State Board of Equalization and the county auditor-controller to offset sales and*

Summary of modifications and new requirements

Summary of new authorizations

*use tax and property tax allocations, respectively, to the local agency. The bill would authorize the Controller to review the activities of a successor agency to determine if an improper asset transfer had occurred between the successor agency and the city or county that created the former redevelopment agency, and would require the Controller to order the return of these assets if such an asset transfer did occur.*

*The bill would impose new requirements on the county auditor-controller relating to the allocation of property tax revenues to affected taxing entities during a specified timeframe. By imposing additional duties upon local public officials, the bill would create a state-mandated local program.*

*The bill would appropriate up to \$22,000,000 to the Department of Finance from the General Fund for costs associated with the bill, as specified.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

*This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.*

~~*This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2012.*~~

*Vote: majority. Appropriation: ~~no~~yes. Fiscal committee: ~~no~~yes. State-mandated local program: ~~no~~yes.*

*The people of the State of California do enact as follows:*

- 1 *SECTION 1. Section 53760.1 of the Government Code is*
- 2 *amended to read:*
- 3 *53760.1. As used in this article the following terms have the*
- 4 *following meanings:*
- 5 *(a) "Chapter 9" means Chapter 9 (commencing with Section*
- 6 *901) of Title 11 of the United States Code.*
- 7 *(b) "Creditor" means either of the following:*
- 8 *(1) An entity that has a noncontingent claim against a*
- 9 *municipality that arose at the time of or before the commencement*
- 10 *of the neutral evaluation process and whose claim represents at*

Summary of new authorizations and requirements for State Controller and county auditor-controller

1 least five million dollars (\$5,000,000) or comprises more than 5  
2 percent of the local public entity’s debt or obligations, whichever  
3 is less.

4 (2) An entity that would have a noncontingent claim against the  
5 municipality upon the rejection of an executory contract or  
6 unexpired lease in a Chapter 9 case and whose claim would  
7 represent at least five million dollars (\$5,000,000) or comprises  
8 more than 5 percent of the local public entity’s debt or obligations,  
9 whichever is less.

10 (c) “Debtor” means a local public entity that may file for  
11 bankruptcy under Chapter 9.

12 (d) “Good faith” means participation by a party in the neutral  
13 evaluation process with the intent to negotiate toward a resolution  
14 of the issues that are the subject of the neutral evaluation process,  
15 including the timely provision of complete and accurate  
16 information to provide the relevant parties through the neutral  
17 evaluation process with sufficient information, in a confidential  
18 manner, to negotiate the readjustment of the municipality’s debt.

19 (e) “Interested party” means a trustee, a committee of creditors,  
20 an affected creditor, an indenture trustee, a pension fund, a  
21 bondholder, a union that, under its collective bargaining  
22 agreements, has standing to initiate contract or debt restructuring  
23 negotiations with the municipality, or a representative selected by  
24 an association of retired employees of the public entity who receive  
25 income from the public entity convening the neutral evaluation.  
26 A local public entity may invite holders of contingent claims to  
27 participate as interested parties in the neutral evaluation if the local  
28 public entity determines that the contingency is likely to occur and  
29 the claim may represent five million dollars (\$5,000,000) or  
30 comprise more than 5 percent of the local public entity’s debt or  
31 obligations, whichever is less.

32 (f) “Local public entity” means any county, city, district, public  
33 authority, public agency, or other entity, without limitation, that  
34 is a municipality as defined in Section 101(40) of Title 11 of the  
35 United States Code (bankruptcy), or that qualifies as a debtor under  
36 any other federal bankruptcy law applicable to local public entities,  
37 *and also includes a successor agency to a redevelopment agency*  
38 *created pursuant to Part 1.85 (commencing with Section 34170)*  
39 *of Division 24 of the Health and Safety Code.* For purposes of this  
40 article, “local public entity” does not include a school district.

Definitions

1 (g) "Local public entity representative" means the person or  
2 persons designated by the local public agency with authority to  
3 make recommendations and to attend the neutral evaluation on  
4 behalf of the governing body of the municipality.

5 (h) "Neutral evaluation" is a form of alternative dispute  
6 resolution that may be known as mandatory mediation. A "neutral  
7 evaluator" may also be known as a mediator.

8 *SEC. 2. Section 33500 of the Health and Safety Code is*  
9 *amended to read:*

10 33500. (a) Notwithstanding any other provision of law,  
11 including Section 33501, an action may be brought to review the  
12 validity of the adoption or amendment of a redevelopment plan at  
13 any time within 90 days after the date of the adoption of the  
14 ordinance adopting or amending the plan, if the adoption of the  
15 ordinance occurred prior to January 1, 2011.

16 (b) Notwithstanding any other provision of law, including  
17 Section 33501, an action may be brought to review the validity of  
18 any findings or determinations by the agency or the legislative  
19 body at any time within 90 days after the date on which the agency  
20 or the legislative body made those findings or determinations, if  
21 the findings or determinations occurred prior to January 1, 2011.

22 (c) Notwithstanding any other law, including Section 33501,  
23 an action may be brought to review the validity of the adoption or  
24 amendment of a redevelopment plan at any time within two years  
25 after the date of the adoption of the ordinance adopting or  
26 amending the plan, if the adoption of the ordinance occurred after  
27 January 1, 2011.

28 (d) Notwithstanding any other law, including Section 33501,  
29 an action may be brought to review the validity of any findings or  
30 determinations by the agency or the legislative body at any time  
31 within two years after the date on which the agency or the  
32 legislative body made those findings or determinations, if the  
33 findings or determinations occurred after January 1, 2011.

34 (e) *The time limit for bringing an action under subdivision (c)*  
35 *or (d) shall be tolled with respect to the adoptions, findings, and*  
36 *determinations of any former redevelopment agency or its*  
37 *legislative body until the Department of Finance has issued a*  
38 *finding of completion to the successor agency of that former*  
39 *redevelopment agency pursuant to Section 34179.7. Subdivisions*  
40 *(c) and (d) shall not apply to any adoption, finding, or*

1 *determination of any former redevelopment agency or its legislative*  
2 *body after the department has issued a finding of completion to*  
3 *the successor agency of that former redevelopment agency pursuant*  
4 *to Section 34179.7.*

5 SEC. 3. Section 33501 of the Health and Safety Code is  
6 amended to read:

7 33501. (a) An action may be brought pursuant to Chapter 9  
8 (commencing with Section 860) of Title 10 of Part 2 of the Code  
9 of Civil Procedure to determine the validity of bonds and the  
10 redevelopment plan to be financed or refinanced, in whole or in  
11 part, by the bonds, or to determine the validity of a redevelopment  
12 plan not financed by bonds, including without limiting the  
13 generality of the foregoing, the legality and validity of all  
14 proceedings theretofore taken for or in any way connected with  
15 the establishment of the agency, its authority to transact business  
16 and exercise its powers, the designation of the survey area, the  
17 selection of the project area, the formulation of the preliminary  
18 plan, the validity of the finding and determination that the project  
19 area is predominantly urbanized, and the validity of the adoption  
20 of the redevelopment plan, and also including the legality and  
21 validity of all proceedings theretofore taken and (as provided in  
22 the bond resolution) proposed to be taken for the authorization,  
23 issuance, sale, and delivery of the bonds, and for the payment of  
24 the principal thereof and interest thereon.

25 (b) Notwithstanding subdivision (a), an action to determine the  
26 validity of a redevelopment plan, or amendment to a redevelopment  
27 plan that was adopted prior to January 1, 2011, may be brought  
28 within 90 days after the date of the adoption of the ordinance  
29 adopting or amending the plan.

30 (c) Any action that is commenced on or after January 1, 2011,  
31 which is brought pursuant to Chapter 9 (commencing with Section  
32 860) of Title 10 of Part 2 of the Code of Civil Procedure to  
33 determine the validity or legality of any issue, document, or action  
34 described in subdivision (a), may be brought within two years after  
35 any triggering event that occurred after January 1, 2011. *The time*  
36 *limit for bringing an action under this subdivision shall be tolled*  
37 *with respect to the validity or legality of any issue, document, or*  
38 *action described in subdivision (a) of any former redevelopment*  
39 *agency or its legislative body until the Department of Finance has*  
40 *issued a finding of completion to the successor agency of that*

DOF actions

1 former redevelopment agency pursuant to Section 34179.7. This  
2 subdivision shall not apply to any adoption, finding, or  
3 determination of any former redevelopment agency or its legislative  
4 body after the department has issued a finding of completion to  
5 the successor agency of that former redevelopment agency pursuant  
6 to Section 34179.7.

7 (d) For the purposes of protecting the interests of the state, the  
8 Attorney General and the Department of Finance are interested  
9 persons pursuant to Section 863 of the Code of Civil Procedure in  
10 any action brought with respect to the validity of an ordinance  
11 adopting or amending a redevelopment plan pursuant to this  
12 section.

13 (e) For purposes of contesting the inclusion in a project area of  
14 lands that are enforceably restricted, as that term is defined in  
15 Sections 422 and 422.5 of the Revenue and Taxation Code, or  
16 lands that are in agricultural use, as defined in subdivision (b) of  
17 Section 51201 of the Government Code, the Department of  
18 Conservation, the county agricultural commissioner, the county  
19 farm bureau, the California Farm Bureau Federation, and  
20 agricultural entities and general farm organizations that provide a  
21 written request for notice, are interested persons pursuant to Section  
22 863 of the Code of Civil Procedure, in any action brought with  
23 respect to the validity of an ordinance adopting or amending a  
24 redevelopment plan pursuant to this section.

25 SEC. 4. Section 34163 of the Health and Safety Code is  
26 amended to read:

27 34163. Notwithstanding Part 1 (commencing with Section  
28 33000), Part 1.5 (commencing with Section 34000), Part 1.6  
29 (commencing with Section 34050), and Part 1.7 (commencing  
30 with Section 34100), or any other law, commencing on the effective  
31 date of this part, an agency shall not have the authority to, and  
32 shall not, do any of the following:

33 (a) Make loans or advances or grant or enter into agreements  
34 to provide funds or provide financial assistance of any sort to any  
35 entity or person for any purpose, including, but not limited to, all  
36 of the following:

37 (1) Loans of moneys or any other thing of value or commitments  
38 to provide financing to nonprofit organizations to provide those  
39 organizations with financing for the acquisition, construction,  
40 rehabilitation, refinancing, or development of multifamily rental

What redevelopment agencies can't do

1 housing or the acquisition of commercial property for lease, each  
2 pursuant to Chapter 7.5 (commencing with Section 33741) of Part  
3 1.

4 (2) Loans of moneys or any other thing of value for residential  
5 construction, improvement, or rehabilitation pursuant to Chapter  
6 8 (commencing with Section 33750) of Part 1. These include, but  
7 are not limited to, construction loans to purchasers of residential  
8 housing, mortgage loans to purchasers of residential housing, and  
9 loans to mortgage lenders, or any other entity, to aid in financing  
10 pursuant to Chapter 8 (commencing with Section 33750).

11 (3) The purchase, by an agency, of mortgage or construction  
12 loans from mortgage lenders or from any other entities.

13 (b) Enter into contracts with, incur obligations, or make  
14 commitments to, any entity, whether governmental, tribal, or  
15 private, or any individual or groups of individuals for any purpose,  
16 including, but not limited to, loan agreements, passthrough  
17 agreements, regulatory agreements, services contracts, leases,  
18 disposition and development agreements, joint exercise of powers  
19 agreements, contracts for the purchase of capital equipment,  
20 agreements for redevelopment activities, including, but not limited  
21 to, agreements for planning, design, redesign, development,  
22 demolition, alteration, construction, reconstruction, rehabilitation,  
23 site remediation, site development or improvement, removal of  
24 graffiti, land clearance, and seismic retrofits.

25 (c) Amend or modify existing agreements, obligations, or  
26 commitments with any entity, for any purpose, including, but not  
27 limited to, any of the following:

28 (1) Renewing or extending term of leases or other agreements,  
29 except that the agency may extend lease space for its own use to  
30 a date not to exceed six months after the effective date of the act  
31 adding this part and for a rate no more than 5 percent above the  
32 rate the agency currently pays on a monthly basis.

33 (2) Modifying terms and conditions of existing agreements,  
34 obligations, or commitments.

35 (3) Forgiving all or any part of the balance owed to the agency  
36 on existing loans or extend the term or change the terms and  
37 conditions of existing loans.

38 (4) ~~Increasing its~~ Making any future deposits to the Low and  
39 Moderate Income Housing Fund created pursuant to Section

1 33334.3 beyond the minimum level that applied to it as of January  
2 1, 2011.

3 (5) Transferring funds out of the Low and Moderate Income  
4 Housing Fund, except to meet the minimum housing-related  
5 obligations that existed as of January 1, 2011, to make required  
6 payments under Sections 33690 and 33690.5, and to borrow funds  
7 pursuant to Section 34168.5.

8 (d) Dispose of assets by sale, long-term lease, gift, grant,  
9 exchange, transfer, assignment, or otherwise, for any purpose,  
10 including, but not limited to, any of the following:

11 (1) Assets, including, but not limited to, real property, deeds of  
12 trust, and mortgages held by the agency, moneys, accounts  
13 receivable, contract rights, proceeds of insurance claims, grant  
14 proceeds, settlement payments, rights to receive rents, and any  
15 other rights to payment of whatever kind.

16 (2) Real property, including, but not limited to, land, land under  
17 water and waterfront property, buildings, structures, fixtures, and  
18 improvements on the land, any property appurtenant to, or used  
19 in connection with, the land, every estate, interest, privilege,  
20 easement, franchise, and right in land, including rights-of-way,  
21 terms for years, and liens, charges, or encumbrances by way of  
22 judgment, mortgage, or otherwise, and the indebtedness secured  
23 by the liens.

24 (e) Acquire real property by any means for any purpose,  
25 including, but not limited to, the purchase, lease, or exercising of  
26 an option to purchase or lease, exchange, subdivide, transfer,  
27 assume, obtain option upon, acquire by gift, grant, bequest, devise,  
28 or otherwise acquire any real property, any interest in real property,  
29 and any improvements on it, including the repurchase of developed  
30 property previously owned by the agency and the acquisition of  
31 real property by eminent domain; provided, however, that nothing  
32 in this subdivision is intended to prohibit the acceptance or transfer  
33 of title for real property acquired prior to the effective date of this  
34 part.

35 (f) Transfer, assign, vest, or delegate any of its assets, funds,  
36 rights, powers, ownership interests, or obligations for any purpose  
37 to any entity, including, but not limited to, the community, the  
38 legislative body, another member of a joint powers authority, a  
39 trustee, a receiver, a partner entity, another agency, a nonprofit  
40 corporation, a contractual counterparty, a public body, a

1 limited-equity housing cooperative, the state, a political subdivision  
2 of the state, the federal government, any private entity, or an  
3 individual or group of individuals.

4 (g) Accept financial or other assistance from the state or federal  
5 government or any public or private source if the acceptance  
6 necessitates or is conditioned upon the agency incurring  
7 indebtedness as that term is described in this part.

8 *SEC. 5. Section 34167.10 is added to the Health and Safety  
9 Code, to read:*

10 *34167.10. (a) Notwithstanding any other law, for purposes of  
11 this part and Part 1.85 (commencing with Section 34170), the  
12 definition of a city, county, or city and county includes, but is not  
13 limited to, the following entities:*

14 (1) Any reporting entity of the city, county, or city and county  
15 for purposes of its comprehensive annual financial report or  
16 similar report.

17 (2) Any component unit of the city, county, or city and county.

18 (3) Any entity which is controlled by the city, county, or city  
19 and county, or for which the city, county, or city and county is  
20 financially responsible or accountable.

21 (b) The following factors shall be considered in determining  
22 that an entity is controlled by the city, county, or city and county,  
23 and are therefore included in the definition of a city, county, or  
24 city and county for purposes of this part and Part 1.85  
25 (commencing with Section 34170):

26 (1) The city, county, or city and county exercises substantial  
27 municipal control over the entity's operations, revenues, or  
28 expenditures.

29 (2) The city, county, or city and county has ownership or control  
30 over the entity's property or facilities.

31 (3) The city, county, or city and county and the entity share  
32 common or overlapping governing boards, or coterminous  
33 boundaries.

34 (4) The city, county, or city and county was involved in the  
35 creation or formation of the entity.

36 (5) The entity performs functions customarily or historically  
37 performed by municipalities and financed thorough levies of  
38 property taxes.

What redevelopment agencies can't do

Definition of a city, county, or city and county

1 (6) The city, county, or city and county provides administrative  
2 and related business support for the entity, or assumes the expenses  
3 incurred in the normal daily operations of the entity.

4 (c) For purposes of this section, it shall not be relevant that the  
5 entity is formed as a separate legal entity, nonprofit corporation,  
6 or otherwise, or is not subject to the constitution debt limitation  
7 otherwise applicable to a city, county, or city and county. The  
8 provisions in this section are declarative of existing law as the  
9 entities described herein are and were intended to be included  
10 within the requirements of this part and Part 1.85 (commencing  
11 with Section 34170) and any attempt to determine otherwise would  
12 thwart the intent of these two parts.

13 SEC. 6. Section 34171 of the Health and Safety Code is  
14 amended to read:

15 34171. The following terms shall have the following meanings:

16 (a) "Administrative budget" means the budget for administrative  
17 costs of the successor agencies as provided in Section 34177.

18 (b) "Administrative cost allowance" means an amount that,  
19 subject to the approval of the oversight board, is payable from  
20 property tax revenues of up to 5 percent of the property tax  
21 allocated to the successor agency for the 2011–12 fiscal year on  
22 the Recognized Obligation Payment Schedule covering the period  
23 January 1, 2012, through June 30, 2012, and up to 3 percent of  
24 the property tax allocated to the Redevelopment Obligation  
25 Retirement Fund money that is allocated to the successor agency  
26 for each fiscal year thereafter; provided, however, that the amount  
27 shall not be less than two hundred fifty thousand dollars  
28 (\$250,000), unless the oversight board reduces this amount, for  
29 any fiscal year or such lesser amount as agreed to by the successor  
30 agency. However, the allowance amount shall exclude, and shall  
31 not apply to, any administrative costs that can be paid from bond  
32 proceeds or from sources other than property tax. Administrative  
33 cost allowances shall exclude any litigation expenses related to  
34 assets or obligations, settlements and judgments, and the costs of  
35 maintaining assets prior to disposition. Employee costs associated  
36 with work on specific project implementation activities, including,  
37 but not limited to, construction inspection, project management,  
38 or actual construction, shall be considered project-specific costs  
39 and shall not constitute administrative costs.

Administrative cost allowance  
clarifications

1 (c) “Designated local authority” shall mean a public entity  
2 formed pursuant to subdivision (d) of Section 34173.

3 (d) (1) “Enforceable obligation” means any of the following:

Definitions of enforceable obligations

4 (A) Bonds, as defined by Section 33602 and bonds issued  
5 pursuant to ~~Section 58383 Chapter 10.5~~ (commencing with Section  
6 5850) of Division 6 of Title 1 of the Government Code, including  
7 the required debt service, reserve set-asides, and any other  
8 payments required under the indenture or similar documents  
9 governing the issuance of the outstanding bonds of the former  
10 redevelopment agency. *A reserve may be held when required by  
11 the bond indenture or when the next property tax allocation will  
12 be insufficient to pay all obligations due under the provisions of  
13 the bond for the next payment due in the following half of the  
14 calendar year.*

Conditions when reserves are allowed

15 (B) Loans of moneys borrowed by the redevelopment agency  
16 for a lawful purpose, to the extent they are legally required to be  
17 repaid pursuant to a required repayment schedule or other  
18 mandatory loan terms.

19 (C) Payments required by the federal government, preexisting  
20 obligations to the state or obligations imposed by state law, other  
21 than passthrough payments that are made by the county  
22 auditor-controller pursuant to Section 34183, or legally enforceable  
23 payments required in connection with the agencies’ employees,  
24 including, but not limited to, pension payments, pension obligation  
25 debt service, unemployment payments, or other obligations  
26 conferred through a collective bargaining agreement. *Costs  
27 incurred to fulfill collective bargaining agreements for layoffs or  
28 terminations of city employees who performed work directly on  
29 behalf of the former redevelopment agency shall be considered  
30 enforceable obligations payable from property tax funds. The  
31 obligations to employees specified in this subparagraph shall  
32 remain enforceable obligations payable from property tax funds  
33 for any employee to whom those obligations apply if that employee  
34 is transferred to the entity assuming the housing functions of the  
35 former redevelopment agency pursuant to Section 34176. The  
36 successor agency or designated local authority shall enter into an  
37 agreement with the housing entity to reimburse it for any costs of  
38 the employee obligations.*

Clarification on employee costs

39 (D) Judgments or settlements entered by a competent court of  
40 law or binding arbitration decisions against the former

1 redevelopment agency, other than passthrough payments that are  
2 made by the county auditor-controller pursuant to Section 34183.  
3 Along with the successor agency, the oversight board shall have  
4 the authority and standing to appeal any judgment or to set aside  
5 any settlement or arbitration decision.

6 (E) Any legally binding and enforceable agreement or contract  
7 that is not otherwise void as violating the debt limit or public  
8 policy. However, nothing in this act shall prohibit either the  
9 successor agency, with the approval or at the direction of the  
10 oversight board, or the oversight board itself from terminating any  
11 existing agreements or contracts and providing any necessary and  
12 required compensation or remediation for such termination. *Titles*  
13 *of or headings used on or in a document shall not be relevant in*  
14 *determining the existence of an enforceable obligation.*

15 (F) Contracts or agreements necessary for the administration or  
16 operation of the successor agency, in accordance with this part,  
17 including, but not limited to, *agreements concerning litigation*  
18 *expenses related to assets or obligations, settlements and*  
19 *judgements, and the costs of maintaining assets prior to disposition,*  
20 *and agreements to purchase or rent office space, equipment and*  
21 *supplies, and pay-related expenses* pursuant to Section 33127 and  
22 for carrying insurance pursuant to Section 33134.

Clarification on administration and operation costs

23 (G) Amounts borrowed from, or payments owing to, the Low  
24 and Moderate Income Housing Fund of a redevelopment agency,  
25 which had been deferred as of the effective date of the act adding  
26 this part; provided, however, that the repayment schedule is  
27 approved by the oversight board. *Repayments shall be transferred*  
28 *to the Low and Moderate Income Housing Asset Fund established*  
29 *pursuant to subdivision (d) of Section 34176 as a housing asset*  
30 *and shall be used in a manner consistent with the affordable*  
31 *housing requirements of the Community Redevelopment Law (Part*  
32 *1 (commencing with Section 33000)).*

Low & Moderate Income Housing Asset Fund

33 (2) For purposes of this part, “enforceable obligation” does not  
34 include any agreements, contracts, or arrangements between the  
35 city, county, or city and county that created the redevelopment  
36 agency and the former redevelopment agency. However, written  
37 agreements entered into (A) at the time of issuance, but in no event  
38 later than December 31, 2010, of indebtedness obligations, and  
39 (B) solely for the purpose of securing or repaying those  
40 indebtedness obligations may be deemed enforceable obligations

Enforceable obligations do not include . . .

1 for purposes of this part. Notwithstanding this paragraph, loan  
2 agreements entered into between the redevelopment agency and  
3 the city, county, or city and county that created it, within two years  
4 of the date of creation of the redevelopment agency, may be  
5 deemed to be enforceable obligations.

6 (3) **Contracts or agreements between the former redevelopment**  
7 **agency and other public agencies**, to perform services or provide  
8 funding for governmental or private services or capital projects  
9 outside of redevelopment project areas that do not provide benefit  
10 to the redevelopment project and thus were not properly authorized  
11 under Part 1 (commencing with Section 33000) shall be deemed  
12 void on the effective date of this part; provided, however, that such  
13 contracts or agreements for the provision of housing properly  
14 authorized under Part 1 (commencing with Section 33000) shall  
15 not be deemed void.

16 (e) **“Indebtedness obligations”** means bonds, notes, certificates  
17 of participation, or other evidence of indebtedness, issued or  
18 delivered by the redevelopment agency, or by a joint exercise of  
19 powers authority created by the redevelopment agency, to  
20 third-party investors or bondholders to finance or refinance  
21 redevelopment projects undertaken by the redevelopment agency  
22 in compliance with the Community Redevelopment Law (Part 1  
23 (commencing with Section 33000)).

24 (f) **“Oversight board”** shall mean each entity established pursuant  
25 to Section 34179.

26 (g) **“Recognized obligation”** means an obligation listed in the  
27 Recognized Obligation Payment Schedule.

28 (h) **“Recognized Obligation Payment Schedule”** means the  
29 document setting forth the minimum payment amounts and due  
30 dates of payments required by enforceable obligations for each  
31 six-month fiscal period as provided in subdivision (m) of Section  
32 34177.

33 (i) **“School entity”** means any entity defined as such in  
34 subdivision (f) of Section 95 of the Revenue and Taxation Code.

35 (j) **“Successor agency”** means ~~the county, city, or city and county~~  
36 ~~that authorized the creation of each redevelopment agency or~~  
37 ~~another entity~~ *successor entity to the former redevelopment agency*  
38 ~~as provided described~~ in Section 34173.

39 (k) **“Taxing entities”** means cities, counties, a city and county,  
40 special districts, and school entities, as defined in subdivision (f)

Enforceable obligations do not include . . .

Definitions

1 of Section 95 of the Revenue and Taxation Code, that receive  
2 passthrough payments and distributions of property taxes pursuant  
3 to the provisions of this part.

4 (l) *“Property taxes”* include all property tax revenues, including  
5 those from unitary and supplemental and roll corrections  
6 applicable to tax increment.

7 (m) *“Department”* means the Department of Finance unless  
8 the context clearly refers to another state agency.

9 (n) *“Sponsoring entity”* means the city, county, or city and  
10 county, or other entity that authorized the creation of each  
11 redevelopment agency.

12 (o) *“Final judicial determination”* means a final judicial  
13 determination made by any state court that is not appealed, or by  
14 a court of appellate jurisdiction that is not further appealed, in an  
15 action by any party.

16 SEC. 7. Section 34173 of the Health and Safety Code is  
17 amended to read:

18 34173. (a) Successor agencies, as defined in this part, are  
19 hereby designated as successor entities to the former redevelopment  
20 agencies.

21 (b) Except for those provisions of the Community  
22 Redevelopment Law that are repealed, restricted, or revised  
23 pursuant to the act adding this part, all authority, rights, powers,  
24 duties, and obligations previously vested with the former  
25 redevelopment agencies, under the Community Redevelopment  
26 Law, are hereby vested in the successor agencies.

27 (c) (1) ~~Where~~ *If* the redevelopment agency was in the form of  
28 a joint powers authority, and ~~where~~ *if* the joint powers agreement  
29 governing the formation of the joint powers authority addresses  
30 the allocation of assets and liabilities upon dissolution of the joint  
31 powers authority, then each of the entities that created the former  
32 redevelopment agency may be a successor agency within the  
33 meaning of this part and each shall have a share of assets and  
34 liabilities based on the provisions of the joint powers agreement.

35 (2) ~~Where~~ *If* the redevelopment agency was in the form of a  
36 joint powers authority, and ~~where~~ *if* the joint powers agreement  
37 governing the formation of the joint powers authority does not  
38 address the allocation of assets and liabilities upon dissolution of  
39 the joint powers authority, then each of the entities that created  
40 the former redevelopment agency may be a successor agency

1 within the meaning of this part, a proportionate share of the assets  
2 and liabilities shall be based on the assessed value in the project  
3 areas within each entity’s jurisdiction, as determined by the county  
4 assessor, in its jurisdiction as compared to the assessed value of  
5 land within the boundaries of the project areas of the former  
6 redevelopment agency.

7 (d) (1) A city, county, city and county, or the entities forming  
8 the joint powers authority that authorized the creation of each  
9 redevelopment agency may elect not to serve as a successor agency  
10 under this part. A city, county, city and county, or any member of  
11 a joint powers authority that elects not to serve as a successor  
12 agency under this part must file a copy of a duly authorized  
13 resolution of its governing board to that effect with the county  
14 auditor-controller no later than January 13, 2012.

15 (2) The determination of the first local agency that elects to  
16 become the successor agency shall be made by the county  
17 auditor-controller based on the earliest receipt by the county  
18 auditor-controller of a copy of a duly adopted resolution of the  
19 local agency’s governing board authorizing such an election. As  
20 used in this section, “local agency” means any city, county, city  
21 and county, or special district in the county of the former  
22 redevelopment agency.

23 (3) (A) If no local agency elects to serve as a successor agency  
24 for a dissolved redevelopment agency, a public body, referred to  
25 herein as a “designated local authority” shall be immediately  
26 formed, pursuant to this part, in the county and shall be vested  
27 with all the powers and duties of a successor agency as described  
28 in this part. The Governor shall appoint three residents of the  
29 county to serve as the governing board of the authority. The  
30 designated local authority shall serve as successor agency until a  
31 local agency elects to become the successor agency in accordance  
32 with this section.

33 (B) *Designated local authority members are protected by the*  
34 *immunities applicable to public entities and public employees*  
35 *governed by Part 1 (commencing with Section 810) and Part 2*  
36 *(commencing with Section 814) of Division 3.6 of Title 1 of the*  
37 *Government Code.*

38 (4) *A city, county, or city and county, or the entities forming the*  
39 *joint powers authority that authorized the creation of a*  
40 *redevelopment agency and that elected not to serve as the successor*

Clarification on designated local authority members' immunity

Clarification re: sponsoring cities who elected not to serve as the successor agency

1 agency under this part, may subsequently reverse this decision  
 2 and agree to serve as the successor agency pursuant to this section.  
 3 Any reversal of this decision shall not become effective for 60 days  
 4 after notice has been given to the current successor agency and  
 5 the oversight board and shall not invalidate any action of the  
 6 successor agency or oversight board taken prior to the effective  
 7 date of the transfer of responsibility.

Clarification re: sponsoring cities who elected not to serve as the successor agency

8 (e) The liability of any successor agency, acting pursuant to the  
 9 powers granted under the act adding this part, shall be limited to  
 10 the extent of the total sum of property tax revenues it receives  
 11 pursuant to this part and the value of assets transferred to it as a  
 12 successor agency for a dissolved redevelopment agency.

13 (f) Any existing cleanup plans and liability limits authorized  
 14 under the Polanco Redevelopment Act (Article 12.5 (commencing  
 15 with Section 33459) of Chapter 4 of Part 1) shall be transferred  
 16 to the successor agency and may be transferred to the successor  
 17 housing entity at that entity's request.

Items related to the Polanco Redevelopment Act

18 (g) A successor agency is a separate public entity from the  
 19 public agency that provides for its governance and the two entities  
 20 shall not merge. The liabilities of the former redevelopment agency  
 21 shall not be transferred to the sponsoring entity and the assets  
 22 shall not become assets of the sponsoring entity. A successor  
 23 agency has its own name, can be sued, and can sue. All litigation  
 24 involving a redevelopment agency shall automatically be  
 25 transferred to the successor agency. The separate former  
 26 redevelopment agency employees shall not automatically become  
 27 sponsoring entity employees of the sponsoring entity and the  
 28 successor agency shall retain its own collective bargaining status.  
 29 As successor entities, successor agencies succeed to the  
 30 organizational status of the former redevelopment agency, but  
 31 without any legal authority to participate in redevelopment  
 32 activities, except to complete any work related to an approved  
 33 enforceable obligation. Each successor agency shall be deemed  
 34 to be a local entity for purposes of the Ralph M. Brown Act  
 35 (Chapter 9 (commencing with Section 54950) of Part 1 of Division  
 36 2 of Title 5 of the Government Code).

Clarification on successor agency role

37 (h) The city, county, or city and county that authorized the  
 38 creation of a redevelopment agency may loan or grant funds to a  
 39 successor agency for administrative costs, enforceable obligations,  
 40 or project-related expenses at the city's discretion, but the receipt

Loans and grants from sponsoring entity

1 *and use of these funds shall be reflected on the Recognized*  
 2 *Obligation Payment Schedule or the administrative budget and*  
 3 *therefore are subject to the oversight and approval of the oversight*  
 4 *board. An enforceable obligation shall be deemed to be created*  
 5 *for the repayment of those loans.*

Loans and grants from sponsoring entity

6 (i) *At the request of the city, county, or city and county,*  
 7 *notwithstanding Section 33205, all land use related plans and*  
 8 *functions of the former redevelopment agency are hereby*  
 9 *transferred to the city, county, or city and county that authorized*  
 10 *the creation of a redevelopment agency; provided, however, that*  
 11 *the city, county, or city and county shall not create a new project*  
 12 *area, add territory to, or expand or change the boundaries of a*  
 13 *project area, or take any action that would increase the amount*  
 14 *of obligated property tax (formerly tax increment) necessary to*  
 15 *fulfill any existing enforceable obligation beyond what was*  
 16 *authorized as of June 27, 2011.*

17 SEC. 8. *Section 34175 of the Health and Safety Code is*  
 18 *amended to read:*

19 34175. (a) *It is the intent of this part that pledges of revenues*  
 20 *associated with enforceable obligations of the former*  
 21 *redevelopment agencies are to be honored. It is intended that the*  
 22 *cessation of any redevelopment agency shall not affect either the*  
 23 *pledge, the legal existence of that pledge, or the stream of revenues*  
 24 *available to meet the requirements of the pledge.*

25 (b) *All assets, properties, contracts, leases, books and records,*  
 26 *buildings, and equipment of the former redevelopment agency are*  
 27 *transferred on February 1, 2012, to the control of the successor*  
 28 *agency, for administration pursuant to the provisions of this part.*  
 29 *This includes all cash or cash equivalents and amounts owed to*  
 30 *the redevelopment agency as of February 1, 2012. Any legal or*  
 31 *contractual restrictions on the use of these funds or assets shall*  
 32 *also be transferred to the successor agency.*

33 SEC. 9. *Section 34176 of the Health and Safety Code is*  
 34 *amended to read:*

35 34176. (a) (1) *The city, county, or city and county that*  
 36 *authorized the creation of a redevelopment agency may elect to*  
 37 *retain the housing assets and functions previously performed by*  
 38 *the redevelopment agency. If a city, county, or city and county*  
 39 *elects to retain the responsibility for performing authority to*  
 40 *perform housing functions previously performed by a*

Retaining housing assets & functions

1 redevelopment agency, all rights, powers, duties, ~~and~~ obligations,  
 2 *and housing assets, as defined in subdivision (e)*, excluding any  
 3 amounts on deposit in the Low and Moderate Income Housing  
 4 Fund *and enforceable obligations retained by the successor agency*,  
 5 shall be transferred to the city, county, or city and county.

Retaining housing assets & functions

6 (2) *The entity assuming the housing functions of the former*  
 7 *redevelopment agency shall submit to the Department of Finance*  
 8 *by August 1, 2012, a list of all housing assets that contains an*  
 9 *explanation of how the assets meet the criteria specified in*  
 10 *subdivision (e). The Department of Finance shall prescribe the*  
 11 *format for the submission of the list. The list shall include assets*  
 12 *transferred between February 1, 2012, and the date upon which*  
 13 *the list is created. The department shall have up to 30 days from*  
 14 *the date of receipt of the list to object to any of the assets or*  
 15 *transfers of assets identified on the list. If the Department of*  
 16 *Finance objects to assets on the list, the entity assuming the*  
 17 *housing functions of the former redevelopment agency may request*  
 18 *a meet and confer process within five business days of receiving*  
 19 *the department objection. If the transferred asset is deemed not to*  
 20 *be a housing asset as defined in subdivision (e), it shall be returned*  
 21 *to the successor agency and the provision of Section 34178.8 may*  
 22 *apply. If a housing asset has been previously pledged to pay for*  
 23 *bonded indebtedness, the successor agency shall maintain control*  
 24 *of the asset in order to pay for the bond debt.*

Procedure for housing successor agency to submit list of housing assets to DOF

25 (b) If a city, county, or city and county does not elect to retain  
 26 the responsibility for performing housing functions previously  
 27 performed by a redevelopment agency, all rights, powers, assets,  
 28 ~~liabilities~~, duties, and obligations associated with the housing  
 29 activities of the agency, excluding *enforceable obligations retained*  
 30 *by the successor agency* and any amounts in the Low and Moderate  
 31 Income Housing Fund, shall be transferred as follows:

Retaining housing assets to pay for bonded indebtedness

32 (1) ~~Where~~ *If* there is no local housing authority in the territorial  
 33 jurisdiction of the former redevelopment agency, to the Department  
 34 of Housing and Community Development.

35 (2) ~~Where~~ *If* there is one local housing authority in the territorial  
 36 jurisdiction of the former redevelopment agency, to that local  
 37 housing authority.

38 (3) ~~Where~~ *If* there is more than one local housing authority in  
 39 the territorial jurisdiction of the former redevelopment agency, to

1 the local housing authority selected by the city, county, or city and  
2 county that authorized the creation of the redevelopment agency.

3 (c) Commencing on the operative date of this part, the entity  
4 *assuming that assumes* the housing functions formerly performed  
5 *by the redevelopment agency and receives the transferred housing*  
6 *assets* may enforce affordability covenants and perform related  
7 activities pursuant to applicable provisions of the Community  
8 Redevelopment Law (Part 1 (commencing with Section 33000)  
9 33000)), including, but not limited to, Section 33418.

Ability to enforce affordability covenants  
"and perform related activities"

10 (d) Except as specifically provided in Section 34191.4, any funds  
11 transferred to the city, county, or city and county or designated  
12 entity pursuant to this section, together with any funds generated  
13 from housing assets, as defined in subdivision (e), shall be  
14 maintained in a separate Low and Moderate Income Housing Asset  
15 Fund which is hereby created in the accounts of the entity assuming  
16 the housing functions pursuant to this section. Funds in this  
17 account shall be used in accordance with applicable  
18 housing-related provisions of the Community Redevelopment Law  
19 (Part 1 (commencing with Section 33000)).

Low and Moderate Income Housing Asset  
Fund

20 (e) For purposes of this part, "housing asset" includes all of  
21 the following:

22 (1) Any real property, interest in, or restriction on the use of  
23 real property, whether improved or not, and any personal property  
24 provided in residences, including furniture and appliances, all  
25 housing-related files and loan documents, office supplies, software  
26 licenses, and mapping programs, that were acquired for low- and  
27 moderate-income housing purposes, either by purchase or through  
28 a loan, in whole or in part, with any source of funds.

Defining housing asset

29 (2) Any funds that are encumbered by an enforceable obligation  
30 to build or acquire low- and moderate-income housing, as defined  
31 by the Community Redevelopment Law (Part 1 (commencing with  
32 Section 33000)) unless required in the bond covenants to be used  
33 for repayment purposes of the bond.

34 (3) Any loan or grant receivable, funded from the Low and  
35 Moderate Income Housing Fund, from homebuyers, homeowners,  
36 nonprofit or for-profit developers, and other parties that require  
37 occupancy by persons of low or moderate income as defined by  
38 the Community Redevelopment Law (Part 1 (commencing with  
39 Section 33000)).

1 (4) Any funds derived from rents or operation of properties  
2 acquired for low- and moderate-income housing purposes by other  
3 parties that were financed with any source of funds, including  
4 residual receipt payments from developers, conditional grant  
5 repayments, cost savings and proceeds from refinancing, and  
6 principal and interest payments from homebuyers subject to  
7 enforceable income limits.

8 (5) A stream of rents or other payments from housing tenants  
9 or operators of low- and moderate-income housing financed with  
10 any source of funds that are used to maintain, operate, and enforce  
11 the affordability of housing or for enforceable obligations  
12 associated with low- and moderate-income housing.

13 (6) (A) Repayments of loans or deferrals owed to the Low and  
14 Moderate Income Housing Fund pursuant to subparagraph (G)  
15 of paragraph (1) of subdivision (d) of Section 34171, which shall  
16 be used consistent with the affordable housing requirements in the  
17 Community Redevelopment Law (Part 1 (commencing with Section  
18 33000)).

19 (B) Loan or deferral repayments shall not be made prior to the  
20 2013–14 fiscal year. Beginning in the 2013–14 fiscal year, the  
21 maximum repayment amount authorized each fiscal year for  
22 repayments made pursuant to this paragraph and subdivision (b)  
23 of Section 34191.4 combined shall be equal to one-half of the  
24 increase between the amount distributed to taxing entities pursuant  
25 to paragraph (4) of subdivision (a) of Section 34183 in that fiscal  
26 year and the amount distributed to taxing entities pursuant to that  
27 paragraph in the 2012–13 base year. Loan or deferral repayments  
28 made pursuant to this paragraph shall take priority over amounts  
29 to be repaid pursuant to subdivision (b) of Section 34191.4.

30 (f) If a development includes both low- and moderate-income  
31 housing that meets the definition of a housing asset under  
32 subdivision (e) and other types of property use, including, but not  
33 limited to, commercial use, governmental use, open space, and  
34 parks, the oversight board shall consider the overall value to the  
35 community as well as the benefit to taxing entities of keeping the  
36 entire development intact or dividing the title and control over the  
37 property between the housing successor and the successor agency  
38 or other public or private agencies. The disposition of those assets  
39 may be accomplished by a revenue-sharing arrangement as

Loan or deferral repayments

Disposing of developments that contain  
some low- and moderate-income housing  
and other types of property use

1 approved by the oversight board on behalf of the affected taxing  
2 entities.

3 (g) (1) (A) The entity assuming the housing functions pursuant  
4 to this section may designate the use of and commit indebtedness  
5 obligation proceeds that remain after the satisfaction of  
6 enforceable obligations that have been approved in a Recognized  
7 Obligation Payment Schedule and that are consistent with the  
8 indebtedness obligation covenants. The proceeds shall be derived  
9 from indebtedness obligations that were issued for the purposes  
10 of affordable housing prior to January 1, 2011, and were backed  
11 by the Low and Moderate Income Housing Fund. Enforceable  
12 obligations may be satisfied by the creation of reserves for the  
13 projects that are the subject of the enforceable obligation that are  
14 consistent with the contractual obligations for those projects, or  
15 by expending funds to complete the projects.

Designating the use of and committing  
indebtedness obligation proceeds after  
enforceable obligations are paid

16 (B) The entity assuming the housing functions pursuant to this  
17 section shall provide notice to the successor agency of any  
18 designations of use or commitments of funds specified in  
19 subparagraph (A) that it wishes to make at least 20 days before  
20 the deadline for submission of the Recognized Obligation Payment  
21 Schedule to the oversight board. Commitments and designations  
22 shall not be valid and binding on any party until they are included  
23 in an approved and valid Recognized Obligation Payment  
24 Schedule. The review of these designations and commitments by  
25 the successor agency, oversight board, and Department of Finance  
26 shall be limited to a determination that the designations and  
27 commitments are consistent with bond covenants and that there  
28 are sufficient funds available.

Housing successor providing notice to the  
successor agency for designations of use  
or commitments of funds

29 (2) Funds shall be used and committed in a manner consistent  
30 with the purposes of the Low and Moderate Income Housing Asset  
31 Fund. Notwithstanding any other law, the successor agency shall  
32 retain and expend the excess housing obligation proceeds at the  
33 discretion of the succeeding housing entity, provided that the  
34 successor agency ensures that the proceeds are expended in a  
35 manner consistent with the indebtedness obligation covenants and  
36 with any requirements relating to the tax status of those  
37 obligations. The amount expended shall not exceed the amount of  
38 indebtedness obligation proceeds available and such expenditure  
39 shall constitute the creation of excess housing proceeds  
40 expenditures to be paid from the excess proceeds. Excess housing

Oversight board, successor agency, and  
DOF review designations and  
commitments

Excess housing proceeds

1 *proceeds expenditures shall be listed separately on the Recognized*  
2 *Obligation Payment Schedule submitted by the successor agency.*

Excess housing proceeds listed separately on the ROPS

3 *SEC. 10. Section 34176.5 is added to the Health and Safety*  
4 *Code, to read:*

5 *34176.5. (a) Notwithstanding any other law, the Director of*  
6 *Finance is authorized to contract with auditors, lawyers, and other*  
7 *types of advisors and consultants to assist, advise, and represent*  
8 *the director and the Department of Finance in any matter or action*  
9 *arising out of or contemplated by this part or Part 1.8 (commencing*  
10 *with Section 34161). In furtherance of this authorization, Sections*  
11 *14827.1, 14827.2, and 14838 of the Government Code, and Article*  
12 *4 (commencing with Section 10335) of Chapter 2 of Part 2 of*  
13 *Division 2 of and Section 10295 of, the Public Contract Code shall*  
14 *not apply to any agreement entered into by the director pursuant*  
15 *to this section.*

16 *(b) In addition to the waivers of statute provided in subdivision*  
17 *(a), Section 6072 of the Business and Professions Code shall not*  
18 *apply to the legal services agreement entered into by the director*  
19 *pursuant to this section.*

20 *(c) This section shall remain in effect only until January 1, 2014,*  
21 *and as of that date is repealed, unless a later enacted statute, that*  
22 *is enacted before January 1, 2014, deletes or extends that date.*

23 *SEC. 11. Section 34177 of the Health and Safety Code is*  
24 *amended to read:*

25 *34177. Successor agencies are required to do all of the*  
26 *following:*

Successor agencies are required to do the following. . .

27 (a) *Continue to make payments due for enforceable obligations.*

28 (1) On and after February 1, 2012, and until a Recognized  
29 Obligation Payment Schedule becomes operative, only payments  
30 required pursuant to an enforceable obligations payment schedule  
31 shall be made. The initial enforceable obligation payment schedule  
32 shall be the last schedule adopted by the redevelopment agency  
33 under Section 34169. However, payments associated with  
34 obligations excluded from the definition of enforceable obligations  
35 by paragraph (2) of subdivision-(e) (d) of Section 34171 shall be  
36 excluded from the enforceable obligations payment schedule and  
37 be removed from the last schedule adopted by the redevelopment  
38 agency under Section 34169 prior to the successor agency adopting  
39 it as its enforceable obligations payment schedule pursuant to this  
40 subdivision. The enforceable obligation payment schedule may

1 be amended by the successor agency at any public meeting and  
 2 shall be subject to the approval of the oversight board as soon as  
 3 the board has sufficient members to form a quorum. *In recognition*  
 4 *of the fact that the timing of the California Supreme Court’s ruling*  
 5 *in the case California Redevelopment Association v. Matosantos*  
 6 *(2011) 53 Cal.4th 231 delayed the preparation by successor*  
 7 *agencies and the approval by oversight boards of the January 1,*  
 8 *2012, through June 30, 2012, Recognized Obligation Payment*  
 9 *Schedule, a successor agency may amend the Enforceable*  
 10 *Obligation Payment Schedule to authorize the continued payment*  
 11 *of enforceable obligations until the time that the January 1, 2012,*  
 12 *through June 30, 2012, Recognized Obligation Payment Schedule*  
 13 *has been approved by the oversight board and by the Department*  
 14 *of Finance.*

15 (2) The Department of Finance and the Controller shall each  
 16 have the authority to require any documents associated with the  
 17 enforceable obligations to be provided to them in a manner of their  
 18 choosing. Any taxing entity, the department, and the Controller  
 19 shall each have standing to file a judicial action to prevent a  
 20 violation under this part and to obtain injunctive or other  
 21 appropriate relief.

DOF can require documents associated with enforceable obligations be provided in a manner of their choosing

22 (3) Commencing on ~~May 1, 2012~~ the date the Recognized  
 23 Obligation Payment Schedule is valid pursuant to subdivision (1),  
 24 only those payments listed in the Recognized Obligation Payment  
 25 Schedule may be made by the successor agency from the funds  
 26 specified in the Recognized Obligation Payment Schedule. In  
 27 addition, ~~commencing May 1, 2012~~ after it becomes valid, the  
 28 Recognized Obligation Payment Schedule shall supersede the  
 29 Statement of Indebtedness, which shall no longer be prepared nor  
 30 have any effect under the Community Redevelopment Law (*Part*  
 31 *1 (commencing with Section 33000)*).

32 (4) Nothing in the act adding this part is to be construed as  
 33 preventing a successor agency, with the prior approval of the  
 34 oversight board, as described in Section 34179, from making  
 35 payments for enforceable obligations from sources other than those  
 36 listed in the Recognized Obligation Payment Schedule.

37 (5) From February 1, 2012, to July 1, 2012, a successor agency  
 38 shall have no authority and is hereby prohibited from accelerating  
 39 payment or making any lump-sum payments that are intended to

1 prepay loans unless such accelerated repayments were required  
2 prior to the effective date of this part.

3 (b) Maintain reserves in the amount required by indentures,  
4 trust indentures, or similar documents governing the issuance of  
5 outstanding redevelopment agency bonds.

6 (c) Perform obligations required pursuant to any enforceable  
7 obligation.

8 (d) Remit unencumbered balances of redevelopment agency  
9 funds to the county auditor-controller for distribution to the taxing  
10 entities, including, but not limited to, the unencumbered balance  
11 of the Low and Moderate Income Housing Fund of a former  
12 redevelopment agency. In making the distribution, the county  
13 auditor-controller shall utilize the same methodology for allocation  
14 and distribution of property tax revenues provided in Section  
15 34188.

16 (e) Dispose of assets and properties of the former redevelopment  
17 agency as directed by the oversight board; provided, however, that  
18 the oversight board may instead direct the successor agency to  
19 transfer ownership of certain assets pursuant to subdivision (a) of  
20 Section 34181. The disposal is to be done expeditiously and in a  
21 manner aimed at maximizing value. Proceeds from asset sales and  
22 related funds that are no longer needed for approved development  
23 projects or to otherwise wind down the affairs of the agency, each  
24 as determined by the oversight board, shall be transferred to the  
25 county auditor-controller for distribution as property tax proceeds  
26 under Section 34188. *The requirements of this subdivision shall*  
27 *not apply to a successor agency that has been issued a finding of*  
28 *completion by the Department of Finance pursuant to Section*  
29 *34179.7.*

30 (f) Enforce all former redevelopment agency rights for the  
31 benefit of the taxing entities, including, but not limited to,  
32 continuing to collect loans, rents, and other revenues that were due  
33 to the redevelopment agency.

34 (g) Effectuate transfer of housing functions and assets to the  
35 appropriate entity designated pursuant to Section 34176.

36 (h) Expeditiously wind down the affairs of the redevelopment  
37 agency pursuant to the provisions of this part and in accordance  
38 with the direction of the oversight board.

39 (i) Continue to oversee development of properties until the  
40 contracted work has been completed or the contractual obligations

1 of the former redevelopment agency can be transferred to other  
2 parties. Bond proceeds shall be used for the purposes for which  
3 bonds were sold unless the purposes can no longer be achieved,  
4 in which case, the proceeds may be used to defease the bonds.

5 (j) Prepare a proposed administrative budget and submit it to  
6 the oversight board for its approval. The proposed administrative  
7 budget shall include all of the following:

8 (1) Estimated amounts for successor agency administrative costs  
9 for the upcoming six-month fiscal period.

10 (2) Proposed sources of payment for the costs identified in  
11 paragraph (1).

12 (3) Proposals for arrangements for administrative and operations  
13 services provided by a city, county, city and county, or other entity.

14 (k) Provide administrative cost estimates, from its approved  
15 administrative budget that are to be paid from property tax revenues  
16 deposited in the Redevelopment Property Tax Trust Fund, to the  
17 county auditor-controller for each six-month fiscal period.

18 (l) (1) Before each six-month fiscal period, prepare a  
19 Recognized Obligation Payment Schedule in accordance with the  
20 requirements of this paragraph. For each recognized obligation,  
21 the Recognized Obligation Payment Schedule shall identify one  
22 or more of the following sources of payment:

23 (A) Low and Moderate Income Housing Fund.

24 (B) Bond proceeds.

25 (C) Reserve balances.

26 (D) Administrative cost allowance.

27 (E) The Redevelopment Property Tax Trust Fund, but only to  
28 the extent no other funding source is available or when payment  
29 from property tax revenues is required by an enforceable obligation  
30 or by the provisions of this part.

31 (F) Other revenue sources, including rents, concessions, asset  
32 sale proceeds, interest earnings, and any other revenues derived  
33 from the former redevelopment agency, as approved by the  
34 oversight board in accordance with this part.

35 (2) A Recognized Obligation Payment Schedule shall not be  
36 deemed valid unless all of the following conditions have been met:

37 (A) A ~~draft~~ Recognized Obligation Payment Schedule is  
38 prepared by the successor agency for the enforceable obligations  
39 of the former redevelopment agency ~~by March 1, 2012. From~~  
40 ~~October 1, 2011, to July 1, 2012, the.~~ *The initial draft of that*

Successor agencies are required to do the following. . .

Identifying sources of payment

ROPS requirements

1 schedule shall project the dates and amounts of scheduled payments  
 2 for each enforceable obligation for the remainder of the time period  
 3 during which the redevelopment agency would have been  
 4 authorized to obligate property tax increment had ~~such~~ *the* a  
 5 redevelopment agency not been dissolved, ~~and shall be reviewed~~  
 6 ~~and certified, as to its accuracy, by an external auditor designated~~  
 7 ~~pursuant to Section 34182.~~

8 (B) ~~The certified~~ Recognized Obligation Payment Schedule is  
 9 submitted to and duly approved by the oversight board. *The*  
 10 *successor agency shall submit a copy of the Recognized Obligation*  
 11 *Payment Schedule to the county administrative officer, the county*  
 12 *auditor-controller, and the Department of Finance at the same*  
 13 *time that the successor agency submits the Recognized Obligation*  
 14 *Payment Schedule to the oversight board for approval.*

15 (C) A copy of the approved Recognized Obligation Payment  
 16 Schedule is submitted to the county auditor-controller and both  
 17 the Controller’s office and the Department of Finance and be posted  
 18 on the successor agency’s Internet Web site.

19 (3) The Recognized Obligation Payment Schedule shall be  
 20 forward looking to the next six months. The first Recognized  
 21 Obligation Payment Schedule shall be submitted to the Controller’s  
 22 office and the Department of Finance by April 15, 2012, for the  
 23 period of January 1, 2012, to June 30, 2012, inclusive. *This*  
 24 *Recognized Obligation Payment Schedule shall include all*  
 25 *payments made by the former redevelopment agency between*  
 26 *January 1, 2012, through January 31, 2012, and shall include all*  
 27 *payments proposed to be made by the successor agency from*  
 28 *February 1, 2012, through June 30, 2012.* Former redevelopment  
 29 agency enforceable obligation payments due, and reasonable or  
 30 necessary administrative costs due or incurred, prior to January 1,  
 31 2012, shall be made from property tax revenues received in the  
 32 spring of 2011 property tax distribution, and from other revenues  
 33 and balances transferred to the successor agency.

34 (m) *The Recognized Obligation Payment Schedule for the period*  
 35 *of January 1, 2013, to June 30, 2013, shall be submitted by the*  
 36 *successor agency, after approval by the oversight board, no later*  
 37 *than September 1, 2012. Commencing with the Recognized*  
 38 *Obligation Payment Schedule covering the period July 1, 2013,*  
 39 *through December 31, 2013, successor agencies shall submit an*  
 40 *oversight board-approved Recognized Obligation Payment*

ROPS submittal requirements

Requirements for the first ROPS

New ROPS submittal timeline

1 *Schedule to the Department of Finance and to the county*  
 2 *auditor-controller no fewer than 90 days before the date of*  
 3 *property tax distribution. The Department of Finance shall make*  
 4 *its determination of the enforceable obligations and the amounts*  
 5 *and funding sources of the enforceable obligations no later than*  
 6 *45 days after the Recognized Obligation Payment Schedule is*  
 7 *submitted. Within five business days of the department's*  
 8 *determination, a successor agency may request additional review*  
 9 *by the department and an opportunity to meet and confer on*  
 10 *disputed items. The meet and confer period may vary; an untimely*  
 11 *submittal of a Recognized Obligation Payment Schedule may result*  
 12 *in a meet and confer period of less than 30 days. The department*  
 13 *shall notify the successor agency and the county auditor-controllers*  
 14 *as to the outcome of its review at least 15 days before the date of*  
 15 *property tax distribution.*

New ROPS submittal timeline

16 (1) *The successor agency shall submit a copy of the Recognized*  
 17 *Obligation Payment Schedule to the Department of Finance*  
 18 *electronically, and the successor agency shall complete the*  
 19 *Recognized Obligation Payment Schedule in the manner provided*  
 20 *for by the department. A successor agency shall be in*  
 21 *noncompliance with this paragraph if it only submits to the*  
 22 *department an electronic message or a letter stating that the*  
 23 *oversight board has approved a Recognized Obligation Payment*  
 24 *Schedule.*

Submit ROPS in a "manner provided for by [DOF]"

25 (2) *If a successor agency does not submit a Recognized*  
 26 *Obligation Payment Schedule by the deadlines provided in this*  
 27 *subdivision, the city, county, or city and county that created the*  
 28 *redevelopment agency shall be subject to a civil penalty equal to*  
 29 *ten thousand dollars (\$10,000) per day for every day the schedule*  
 30 *is not submitted to the department. The civil penalty shall be paid*  
 31 *to the county auditor-controller for allocation to the taxing entities*  
 32 *under Section 34183. If a successor agency fails to submit a*  
 33 *Recognized Obligation Payment Schedule by the deadline, any*  
 34 *creditor of the successor agency or the Department of Finance or*  
 35 *any affected taxing entity shall have standing to and may request*  
 36 *a writ of mandate to require the successor agency to immediately*  
 37 *perform this duty. Those actions may be filed only in the County*  
 38 *of Sacramento and shall have priority over other civil matters.*  
 39 *Additionally, if an agency does not submit a Recognized Obligation*  
 40 *Payment Schedule within ten days of the deadline, the maximum*

Penalties for late submissions

1 administrative cost allowance for that period shall be reduced by  
2 25 percent.

3 (3) *If a successor agency fails to submit to the department an*  
4 *oversight board-approved Recognized Obligation Payment*  
5 *Schedule that complies with all requirements of this subdivision*  
6 *within five business days of the date upon which the Recognized*  
7 *Obligation Payment Schedule is to be used to determine the amount*  
8 *of property tax allocations, the department may determine if any*  
9 *amount should be withheld by the county auditor-controller for*  
10 *payments for enforceable obligations from distribution to taxing*  
11 *entities, pending approval of a Recognized Obligation Payment*  
12 *Schedule. The county auditor-controller shall distribute the portion*  
13 *of any of the sums withheld pursuant to this paragraph to the*  
14 *affected taxing entities in accordance with paragraph (4) of*  
15 *subdivision (a) of Section 34183 upon notice by the department*  
16 *that a portion of the withheld balances are in excess of the amount*  
17 *of enforceable obligations. The county auditor-controller shall*  
18 *distribute withheld funds to the successor agency only in*  
19 *accordance with a Recognized Obligation Payment Schedule*  
20 *approved by the department. County auditor-controllers shall lack*  
21 *the authority to withhold any other amounts from the allocations*  
22 *provided for under Section 34183 or 34188 unless required by a*  
23 *court order.*

Penalties for late submissions

24 (n) *Cause a postaudit of the financial transactions and records*  
25 *of the successor agency to be made at least annually by a certified*  
26 *public accountant.*

Annual postaudit requirement

27 SEC. 12. Section 34177.3 is added to the Health and Safety  
28 Code, to read:

29 34177.3. (a) *Successor agencies shall lack the authority to,*  
30 *and shall not, create new enforceable obligations under the*  
31 *authority of the Community Redevelopment Law (Part 1*  
32 *(commencing with Section 33000)) or begin new redevelopment*  
33 *work, except in compliance with an enforceable obligation that*  
34 *existed prior to June 28, 2011.*

35 (b) *Successor agencies may create enforceable obligations to*  
36 *conduct the work of winding down the redevelopment agency,*  
37 *including hiring staff, acquiring necessary professional*  
38 *administrative services and legal counsel, and procuring insurance.*

When successor agency can create new  
enforceable obligations

39 (c) *Successor agencies shall lack the authority to, and shall not,*  
40 *transfer any powers or revenues of the successor agency to any*

1 other party, public or private, except pursuant to an enforceable  
 2 obligation on a Recognized Obligation Payment Schedule approved  
 3 by the department. Any such transfers of authority or revenues  
 4 that are not made pursuant to an enforceable obligation on a  
 5 Recognized Obligation Payment Schedule approved by the  
 6 Department of Finance are hereby declared to be void, and the  
 7 successor agency shall take action to reverse any of those transfers.  
 8 The Controller may audit any transfer of authority or revenues  
 9 prohibited by this section and may order the prompt return of any  
 10 money or other things of value from the receiving party.

Successor agency transfers or revenues or authority

11 (d) Redevelopment agencies that resolved to participate in the  
 12 Voluntary Alternative Redevelopment Program under Chapter 6  
 13 of the First Extraordinary Session of the Statutes of 2011 were  
 14 and are subject to the provisions of Part 1.8 (commencing with  
 15 Section 34161). Any actions taken by redevelopment agencies to  
 16 create obligations after June 27, 2011, are ultra vires and do not  
 17 create enforceable obligations.

June 27, 2011 is the cut-off date for entering into new obligations

18 (e) The Legislature finds and declares that the provisions of  
 19 this section are declaratory of existing law.

20 SEC. 13. Section 34177.5 is added to the Health and Safety  
 21 Code, to read:

22 34177.5. (a) In addition to the powers granted to each  
 23 successor agency, and notwithstanding anything in the act adding  
 24 this part, including, but not limited to, Sections 34162 and 34189,  
 25 a successor agency shall have the authority, rights, and powers  
 26 of the redevelopment agency to which it succeeded solely for the  
 27 following purposes:

Provisions related to successor agency issuing bonds

28 (1) For the purpose of issuing bonds or incurring other  
 29 indebtedness to refund the bonds or other indebtedness of its former  
 30 redevelopment agency or of the successor agency to provide  
 31 savings to the successor agency, provided that (A) the total interest  
 32 cost to maturity on the refunding bonds or other indebtedness plus  
 33 the principal amount of the refunding bonds or other indebtedness  
 34 shall not exceed the total remaining interest cost to maturity on  
 35 the bonds or other indebtedness to be refunded plus the remaining  
 36 principal of the bonds or other indebtedness to be refunded, and  
 37 (B) the principal amount of the refunding bonds or other  
 38 indebtedness shall not exceed the amount required to defease the  
 39 refunded bonds or other indebtedness, to establish customary debt  
 40 service reserves, and to pay related costs of issuance. If the

1 *foregoing conditions are satisfied, the initial principal amount of*  
 2 *the refunding bonds or other indebtedness may be greater than*  
 3 *the outstanding principal amount of the bonds or other*  
 4 *indebtedness to be refunded. The successor agency may pledge to*  
 5 *the refunding bonds or other indebtedness the revenues pledged*  
 6 *to the bonds or other indebtedness being refunded, and that pledge,*  
 7 *when made in connection with the issuance of such refunding*  
 8 *bonds or other indebtedness, shall have the same lien priority as*  
 9 *the pledge of the bonds or other obligations to be refunded, and*  
 10 *shall be valid, binding, and enforceable in accordance with its*  
 11 *terms.*

12 (2) *For the purpose of issuing bonds or other indebtedness to*  
 13 *finance debt service spikes, including balloon maturities, provided*  
 14 *that (A) the existing indebtedness is not accelerated, except to the*  
 15 *extent necessary to achieve substantially level debt service, and*  
 16 *(B) the principal amount of the bonds or other indebtedness shall*  
 17 *not exceed the amount required to finance the debt service spikes,*  
 18 *including establishing customary debt service reserves and paying*  
 19 *related costs of issuance.*

20 (3) *For the purpose of amending an existing enforceable*  
 21 *obligation under which the successor agency is obligated to*  
 22 *reimburse a political subdivision of the state for the payment of*  
 23 *debt service on a bond or other obligation of the political*  
 24 *subdivision, or to pay all or a portion of the debt service on the*  
 25 *bond or other obligation of the political subdivision to provide*  
 26 *savings to the successor agency, provided that (A) the enforceable*  
 27 *obligation is amended in connection with a refunding of the bonds*  
 28 *or other obligations of the political subdivision so that the*  
 29 *enforceable obligation will apply to the refunding bonds or other*  
 30 *refunding indebtedness of the political subdivision, (B) the total*  
 31 *interest cost to maturity on the refunding bonds or other*  
 32 *indebtedness plus the principal amount of the refunding bonds or*  
 33 *other indebtedness shall not exceed the total remaining interest*  
 34 *cost to maturity on the bonds or other indebtedness to be refunded*  
 35 *plus the remaining principal of the bonds or other indebtedness*  
 36 *to be refunded, and (C) the principal amount of the refunding*  
 37 *bonds or other indebtedness shall not exceed the amount required*  
 38 *to defease the refunded bonds or other indebtedness, to establish*  
 39 *customary debt service reserves and to pay related costs of*  
 40 *issuance. The pledge set forth in that amended enforceable*

Provisions related to successor agency  
issuing bonds

Provisions related to amending existing  
enforceable obligations

1 obligation, when made in connection with the execution of the  
2 amendment of the enforceable obligation, shall have the same lien  
3 priority as the pledge in the enforceable obligation prior to its  
4 amendment and shall be valid, binding, and enforceable in  
5 accordance with its terms.

6 (4) For the purpose of issuing bonds or incurring other  
7 indebtedness to make payments under enforceable obligations  
8 when the enforceable obligations include the irrevocable pledge  
9 of property tax increment, formerly tax increment revenues prior  
10 to the effective date of this part, or other funds and the obligation  
11 to issue bonds secured by that pledge. The successor agency may  
12 pledge to the bonds or other indebtedness the property tax revenues  
13 and other funds described in the enforceable obligation, and that  
14 pledge, when made in connection with the issuance of the bonds  
15 or the incurring of other indebtedness, shall be valid, binding, and  
16 enforceable in accordance with its terms. This paragraph shall  
17 not be deemed to authorize a successor agency to increase the  
18 amount of property tax revenues pledged under an enforceable  
19 obligation or to pledge any property tax revenue not already  
20 pledged pursuant to an enforceable obligation. This paragraph  
21 does not constitute a change in, but is declaratory of, the existing  
22 law.

23 (b) The refunding bonds authorized under this section may be  
24 issued under the authority of Article 11 (commencing with Section  
25 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the  
26 Government Code, and the refunding bonds may be sold at public  
27 or private sale, or to a joint powers authority pursuant to the  
28 Marks-Roos Local Bond Pooling Act (Article 4 (commencing with  
29 Section 6584) of Chapter 5 of Division 7 of Title 1 of the  
30 Government Code).

31 (c) (1) Prior to incurring any bonds or other indebtedness  
32 pursuant to this section, the successor agency may subordinate to  
33 the bonds or other indebtedness the amount required to be paid  
34 to an affected taxing entity pursuant to paragraph (1) of subdivision  
35 (a) of Section 34183, provided that the affected taxing entity has  
36 approved the subordinations pursuant to this subdivision.

37 (2) At the time the successor agency requests an affected taxing  
38 entity to subordinate the amount to be paid to it, the successor  
39 agency shall provide the affected taxing entity with substantial  
40 evidence that sufficient funds will be available to pay both the debt

1 *service on the bonds or other indebtedness and the payments*  
2 *required by paragraph (1) of subdivision (a) of Section 34183,*  
3 *when due.*

4 (3) *Within 45 days after receipt of the agency’s request, the*  
5 *affected taxing entity shall approve or disapprove the request for*  
6 *subordination. An affected taxing entity may disapprove a request*  
7 *for subordination only if it finds, based upon substantial evidence,*  
8 *that the successor agency will not be able to pay the debt service*  
9 *payments and the amount required to be paid to the affected taxing*  
10 *entity. If the affected taxing entity does not act within 45 days after*  
11 *receipt of the agency’s request, the request to subordinate shall*  
12 *be deemed approved and shall be final and conclusive.*

13 (d) *An action may be brought pursuant to Chapter 9*  
14 *(commencing with Section 860) of Title 10 of Part 2 of the Code*  
15 *of Civil Procedure to determine the validity of bonds or other*  
16 *obligations authorized by this section, the pledge of revenues to*  
17 *those bonds or other obligations authorized by this section, the*  
18 *legality and validity of all proceedings theretofore taken and, as*  
19 *provided in the resolution of the legislative body of the successor*  
20 *agency authorizing the bonds or other obligations authorized by*  
21 *this section, proposed to be taken for the authorization, execution,*  
22 *issuance, sale, and delivery of the bonds or other obligations*  
23 *authorized by this section, and for the payment of debt service on*  
24 *the bonds or the payment of amounts under other obligations*  
25 *authorized by this section. Subdivision (c) of Section 33501 shall*  
26 *not apply to any such action. The Department of Finance shall be*  
27 *notified of the filing of any action as an affected party.*

28 (e) *Notwithstanding any other law, including, but not limited*  
29 *to, Section 33501, an action to challenge the issuance of bonds,*  
30 *the incurrence of indebtedness, the amendment of an enforceable*  
31 *obligation, or the execution of a financing agreement by a*  
32 *successor agency shall be brought within 30 days after the date*  
33 *on which the oversight board approves the resolution of the*  
34 *successor agency approving the issuance of bonds, the incurrence*  
35 *of indebtedness, the amendment of an enforceable obligation, or*  
36 *the execution of a financing agreement authorized under this*  
37 *section.*

38 (f) *The actions authorized in this section shall be subject to the*  
39 *approval of the oversight board, as provided in Section 34180.*  
40 *Additionally, an oversight board may direct the successor agency*

Timeline to challenge the issuance of bonds, the incurrence of debt, or the amendment of an enforceable obligation

Actions require oversight board approval

1 *to commence any of the transactions described in subdivision (a)*  
 2 *so long as the successor agency is able to recover its related costs*  
 3 *in connection with the transaction. After a successor agency, with*  
 4 *approval of the oversight board, issues any bonds, incurs any*  
 5 *indebtedness, or executes an amended enforceable obligation*  
 6 *pursuant to subdivision (a), the oversight board shall not*  
 7 *unilaterally approve any amendments to or early termination of*  
 8 *the bonds, indebtedness, or enforceable obligation. If, under the*  
 9 *authority granted to it by subdivision (h) of Section 34179, the*  
 10 *Department of Finance either reviews and approves or fails to*  
 11 *request review within five business days of an oversight board*  
 12 *approval of an action authorized by this section, the scheduled*  
 13 *payments on the bonds or other indebtedness shall be listed in the*  
 14 *Recognized Obligation Payment Schedule and shall not be subject*  
 15 *to further review and approval by the department or the Controller.*  
 16 *The department may extend its review time to 60 days for actions*  
 17 *authorized in this section and may seek the assistance of the*  
 18 *Treasurer in evaluating proposed actions under this section.*

19 (g) *Any bonds, indebtedness, or amended enforceable obligation*  
 20 *authorized by this section shall be considered indebtedness*  
 21 *incurred by the dissolved redevelopment agency, with the same*  
 22 *legal effect as if the bonds, indebtedness, financing agreement, or*  
 23 *amended enforceable obligation had been issued, incurred, or*  
 24 *entered into prior to June 29, 2011, in full conformity with the*  
 25 *applicable provisions of the Community Redevelopment Law that*  
 26 *existed prior to that date, shall be included in the successor*  
 27 *agency's Recognized Obligation Payment Schedule, and shall be*  
 28 *secured by a pledge of, and lien on, and shall be repaid from*  
 29 *moneys deposited from time to time in the Redevelopment Property*  
 30 *Tax Trust Fund established pursuant to subdivision (c) of Section*  
 31 *34172, as provided in paragraph (2) of subdivision (a) of Section*  
 32 *34183. Property tax revenues pledged to any bonds, indebtedness,*  
 33 *or amended enforceable obligations authorized by this section are*  
 34 *taxes allocated to the successor agency pursuant to subdivision*  
 35 *(b) of Section 33670 and Section 16 of Article XVI of the California*  
 36 *Constitution.*

37 (h) *The successor agency shall make diligent efforts to ensure*  
 38 *that the lowest long-term cost financing is obtained. The financing*  
 39 *shall not provide for any bullets or spikes and shall not use variable*  
 40 *rates. The successor agency shall make use of an independent*

Oversight board may direct successor agency to take these actions if. . .

Timeline for DOF and Controller to object to amendments, early termination of bonds, indebtedness, or enforceable obligations

Successor agency must "make diligent efforts to ensure that the lowest long-term cost financing is obtained."

1 financial advisor in developing financing proposals and shall make  
2 the work products of the financial advisor available to the  
3 Department of Finance at its request.

4 (i) If an enforceable obligation provides for an irrevocable  
5 commitment of property tax revenue and where allocation of such  
6 revenues is expected to occur over time, the successor agency may  
7 petition the Department of Finance to provide written confirmation  
8 that its determination of such enforceable obligation as approved  
9 in a Recognized Obligation Payment Schedule is final and  
10 conclusive, and reflects the department's approval of subsequent  
11 payments made pursuant to the enforceable obligation. If the  
12 confirmation is granted, then the department's review of such  
13 payments in future Recognized Obligation Payment Schedules  
14 shall be limited to confirming that they are required by the prior  
15 enforceable obligation.

16 (j) The successor agency may request that the department  
17 provide a written determination to waive the two-year statute of  
18 limitations on an action to review the validity of the adoption or  
19 amendment of a redevelopment plan pursuant to subdivision (c)  
20 of Section 33500 or on any findings or determinations made by  
21 the agency pursuant to subdivision (d) of Section 33500. The  
22 department at its discretion may provide a waiver if it determines  
23 it is necessary for the agency to fulfill an enforceable obligation.

24 SEC. 14. Section 34178 of the Health and Safety Code is  
25 amended to read:

26 34178. (a) Commencing on the operative date of this part,  
27 agreements, contracts, or arrangements between the city or county,  
28 or city and county that created the redevelopment agency and the  
29 redevelopment agency are invalid and shall not be binding on the  
30 successor agency; provided, however, that a successor entity  
31 wishing to enter or reenter into agreements with the city, county,  
32 or city and county that formed the redevelopment agency that it  
33 is succeeding may do so upon obtaining the approval of its  
34 oversight board. A successor agency or an oversight board shall  
35 not exercise the powers granted by this subdivision to restore  
36 funding for an enforceable obligation that was deleted or reduced  
37 by the Department of Finance pursuant to subdivision (h) of Section  
38 34179 unless it reflects the decisions made during the meet and  
39 confer process with the Department of Finance or pursuant to a  
40 court order.

Provisions related to successor agencies  
petitioning DOF re: final determinations

Provisions related to successor agencies  
petitioning DOF re: two-year statute of  
limitations

Successor agencies and oversight boards  
cannot "restore funding for an enforceable  
obligation that was deleted or reduced by  
the Department of Finance"

1 (b) Notwithstanding subdivision (a), any of the following  
2 agreements are not invalid and may bind the successor agency:

3 (1) A duly authorized written agreement entered into at the time  
4 of issuance, but in no event later than December 31, 2010, of  
5 indebtedness obligations, and solely for the purpose of securing  
6 or repaying those indebtedness obligations.

7 (2) A written agreement between a redevelopment agency and  
8 the city, county, or city and county that created it that provided  
9 loans or other startup funds for the redevelopment agency that  
10 were entered into within two years of the formation of the  
11 redevelopment agency.

12 (3) A joint exercise of powers agreement in which the  
13 redevelopment agency is a member of the joint powers authority.  
14 However, upon assignment to the successor agency by operation  
15 of the act adding this part, the successor agency's rights, duties,  
16 and performance obligations under that joint exercise of powers  
17 agreement shall be limited by the constraints imposed on successor  
18 agencies by the act adding this part.

19 *SEC. 15. Section 34178.8 is added to the Health and Safety  
20 Code, to read:*

21 *34178.8. Commencing on the effective date of the act adding  
22 this section, the Controller shall review the activities of successor  
23 agencies in the state to determine if an asset transfer has occurred  
24 after January 31, 2012, between the successor agency and the city,  
25 county, or city and county that created a redevelopment agency,  
26 or any other public agency, that was not made pursuant to an  
27 enforceable obligation on an approved and valid Recognized  
28 Obligation Payment Schedule. If such an asset transfer did occur,  
29 to the extent not prohibited by state and federal law, the Controller  
30 shall order the available assets to be returned to the successor  
31 agency. Upon receiving that order from the Controller, an affected  
32 local agency shall, as soon as practicable, reverse the transfer  
33 and return the applicable assets to the successor agency. This  
34 section shall not apply to housing assets as defined in subdivision  
35 (e) of Section 34176.*

36 *SEC. 16. Section 34179 of the Health and Safety Code is  
37 amended to read:*

38 *34179. (a) Each successor agency shall have an oversight  
39 board composed of seven members. The members shall elect one  
40 of their members as the chairperson and shall report the name of*

Controller's ability to review asset transfers and order reversal

Oversight board provisions

1 the chairperson and other members to the Department of Finance  
2 on or before May 1, 2012. Members shall be selected as follows:

3 (1) One member appointed by the county board of supervisors.

4 (2) One member appointed by the mayor for the city that formed  
5 the redevelopment agency.

6 (3) (A) One member appointed by the largest special district,  
7 by property tax share, with territory in the territorial jurisdiction  
8 of the former redevelopment agency, which is of the type of special  
9 district that is eligible to receive property tax revenues pursuant  
10 to Section 34188.

11 (B) *On or after the effective date of this subparagraph, the*  
12 *county auditor-controller may determine which is the largest*  
13 *special district for purposes of this section.*

14 (4) One member appointed by the county superintendent of  
15 education to represent schools if the superintendent is elected. If  
16 the county superintendent of education is appointed, then the  
17 appointment made pursuant to this paragraph shall be made by the  
18 county board of education.

19 (5) One member appointed by the Chancellor of the California  
20 Community Colleges to represent community college districts in  
21 the county.

22 (6) One member of the public appointed by the county board  
23 of supervisors.

24 (7) One member representing the employees of the former  
25 redevelopment agency appointed by the mayor or chair of the  
26 board of supervisors, as the case may be, from the recognized  
27 employee organization representing the largest number of former  
28 redevelopment agency employees employed by the successor  
29 agency at that time. *In the case where city or county employees*  
30 *performed administrative duties of the former redevelopment*  
31 *agency, the appointment shall be made from the recognized*  
32 *employee organization representing those employees. If a*  
33 *recognized employee organization does not exist for either the*  
34 *employees of the former redevelopment agency or the city or county*  
35 *employees performing administrative duties of the former*  
36 *redevelopment agency, the appointment shall be made from among*  
37 *the employees of the successor agency. In voting to approve a*  
38 *contract as an enforceable obligation, a member appointed*  
39 *pursuant to this paragraph shall not be deemed to be interested*  
40 *in the contract by virtue of being an employee of the successor*

Clarification on oversight board appointee  
representing the employees of the former  
redevelopment agency

1 *agency or community for purposes of Section 1090 of the*  
2 *Government Code.*

3 (8) If the county or a joint powers agency formed the  
4 redevelopment agency, then the largest city by acreage in the  
5 territorial jurisdiction of the former redevelopment agency may  
6 select one member. If there are no cities with territory in a project  
7 area of the redevelopment agency, the county superintendent of  
8 education may appoint an additional member to represent the  
9 public.

10 (9) If there are no special districts of the type that are eligible  
11 to receive property tax pursuant to Section 34188, within the  
12 territorial jurisdiction of the former redevelopment agency, then  
13 the county may appoint one member to represent the public.

14 (10) ~~Where~~ *If* a redevelopment agency was formed by an entity  
15 that is both a charter city and a county, the oversight board shall  
16 be composed of seven members selected as follows: three members  
17 appointed by the mayor of the city, ~~where such~~ *if that* appointment  
18 is subject to confirmation by the county board of supervisors, one  
19 member appointed by the largest special district, by property tax  
20 share, with territory in the territorial jurisdiction of the former  
21 redevelopment agency, which is the type of special district that is  
22 eligible to receive property tax revenues pursuant to Section 34188,  
23 one member appointed by the county superintendent of education  
24 to represent schools, one member appointed by the Chancellor of  
25 the California Community Colleges to represent community college  
26 districts, and one member representing employees of the former  
27 redevelopment agency appointed by the mayor of the city ~~where~~  
28 ~~such an~~ *if that* appointment is subject to confirmation by the county  
29 board of supervisors, to represent the largest number of former  
30 redevelopment agency employees employed by the successor  
31 agency at that time.

32 (b) The Governor may appoint individuals to fill any oversight  
33 board member position described in subdivision (a) that has not  
34 been filled by May 15, 2012, or any member position that remains  
35 vacant for more than 60 days.

36 (c) The oversight board may direct the staff of the successor  
37 agency to perform work in furtherance of the oversight board's  
38 duties and responsibilities under this part. The successor agency  
39 shall pay for all of the costs of meetings of the oversight board  
40 and may include such costs in its administrative budget. Oversight

1 board members shall serve without compensation or reimbursement  
2 for expenses.

3 (d) ~~Oversight board members shall have personal immunity~~  
4 ~~from suit for their actions taken within the scope of their~~  
5 ~~responsibilities as oversight board members. are protected by the~~  
6 ~~immunities applicable to public entities and public employees~~  
7 ~~governed by Part 1 (commencing with Section 810) and Part 2~~  
8 ~~(commencing with Section 814) of Division 3.6 of Title 1 of the~~  
9 ~~Government Code.~~

Clarification re: immunity

10 (e) A majority of the total membership of the oversight board  
11 shall constitute a quorum for the transaction of business. A majority  
12 vote of the total membership of the oversight board is required for  
13 the oversight board to take action. The oversight board shall be  
14 deemed to be a local entity for purposes of the Ralph M. Brown  
15 Act, the California Public Records Act, and the Political Reform  
16 Act of 1974. *All actions taken by the oversight board shall be*  
17 *adopted by resolution.*

All actions must be adopted by resolution

18 (f) All notices required by law for proposed oversight board  
19 actions shall also be posted on the successor agency’s Internet  
20 Web site or the oversight board’s Internet Web site.

21 (g) Each member of an oversight board shall serve at the  
22 pleasure of the entity that appointed such member.

23 (h) The Department of Finance may review an oversight board  
24 action taken pursuant to ~~the act adding this part. As such, all~~  
25 ~~oversight board actions shall not be effective for three business~~  
26 ~~days, pending a request for review by the department. *Written*~~  
27 ~~*notice and information about all actions taken by an oversight*~~  
28 ~~*board shall be provided to the department by electronic means*~~  
29 ~~*and in a manner of the department’s choosing. An action shall*~~  
30 ~~*become effective five business days after notice in the manner*~~  
31 ~~*specified by the department is provided unless the department*~~  
32 ~~*requests a review.*~~ Each oversight board shall designate an official

Requirement to provide written notice electronically

33 to whom the department may make ~~such~~ those requests and who  
34 shall provide the department with the telephone number and e-mail  
35 contact information for the purpose of communicating with the  
36 department pursuant to this subdivision. ~~In~~ *Except as otherwise*  
37 *provided in this part, in the event that the department requests a*  
38 *review of a given oversight board action, it shall have 40 days*  
39 *from the date of its request to approve the oversight board action*  
40 *or return it to the oversight board for reconsideration and such the*

Timeline for DOF review of oversight board actions

1 oversight board action shall not be effective until approved by the  
 2 department. In the event that the department returns the oversight  
 3 board action to the oversight board for reconsideration, the  
 4 oversight board shall resubmit the modified action for department  
 5 approval and the modified oversight board action shall not become  
 6 effective until approved by the department. *If the department  
 7 reviews a Recognized Obligation Payment Schedule, the  
 8 department may eliminate or modify any item on that schedule  
 9 prior to its approval. The county auditor-controller shall reflect  
 10 the actions of the department in determining the amount of property  
 11 tax revenues to allocate to the successor agency. The department  
 12 shall provide notice to the successor agency and the county  
 13 auditor-controller as to the reasons for its actions. To the extent  
 14 that an oversight board continues to dispute a determination with  
 15 the department, one or more future recognized obligation schedules  
 16 may reflect any resolution of that dispute. The department may  
 17 also agree to an amendment to a Recognized Obligation Payment  
 18 Schedule to reflect a resolution of a disputed item; however, this  
 19 shall not affect a past allocation of property tax or create a liability  
 20 for any affected taxing entity.*

DOF's authority to review ROPS and eliminate or modify items

If the oversight board disputes a determination of DOF. . .

Oversight board fiduciary responsibilities

21 (i) Oversight boards shall have fiduciary responsibilities to  
 22 holders of enforceable obligations and the taxing entities that  
 23 benefit from distributions of property tax and other revenues  
 24 pursuant to Section 34188. Further, the provisions of Division 4  
 25 (commencing with Section 1000) of the Government Code shall  
 26 apply to oversight boards. Notwithstanding Section 1099 of the  
 27 Government Code, or any other law, any individual may  
 28 simultaneously be appointed to up to five oversight boards and  
 29 may hold an office in a city, county, city and county, special  
 30 district, school district, or community college district.

31 (j) Commencing on and after July 1, 2016, in each county where  
 32 more than one oversight board was created by operation of the act  
 33 adding this part, there shall be only one oversight board appointed  
 34 as follows:

35 (1) One member may be appointed by the county board of  
 36 supervisors.

37 (2) One member may be appointed by the city selection  
 38 committee established pursuant to Section 50270 of the  
 39 Government Code. In a city and county, the mayor may appoint  
 40 one member.

1 (3) One member may be appointed by the independent special  
2 district selection committee established pursuant to Section 56332  
3 of the Government Code, for the types of special districts that are  
4 eligible to receive property tax revenues pursuant to Section 34188.

5 (4) One member may be appointed by the county superintendent  
6 of education to represent schools if the superintendent is elected.  
7 If the county superintendent of education is appointed, then the  
8 appointment made pursuant to this paragraph shall be made by the  
9 county board of education.

10 (5) One member may be appointed by the Chancellor of the  
11 California Community Colleges to represent community college  
12 districts in the county.

13 (6) One member of the public may be appointed by the county  
14 board of supervisors.

15 (7) One member may be appointed by the recognized employee  
16 organization representing the largest number of successor agency  
17 employees in the county.

18 (k) The Governor may appoint individuals to fill any oversight  
19 board member position described in subdivision (j) that has not  
20 been filled by July 15, 2016, or any member position that remains  
21 vacant for more than 60 days.

22 (l) Commencing on and after July 1, 2016, in each county where  
23 only one oversight board was created by operation of the act adding  
24 this part, then there will be no change to the composition of that  
25 oversight board as a result of the operation of subdivision (b).

26 (m) Any oversight board for a given successor agency shall  
27 cease to exist when all of the indebtedness of the dissolved  
28 redevelopment agency has been repaid.

29 (n) *An oversight board may direct a successor agency to provide  
30 additional legal or financial advice than what was given by agency  
31 staff.*

Directing a successor agency to provide  
add'l legal or financial advice

32 (o) *An oversight board is authorized to contract with the county  
33 or other public or private agencies for administrative support.*

Authorization to contract for administrative  
support

34 (p) *On matters within the purview of the oversight board,  
35 decisions made by the oversight board supersede those made by  
36 the successor agency or the staff of the successor agency.*

Oversight board decisions supersede  
those of successor agency

37 SEC. 17. Section 34179.5 is added to the Health and Safety  
38 Code, to read:

39 34179.5. (a) *In furtherance of subdivision (d) of Section 34177,  
40 each successor agency shall employ a licensed accountant,*

Due diligence review (DDR) provisions

1 approved by the county auditor-controller and with experience  
 2 and expertise in local government accounting, to conduct a due  
 3 diligence review to determine the unobligated balances available  
 4 for transfer to taxing entities. As an alternative, an audit provided  
 5 by the county auditor-controller that provides the information  
 6 required by this section may be used to comply with this section  
 7 with the concurrence of the oversight board.

Who can conduct the due diligence review (DDR)

8 (b) For purposes of this section the following terms shall have  
 9 the following meanings:

10 (1) "Cash" and "cash equivalents" includes, but is not limited  
 11 to, cash in hand, bank deposits, Local Agency Investment Fund  
 12 deposits, deposits in the city or county treasury or any other pool,  
 13 marketable securities, commercial paper, United States Treasury  
 14 bills, banker's acceptances, payables on demand and amounts due  
 15 from other parties as defined in subdivision (c), and any other  
 16 money owned by the successor agency.

Definitions

17 (2) "Enforceable obligation" includes any of the items listed  
 18 in subdivision (d) of Section 34171, contracts detailing specific  
 19 work to be performed that were entered into by the former  
 20 redevelopment agency prior to June 28, 2011, with a third party  
 21 that is other than the city, county, or city and county that created  
 22 the former redevelopment agency, and indebtedness obligations  
 23 as defined in subdivision (e) of Section 34171.

24 (3) "Transferred" means the transmission of money to another  
 25 party that is not in payment for goods or services or an investment  
 26 or where the payment is de minimus. Transfer also means where  
 27 the payments are ultimately merely a restriction on the use of the  
 28 money.

29 (c) At a minimum, the review required by this section shall  
 30 include the following:

31 (1) The dollar value of assets transferred from the former  
 32 redevelopment agency to the successor agency on or about  
 33 February 1, 2012.

Due diligence reviews must include. . .

34 (2) The dollar value of assets and cash and cash equivalents  
 35 transferred after January 1, 2011, through June 30, 2012, by the  
 36 redevelopment agency or the successor agency to the city, county,  
 37 or city and county that formed the redevelopment agency and the  
 38 purpose of each transfer. The review shall provide documentation  
 39 of any enforceable obligation that required the transfer.

1 (3) *The dollar value of any cash or cash equivalents transferred*  
2 *after January 1, 2011, through June 30, 2012, by the redevelopment*  
3 *agency or the successor agency to any other public agency or*  
4 *private party and the purpose of each transfer. The review shall*  
5 *provide documentation of any enforceable obligation that required*  
6 *the transfer.*

7 (4) *The review shall provide expenditure and revenue accounting*  
8 *information and identify transfers and funding sources for the*  
9 *2010–11 and 2011–12 fiscal years that reconciles balances, assets,*  
10 *and liabilities of the successor agency on June 30, 2012 to those*  
11 *reported to the Controller for the 2009–10 fiscal year.*

12 (5) *A separate accounting for the balance for the Low and*  
13 *Moderate Income Housing Fund for all other funds and accounts*  
14 *combined shall be made as follows:*

15 (A) *A statement of the total value of each fund as of June 30,*  
16 *2012.*

17 (B) *An itemized statement listing any amounts that are legally*  
18 *restricted as to purpose and cannot be provided to taxing entities.*  
19 *This could include the proceeds of any bonds, grant funds, or funds*  
20 *provided by other governmental entities that place conditions on*  
21 *their use.*

22 (C) *An itemized statement of the values of any assets that are*  
23 *not cash or cash equivalents. This may include physical assets,*  
24 *land, records, and equipment. For the purpose of this accounting,*  
25 *physical assets may be valued at purchase cost or at any recently*  
26 *estimated market value. The statement shall list separately*  
27 *housing-related assets.*

28 (D) *An itemized listing of any current balances that are legally*  
29 *or contractually dedicated or restricted for the funding of an*  
30 *enforceable obligation that identifies the nature of the dedication*  
31 *or restriction and the specific enforceable obligation. In addition,*  
32 *the successor agency shall provide a listing of all approved*  
33 *enforceable obligations that includes a projection of annual*  
34 *spending requirements to satisfy each obligation and a projection*  
35 *of annual revenues available to fund those requirements. If a*  
36 *review finds that future revenues together with dedicated or*  
37 *restricted balances are insufficient to fund future obligations and*  
38 *thus retention of current balances is required, it shall identify the*  
39 *amount of current balances necessary for retention. The review*  
40 *shall also detail the projected property tax revenues and other*

1 general purpose revenues to be received by the successor agency,  
2 together with both the amount and timing of the bond debt service  
3 payments of the successor agency, for the period in which the  
4 oversight board anticipates the successor agency will have  
5 insufficient property tax revenue to pay the specified obligations.

6 (E) An itemized list and analysis of any amounts of current  
7 balances that are needed to satisfy obligations that will be placed  
8 on the Recognized Obligation Payment Schedules for the current  
9 fiscal year.

10 (6) The review shall total the net balances available after  
11 deducting the total amounts described in subparagraphs (B) to  
12 (E), inclusive, of paragraph (5). The review shall add any amounts  
13 that were transferred as identified in paragraphs (2) and (3) of  
14 subdivision (c) if an enforceable obligation to make that transfer  
15 did not exist. The resulting sum shall be available for allocation  
16 to affected taxing entities pursuant to Section 34179.6. It shall be  
17 a rebuttable presumption that cash and cash equivalent balances  
18 available to the successor agency are available and sufficient to  
19 disburse the amount determined in this paragraph to taxing entities.  
20 If the review finds that there are insufficient cash balances to  
21 transfer or that cash or cash equivalents are specifically obligated  
22 to the purposes described in subparagraphs (B), (D), and (E) of  
23 paragraph (5) in such amounts that there is insufficient cash to  
24 provide the full amount determined pursuant to this paragraph,  
25 that amount shall be demonstrated in an additional itemized  
26 schedule.

27 SEC. 18. Section 34179.6 is added to the Health and Safety  
28 Code, to read:

29 34179.6. The review required pursuant to Section 34179.5  
30 shall be submitted to the oversight board for review. The successor  
31 agency shall submit a copy of the Recognized Obligation Payment  
32 Schedule to the county administrative officer, the county  
33 auditor-controller, and the Department of Finance at the same  
34 time that the successor agency submits the review to the oversight  
35 board for review.

36 (a) By October 1, 2012, each successor agency shall provide  
37 to the oversight board, the county auditor-controller, the  
38 Controller, and the Department of Finance the results of the review  
39 conducted pursuant to Section 34179.5 for the Low and Moderate  
40 Income Housing Fund and specifically the amount of cash and

Due diligence reviews must include. . .

DDR outcomes

DDRs are submitted for oversight board review

Timeline for DDR submittal to oversight board for the Low and Moderate Income Housing Fund

1 *cash equivalents determined to be available for allocation to taxing*  
 2 *entities. By December 15, 2012, each successor agency shall*  
 3 *provide to the oversight board, the county auditor-controller, the*  
 4 *Controller, and the department the results of the review conducted*  
 5 *pursuant to Section 34179.5 for all of the other fund and account*  
 6 *balances and specifically the amount of cash and cash equivalents*  
 7 *determined to be available for allocation to taxing entities. The*  
 8 *department may request any supporting documentation and review*  
 9 *results to assist in its review under subdivision (d). The department*  
 10 *may specify the form and manner information about the review*  
 11 *shall be provided to it.*

Timeline for DDR submittal to oversight board for all other funds

12 (b) *Upon receipt of the review, the oversight board shall convene*  
 13 *a public comment session to take place at least five business days*  
 14 *before the oversight board holds the approval vote specified in*  
 15 *subdivision (c). The oversight board also shall consider any*  
 16 *opinions offered by the county auditor-controller on the review*  
 17 *results submitted by the successor agencies.*

DDR public comment timeline and consideration of auditor-controller opinions

18 (c) *By October 15, 2012, for the Low and Moderate Income*  
 19 *Housing Fund and by January 15, 2013, for all other funds and*  
 20 *accounts, the oversight board shall review, approve, and transmit*  
 21 *to the department and the county auditor-controller the*  
 22 *determination of the amount of cash and cash equivalents that are*  
 23 *available for disbursement to taxing entities as determined*  
 24 *according to the method provided in Section 34179.5. The oversight*  
 25 *board may adjust any amount provided in the review to reflect*  
 26 *additional information and analysis. The review and approval*  
 27 *shall occur in public sessions. The oversight board may request*  
 28 *from the successor agency any materials it deems necessary to*  
 29 *assist in its review and approval of the determination. The*  
 30 *oversight board shall be empowered to authorize a successor*  
 31 *agency to retain assets or funds identified in subparagraphs (B)*  
 32 *to (E), inclusive, of paragraph (5) of subdivision (c) of Section*  
 33 *34179.5. An oversight board that makes that authorization also*  
 34 *shall identify to the department the amount of funds authorized*  
 35 *for retention, the source of those funds, and the purposes for which*  
 36 *those funds are being retained. The determination and*  
 37 *authorization to retain funds and assets shall be subject to the*  
 38 *review and approval of the department pursuant to subdivision*  
 39 *(d).*

Timeline for oversight board-approved DDR submittal to DOF for Low and Moderate Income Housing Fund

Review and approval must occur in public sessions

1 (d) The department may adjust any amount associated with the  
 2 determination of the resulting amount described in paragraph (6)  
 3 of subdivision (c) of Section 34179.5 based on its analysis and  
 4 information provided by the successor agency and others. The  
 5 department shall consider any findings or opinions of the county  
 6 auditor-controllers and the Controller. The department shall  
 7 complete its review of the determinations provided pursuant to  
 8 subdivision (c) no later than November 9, 2012, for the Low and  
 9 Moderate Income Housing Fund and also shall notify the oversight  
 10 board and the successor agency of its decision to overturn any  
 11 decision of the oversight board to authorize a successor agency  
 12 to retain assets or funds made pursuant to subdivision (c). The  
 13 department shall complete its review of the determinations provided  
 14 pursuant to subdivision (c) no later than April 1, 2013, for the  
 15 other funds and accounts and also shall notify the oversight board  
 16 and the successor agency of its decision to overturn any oversight  
 17 board authorizations made pursuant to subdivision (c). The  
 18 department shall provide the oversight board and the successor  
 19 agency an explanation of its basis for overturning or modifying  
 20 any findings, determinations, or authorizations of the oversight  
 21 board made pursuant to subdivision (c).

22 (e) The successor agency and the entity or entities that created  
 23 the former redevelopment agency may request to meet and confer  
 24 with the department to resolve any disputes regarding the amounts  
 25 or sources of funds identified as determined by the department.  
 26 The request shall be made within five business days of the  
 27 transmission, and no later than November 16, 2012, for the  
 28 determination regarding the Low and Moderate Income Housing  
 29 Fund, to the successor agency or the designated local authority  
 30 of the department's determination, decisions, and explanations  
 31 and shall be accompanied by an explanation and documentation  
 32 of the basis of the dispute. The department shall meet and confer  
 33 with the requesting party and modify its determinations and  
 34 decisions accordingly. The department shall either confirm or  
 35 modify its determinations and decisions within 30 days of the  
 36 request to meet and confer.

37 (f) Each successor agency shall transmit to the county  
 38 auditor-controller the amount of funds required pursuant to the  
 39 determination of the department within five working days of receipt  
 40 of the notification under subdivision (c) or (e) if a meet and confer

DOF's authority to adjust amounts on  
DDR

DOF timeline for determinations on Low  
and Moderate Income Housing Fund  
DDRs

DOF timeline for determinations on all  
other fund and account DDrs

Meet & confer process and timeline

Transferring amounts required pursuant  
to DOF's determination

1 *request is made. Successor agencies shall make diligent efforts to*  
 2 *recover any money determined to have been transferred without*  
 3 *an enforceable obligation as described in paragraphs (2) and (3)*  
 4 *of subdivision (c) of Section 34179.5. The department shall notify*  
 5 *the county auditor-controllers of its actions and the county*  
 6 *auditor-controllers shall disburse the funds received from*  
 7 *successor agencies to taxing entities pursuant to Section 34188*  
 8 *within five working days of receipt. Amounts received after*  
 9 *November 28, 2012, and April 10, 2013, may be held and disbursed*  
 10 *with the regular payments to taxing entities pursuant to Section*  
 11 *34183.*

12 (g) *By December 1, 2012, the county auditor-controller shall*  
 13 *provide the department a report specifying the amount submitted*  
 14 *by each successor agency pursuant to subdivision (d) for low- and*  
 15 *moderate-income housing funds, and specifically noting those*  
 16 *successor agencies that failed to remit the full required amount.*  
 17 *By April 20, 2013, the county auditor-controller shall provide the*  
 18 *department a report detailing the amount submitted by each*  
 19 *successor agency pursuant to subdivision (d) for all other funds*  
 20 *and accounts, and specifically noting those successor agencies*  
 21 *that failed to remit the full required amount.*

22 (h) *If a successor agency fails to remit to the county*  
 23 *auditor-controller the sums identified in subdivisions (d) and (f),*  
 24 *by the deadlines specified in those subdivisions, the following*  
 25 *remedies are available:*

26 (1) (A) *If the successor agency cannot promptly recover the*  
 27 *funds that have been transferred to another public agency without*  
 28 *an enforceable obligation as described in paragraphs (2) and (3)*  
 29 *of subdivision (c) of Section 34179.5, the funds may be recovered*  
 30 *through an offset of sales and use tax or property tax allocations*  
 31 *to the local agency to which the funds were transferred. To recover*  
 32 *such funds, the Department of Finance may order the State Board*  
 33 *of Equalization to make an offset pursuant to subdivision (a) of*  
 34 *Section 34179.8. If the Department of Finance does not order a*  
 35 *sales tax offset, the county auditor-controller may reduce the*  
 36 *property tax allocations to any local agency in the county that fails*  
 37 *to repay funds pursuant to subdivision (c) of Section 34179.8.*

38 (B) *The county auditor-controller and the department shall each*  
 39 *have the authority to demand the return of funds improperly spent*  
 40 *or transferred to a private person or other private entity. If funds*

Transferring amounts required pursuant to DOF's determination

Deadlines for county auditor-controller report specifying amounts submitted by successor agencies for Low and Moderate Income Housing and all other funds

Recovering transferred funds

1 are not repaid within 60 days, they may be recovered through any  
2 lawful means of collection and are subject to a ten percent penalty  
3 plus interest at the rate charged for late personal income tax  
4 payments from the date the improper payment was made to the  
5 date the money is repaid.

6 (C) If the city, county, or city and county that created the former  
7 redevelopment agency is also performing the duties of the  
8 successor agency, the Department of Finance may order an offset  
9 to the distribution provided to the sales and use tax revenue to that  
10 agency pursuant to subdivision (a) of Section 34179.8. This offset  
11 shall be equal to the amount the successor fails to remit pursuant  
12 to subdivision (f). If the Department of Finance does not order a  
13 sales tax offset, the county auditor-controller may reduce the  
14 property tax allocations of the city, county, or city and county that  
15 created the former redevelopment agency pursuant to subdivision  
16 (c) of Section 34179.8.

17 (D) The department and the county auditor-controller shall  
18 coordinate their actions undertaken pursuant to this paragraph.

19 (2) Alternatively or in addition to the remedies provided in  
20 paragraph (1), the department may direct the county  
21 auditor-controller to deduct the unpaid amount from future  
22 allocations of property tax to the successor agency under Section  
23 34183 until the amount of payment required pursuant to  
24 subdivision (d) is accomplished.

25 (3) If the Department of Finance determines that payment of  
26 the full amount required under subdivision (d) is not currently  
27 feasible or would jeopardize the ability of the successor agency  
28 to pay enforceable obligations in a timely manner, it may agree  
29 to an installment payment plan.

30 (i) (1) If a legal action contesting a withholding effectuated by  
31 the State Board of Equalization pursuant to subparagraphs (B),  
32 (C), or (B) and (C) of paragraph (2) of subdivision (b) of Section  
33 34183.5 is successful and results in a final judicial determination,  
34 the court shall order the state to pay to the prevailing party a  
35 penalty equal to a percentage of the amount of funds found by the  
36 court to be improperly withheld, as provided in Section 34179.8.  
37 This percentage shall be equivalent to the number of months the  
38 funds have been found by the court to be improperly withheld, not  
39 to exceed 10 percent.

1 (2) If a legal action contesting an offset effectuated by the State  
2 Board of Equalization or the county auditor-controller pursuant  
3 to subdivision (h) is successful and results in a final judicial  
4 determination, the court shall order the state or the county  
5 auditor-controller to pay to the prevailing party a penalty equal  
6 to 10 percent of the amount of funds found by the court to be  
7 improperly offset, as provided in Section 34179.8.

8 (j) If a legal challenge to invalidate any provision in subdivision  
9 (h) or subparagraph (B) or (C), or subparagraphs (B) and (C) of  
10 paragraph (2) of subdivision (b) of Section 34183.5 is successful  
11 and results in a final judicial determination, the invalidated  
12 provision shall become inoperative and subdivision (i) shall  
13 become inoperative with respect to the invalidated provision.

14 SEC. 19. Section 34179.7 is added to the Health and Safety  
15 Code, to read:

16 34179.7. Upon full payment of the amounts determined in  
17 subdivision (d) or (e) of Section 34179.6 as reported by the county  
18 auditor-controller pursuant to subdivision (g) of Section 34179.6  
19 and of any amounts due as determined by Section 34183.5, or upon  
20 a final judicial determination of the amounts due and confirmation  
21 that those amounts have been paid by the county auditor-controller,  
22 the department shall issue, within five business days, a finding of  
23 completion of the requirements of Section 34179.6 to the successor  
24 agency.

Issuing a finding of completion

25 SEC. 20. Section 34179.8 is added to the Health and Safety  
26 Code, to read:

27 34179.8. (a) If an offset or withholding of sales and use tax is  
28 ordered by the Department of Finance pursuant to this part, the  
29 State Board of Equalization shall reduce the distribution of sales  
30 and use taxes collected under Chapter 1 (commencing with Section  
31 7200) of Part 1.5 of Division 2 of the Revenue and Taxation Code  
32 to the entity that is the subject of the offset or withholding and  
33 shall direct the Controller to issue a warrant in the amount of any  
34 offset pursuant to subdivision (h) of Section 34179.6 to the county  
35 auditor-controller. The county auditor-controller shall distribute  
36 this amount to the taxing entities for the former redevelopment  
37 area according to Section 34188.

38 (b) (1) If a court has issued a final judicial determination or  
39 the department determines that some or all of the amount collected  
40 through the offset of sales and use tax has been paid by another

1 means and no additional amount is owed, the court or the  
 2 department shall notify the State Board of Equalization of that  
 3 determination. Upon notification, the State Board of Equalization  
 4 shall reverse the relevant amount of sales and use tax offset, add  
 5 any penalty payable under subdivision (i) of Section 34179.6, and  
 6 adjust the next distribution of sales and use tax to the affected  
 7 local entity by reducing the allocation of tax to the General Fund  
 8 and increasing the distribution to the local entity by that sum.

9 (2) The board shall inform the Controller of the reversal of the  
 10 offset of sales and use tax undertaken pursuant to paragraph (1).  
 11 The Controller shall send a demand for payment to the county  
 12 auditor-controller for the amount of the offset reversal, excluding  
 13 any penalty amount determined by the court pursuant to  
 14 subdivision (i) of Section 34179.6 to be applicable to the offset.  
 15 The auditor-controller shall reduce allocations to taxing entities  
 16 in the next distributions under Section 34188 until the amount of  
 17 the reversed offset is recovered and shall pay such recovered  
 18 amounts to the State Controller for deposit in the General Fund.

19 (c) (1) If an offset of property tax is ordered by the county  
 20 auditor-controller pursuant to this part, the auditor-controller  
 21 shall reduce the distribution of property taxes to the entity that is  
 22 the subject of the offset and shall distribute the amount to the taxing  
 23 entities for the former redevelopment area according to Section  
 24 34188.

25 (2) If a court has issued a final judicial determination or the  
 26 department determines that some or all of the amount collected  
 27 through the offset made pursuant to paragraph (1) has been paid  
 28 by another means and no additional amount is owed, the court or  
 29 the department shall notify the county auditor-controller of that  
 30 determination. Upon notification, the county auditor-controller  
 31 shall reverse the relevant amount of property tax revenues offset  
 32 in the next distribution of property tax to the affected local entity  
 33 by reducing the allocation of tax to the taxing entities of the former  
 34 redevelopment area under Section 34188 and increasing the  
 35 distribution of property taxes to the local entity that was subject  
 36 to the offset.

37 SEC. 21. Section 34180 of the Health and Safety Code is  
 38 amended to read:

39 34180. All of the following successor agency actions shall first  
 40 be approved by the oversight board:

Successor agency actions that require oversight board approval

Oversight boards cannot reestablish loan agreements

- 1 (a) The establishment of new repayment terms for outstanding  
2 loans where the terms have not been specified prior to the date of  
3 this part. *An oversight board shall not have the authority to*  
4 *reestablish loan agreements between the successor agency and*  
5 *the city, county, or city and county that formed the redevelopment*  
6 *agency except as provided in Chapter 9 (commencing with Section*  
7 *34191.1).*
- 8 ~~(b) Refunding of outstanding bonds or other debt of the former~~  
9 ~~redevelopment agency by successor agencies in order to provide~~  
10 ~~for savings or to finance debt service spikes; provided, however,~~  
11 ~~that no additional debt is created and debt service is not accelerated.~~
- 12 (b) *The issuance of bonds or other indebtedness or the pledge*  
13 *or agreement for the pledge of property tax revenues (formerly*  
14 *tax increment prior to the effective date of this part) pursuant to*  
15 *subdivision (a) of Section 34177.5.*
- 16 (c) *Setting aside of amounts in reserves as required by*  
17 *indentures, trust indentures, or similar documents governing the*  
18 *issuance of outstanding redevelopment agency bonds.*
- 19 (d) *Merging of project areas.*
- 20 (e) *Continuing the acceptance of federal or state grants,* or other  
21 forms of financial assistance from either public or private sources,  
22 ~~where if that~~ assistance is conditioned upon the provision of  
23 matching funds, by the successor entity as successor to the former  
24 redevelopment agency, in an amount greater than 5 percent.
- 25 (f) (1) If a city, county, or city and county wishes to retain any  
26 properties or other assets for future redevelopment activities,  
27 funded from its own funds and under its own auspices, it must  
28 reach a compensation agreement with the other taxing entities to  
29 provide payments to them in proportion to their shares of the base  
30 property tax, as determined pursuant to Section 34188, for the  
31 value of the property retained.
- 32 (2) If no other agreement is reached on valuation of the retained  
33 assets, the value will be the fair market value as of the 2011  
34 property tax lien date as determined by ~~the county assessor~~ *an*  
35 *independent appraiser approved by the oversight board.*
- 36 (g) Establishment of the Recognized Obligation Payment  
37 Schedule.
- 38 (h) A request by the successor agency to enter into an agreement  
39 with the city, county, or city and county that formed the  
40 redevelopment agency that it is succeeding. *An oversight board*

1 shall not have the authority to reestablish loan agreements between  
2 the successor agency and the city, county, or city and county that  
3 formed the redevelopment agency except as provided in Chapter  
4 9 (commencing with Section 34191.1). Any actions to reestablish  
5 any other agreements that are in furtherance of enforceable  
6 obligations, with the city, county, or city and county that formed  
7 the redevelopment agency are invalid until they are included in  
8 an approved and valid Recognized Obligation Payment Schedule.

9 (i) A request by a successor agency or taxing entity to pledge,  
10 or to enter into an agreement for the pledge of, property tax  
11 revenues pursuant to subdivision (b) of Section 34178.

12 (j) Any document submitted by a successor agency to an  
13 oversight board for approval by any provision of this part shall  
14 also be submitted to the county administrative officer, the county  
15 auditor-controller, and the Department of Finance at the same time  
16 that the successor agency submits the document to the oversight  
17 board.

18 SEC. 22. Section 34181 of the Health and Safety Code is  
19 amended to read:

20 34181. The oversight board shall direct the successor agency  
21 to do all of the following:

22 (a) Dispose of all assets and properties of the former  
23 redevelopment agency that were funded by tax increment revenues  
24 of the dissolved redevelopment agency; provided, however, that  
25 the oversight board may instead direct the successor agency to  
26 transfer ownership of those assets that were constructed and used  
27 for a governmental purpose, such as roads, school buildings, parks,  
28 police and fire stations, libraries, and local agency administrative  
29 buildings, to the appropriate public jurisdiction pursuant to any  
30 existing agreements relating to the construction or use of such an  
31 asset. Any compensation to be provided to the successor agency  
32 for the transfer of the asset shall be governed by the agreements  
33 relating to the construction or use of that asset. Disposal shall be  
34 done expeditiously and in a manner aimed at maximizing value.  
35 Asset disposition may be accomplished by a distribution of income  
36 to taxing entities proportionate to their property tax share from  
37 one or more properties that may be transferred to a public or  
38 private agency for management pursuant to the direction of the  
39 oversight board.

Successor agency actions that require oversight board approval

Oversight boards shall direct successor agencies to do the following . . .

Transferring ownership of assets that were used for a governmental purpose

Asset disposition accomplished through distribution of income to taxing entities

1 (b) Cease performance in connection with and terminate all  
2 existing agreements that do not qualify as enforceable obligations.

3 (c) **Transfer housing** responsibilities and all rights, powers,  
4 duties, and obligations along with any amounts on deposit in the  
5 Low and Moderate Income Housing Fund to the appropriate entity  
6 **assets** pursuant to Section 34176.

7 (d) Terminate any agreement, between the dissolved  
8 redevelopment agency and any public entity located in the same  
9 county, obligating the redevelopment agency to provide funding  
10 for any debt service obligations of the public entity or for the  
11 construction, or operation of facilities owned or operated by such  
12 public entity, in any instance where the oversight board has found  
13 that early termination would be in the best interests of the taxing  
14 entities.

15 (e) Determine whether any contracts, agreements, or other  
16 arrangements between the dissolved redevelopment agency and  
17 any private parties should be terminated or renegotiated to reduce  
18 liabilities and increase net revenues to the taxing entities, and  
19 present proposed termination or amendment agreements to the  
20 oversight board for its approval. The board may approve any  
21 amendments to or early termination of ~~such~~ those agreements  
22 where if it finds that amendments or early termination would be  
23 in the best interests of the taxing entities.

24 (f) *All actions taken pursuant to subdivisions (a) and (c) shall  
25 be approved by resolution of the oversight board at a public  
26 meeting after at least 10 days' notice to the public of the specific  
27 proposed actions. The actions shall be subject to review by the  
28 Department of Finance pursuant to Section 34179 except that the  
29 department may extend its review period by up to 60 days. If the  
30 department does not object to an action subject to this section,  
31 and if no action challenging an action is commenced within 60  
32 days of the approval of the action by the oversight board, the action  
33 of the oversight board shall be considered final and can be relied  
34 upon as conclusive by any person. If an action is brought to  
35 challenge an action involving title to or an interest in real property,  
36 a notice of pendency of action shall be recorded by the claimant  
37 as provided in Title 4.5 (commencing with Section 405) of Part 2  
38 of the Code of Civil Procedure within a 60-day period.*

39 SEC. 23. Section 34182 of the Health and Safety Code is  
40 amended to read:

Transfer of housing assets

Transfer of housing and governmental use assets must be approved by oversight board at a public meeting after at least 10 days' notice to the public

Timeline for DOF review of housing and governmental use asset transfers

1 34182. (a) (1) The county auditor-controller shall conduct or  
2 cause to be conducted an agreed-upon procedures audit of each  
3 redevelopment agency in the county that is subject to this part, to  
4 be completed by ~~July~~ *October 1, 2012*.

Agreed-upon audit procedures

5 (2) The purpose of the audits shall be to establish each  
6 redevelopment agency's assets and liabilities, to document and  
7 determine each redevelopment agency's passthrough payment  
8 obligations to other taxing ~~agencies~~ *entities*, and to document and  
9 determine both the amount and the terms of any indebtedness  
10 incurred by the redevelopment agency ~~and certify pursuant to the~~  
11 initial Recognized Obligation Payment Schedule.

12 (3) The county auditor-controller may charge the Redevelopment  
13 Property Tax Trust Fund for any costs incurred by the county  
14 auditor-controller pursuant to this part.

15 (b) By ~~July 15~~ *October 5, 2012*, the county auditor-controller  
16 shall provide the Controller's office ~~and the Department of Finance~~  
17 a copy of all audits performed pursuant to this section. The county  
18 auditor-controller shall maintain a copy of all documentation and  
19 working papers for use by the Controller.

Timeline for reporting to DOF and the State Controller's Office

20 (c) (1) The county auditor-controller shall determine the amount  
21 of property taxes that would have been allocated to each  
22 redevelopment agency in the county had the redevelopment agency  
23 not been dissolved pursuant to the operation of the act adding this  
24 part. These amounts are deemed property tax revenues within the  
25 meaning of subdivision (a) of Section 1 of Article XIII A of the  
26 California Constitution and are available for allocation and  
27 distribution in accordance with the provisions of the act adding  
28 this part. The county auditor-controller shall calculate the property  
29 tax revenues using current assessed values on the last equalized  
30 roll on August 20, pursuant to Section 2052 of the Revenue and  
31 Taxation Code, and pursuant to statutory formulas or contractual  
32 agreements with other taxing ~~agencies~~ *entities*, as of the effective  
33 date of this section, and shall deposit that amount in the  
34 Redevelopment Property Tax Trust Fund.

35 (2) Each county auditor-controller shall administer the  
36 Redevelopment Property Tax Trust Fund for the benefit of the  
37 holders of former redevelopment agency enforceable obligations  
38 and the taxing entities that receive passthrough payments and  
39 distributions of property taxes pursuant to this part.

1 (3) In connection with the allocation and distribution by the  
2 county auditor-controller of property tax revenues deposited in the  
3 Redevelopment Property Tax Trust Fund, in compliance with this  
4 part, the county auditor-controller shall prepare estimates of  
5 amounts *of property tax* to be allocated and distributed; *and the*  
6 *amounts of passthrough payments to be made in the upcoming*  
7 *six-month period*, and provide those estimates to both the entities  
8 receiving the distributions and the Department of Finance, no later  
9 than ~~November~~ *October 1* and ~~May~~ *April 1* of each year.

Estimating property tax allocations and  
amounts of pass-through payments

10 (4) Each county auditor-controller shall disburse proceeds of  
11 asset sales or reserve balances, which have been received from the  
12 successor entities pursuant to Sections 34177 and 34187, to the  
13 taxing entities. In making such a distribution, the county  
14 auditor-controller shall utilize the same methodology for allocation  
15 and distribution of property tax revenues provided in Section  
16 34188.

17 (d) By October 1, 2012, the county auditor-controller shall report  
18 the following information to the Controller's office and the Director  
19 of Finance:

20 (1) The sums of property tax revenues remitted to the  
21 Redevelopment Property Tax Trust Fund related to each former  
22 redevelopment agency.

23 (2) The sums of property tax revenues remitted to each agency  
24 under paragraph (1) of subdivision (a) of Section 34183.

25 (3) The sums of property tax revenues remitted to each successor  
26 agency pursuant to paragraph (2) of subdivision (a) of Section  
27 34183.

28 (4) The sums of property tax revenues paid to each successor  
29 agency pursuant to paragraph (3) of subdivision (a) of Section  
30 34183.

31 (5) The sums paid to each city, county, and special district, and  
32 the total amount allocated for schools pursuant to paragraph (4)  
33 of subdivision (a) of Section 34183.

34 (6) Any amounts deducted from other distributions pursuant to  
35 subdivision (b) of Section 34183.

36 (e) A county auditor-controller may charge the Redevelopment  
37 Property Tax Trust Fund for the costs of administering the  
38 provisions of this part.

39 (f) The Controller may audit and review any county  
40 auditor-controller action taken pursuant to the act adding this part.

1 As such, all county auditor-controller actions shall not be effective  
 2 for three business days, pending a request for review by the  
 3 Controller. In the event that the Controller requests a review of a  
 4 given county auditor-controller action, he or she shall have 10 days  
 5 from the date of his or her request to approve the county  
 6 auditor-controller’s action or return it to the county  
 7 auditor-controller for reconsideration and—~~such the county~~  
 8 ~~auditor-controller~~ auditor-controller’s action shall not be effective  
 9 until approved by the Controller. In the event that the Controller  
 10 returns the county auditor-controller’s action to the county  
 11 auditor-controller for reconsideration, the county auditor-controller  
 12 must resubmit the modified action for Controller approval and  
 13 ~~such the modified county-auditor-controller~~ auditor-controller’s  
 14 action shall not become effective until approved by the Controller.

15 *SEC. 24. Section 34182.5 is added to the Health and Safety*  
 16 *Code, to read:*

17 34182.5. A county auditor-controller may review the  
 18 Recognized Obligation Payment Schedules and object to the  
 19 inclusion of any items that are not demonstrated to be enforceable  
 20 obligations and may object to the funding source proposed for any  
 21 items. This review may take place prior to the submission of the  
 22 Recognized Obligation Payment Schedule to the oversight board  
 23 or subsequent to oversight board action. The county  
 24 auditor-controller shall promptly transmit notice of any of those  
 25 objections to the successor agency, the oversight board, and the  
 26 Department of Finance. Notice shall be given at least 60 days  
 27 prior to an allocation date specified in Section 34183, except that  
 28 for the January 1, 2013 to June 30, 2013 Recognized Obligation  
 29 Payment Schedule, notice shall be given no later than October 1,  
 30 2012. If an oversight board disputes the finding of the county  
 31 auditor-controller, it may refer the matter to the Department of  
 32 Finance for a determination of what will be approved for inclusion  
 33 in the Recognized Obligation Payment Schedule.

34 *SEC. 25. Section 34183 of the Health and Safety Code is*  
 35 *amended to read:*

36 34183. (a) Notwithstanding any other law, from February 1,  
 37 2012, to July 1, 2012, and for each fiscal year thereafter, the county  
 38 auditor-controller shall, after deducting administrative costs  
 39 allowed under Section 34182 and Section 95.3 of the Revenue and

County auditor-controller's authority to review ROPS

1 Taxation Code, allocate moneys in each Redevelopment Property  
2 Tax Trust Fund as follows:

3 (1) Subject to any prior deductions required by subdivision (b),  
4 first, the county auditor-controller shall remit from the  
5 Redevelopment Property Tax Trust Fund to each local agency and  
6 school entity an amount of property tax revenues in an amount  
7 equal to that which would have been received under Section 33401,  
8 33492.140, 33607, 33607.5, 33607.7, or 33676, as those sections  
9 read on January 1, 2011, or pursuant to any passthrough agreement  
10 between a redevelopment agency and a taxing-jurisdiction entity  
11 that was entered into prior to January 1, 1994, that would be in  
12 force during that fiscal year, had the redevelopment agency existed  
13 at that time. The amount of the payments made pursuant to this  
14 paragraph shall be calculated solely on the basis of passthrough  
15 payment obligations, existing prior to the effective date of this part  
16 and continuing as obligations of successor entities, shall occur no  
17 later than May 16, 2012, and no later than June 1, 2012, and each  
18 January 16 2 and June 1 thereafter. Notwithstanding subdivision  
19 (e) of Section 33670, that portion of the taxes in excess of the  
20 amount identified in subdivision (a) of Section 33670, which are  
21 attributable to a tax rate levied by a taxing-agency entity for the  
22 purpose of producing revenues in an amount sufficient to make  
23 annual repayments of the principal of, and the interest on, any  
24 bonded indebtedness for the acquisition or improvement of real  
25 property shall be allocated to, and when collected shall be paid  
26 into, the fund of that taxing-agency entity. *The amount of*  
27 *passthrough payments computed pursuant to this section, including*  
28 *any passthrough agreements, shall be computed as though the*  
29 *requirement to set aside funds for the Low and Moderate Income*  
30 *Housing Fund was still in effect.*

Computing pass-through payments & requirements to set aside funds for Low and Moderate Income Housing Fund

31 (2) Second, on ~~May 16, 2012,~~ and June 1, 2012, and each  
32 January 16 2 and June 1 thereafter, to each successor agency for  
33 payments listed in its Recognized Obligation Payment Schedule  
34 for the six-month fiscal period beginning January 1, 2012, ~~or~~ and  
35 July 1, 2012, and each January 16 2 and June 1 thereafter, in the  
36 following order of priority:

New distribution timeline for amounts listed on ROPS

37 (A) Debt service payments scheduled to be made for tax  
38 allocation bonds.

Priorities for paying obligations listed on ROPS

39 (B) Payments scheduled to be made on revenue bonds, but only  
40 to the extent the revenues pledged for them are insufficient to make

1 the payments and only ~~where~~ *if* the agency’s tax increment  
2 revenues were also pledged for the repayment of the bonds.

3 (C) **Payments scheduled for other debts and obligations** listed  
4 in the Recognized Obligation Payment Schedule that are required  
5 to be paid from former tax increment revenue.

6 (3) Third, on ~~May 16, 2012,~~ and June 1, 2012, and each January  
7 ~~16~~ 2 and June 1 thereafter, **to each successor agency for the**  
8 **administrative cost allowance,** as defined in Section 34171, for  
9 administrative costs set forth in an approved administrative budget  
10 for those payments required to be paid from former tax increment  
11 revenues.

12 (4) Fourth, on ~~May 16, 2012,~~ and June 1, 2012, and each January  
13 ~~16~~ 2 and June 1 thereafter, **any moneys remaining in the**  
14 **Redevelopment Property Tax Trust Fund** after the payments and  
15 transfers authorized by paragraphs (1) to (3), inclusive, shall be  
16 distributed to local agencies and school entities in accordance with  
17 Section 34188.

18 (b) If the successor agency reports, no later than April 1, 2012,  
19 and May 1, 2012, and each December 1 and May 1 thereafter, to  
20 the county auditor-controller that the total amount available to the  
21 successor agency from the Redevelopment Property Tax Trust  
22 Fund allocation to that successor agency’s Redevelopment  
23 Obligation Retirement Fund, from other funds transferred from  
24 each redevelopment agency, and from funds that have or will  
25 become available through asset sales and all redevelopment  
26 operations, are insufficient to fund the payments required by  
27 paragraphs (1) to (3), inclusive, of subdivision (a) in the next  
28 six-month fiscal period, the county auditor-controller shall notify  
29 the Controller and the Department of Finance no later than 10 days  
30 from the date of that notification. **The county auditor-controller**  
31 **shall verify whether the successor agency will have sufficient funds**  
32 **from which to service debts according to the Recognized**  
33 **Obligation Payment Schedule and shall report the findings to the**  
34 **Controller.** If the Controller concurs that there are insufficient  
35 funds to pay required debt service, the amount of the deficiency  
36 shall be deducted first from the amount remaining to be distributed  
37 to taxing entities pursuant to paragraph (4), and if that amount is  
38 exhausted, from amounts available for distribution for  
39 administrative costs in paragraph (3). If an agency, pursuant to the  
40 provisions of Section 33492.15, 33492.72, 33607.5, 33671.5,

Priorities for paying obligations listed on  
ROPS

If there are insufficient funds to pay  
obligations listed on the ROPS. . .

1 33681.15, or 33688; *or as expressly provided in a passthrough*  
 2 *agreement entered into pursuant to Section 33401, made*  
 3 *passthrough payment obligations subordinate to debt service*  
 4 *payments required for enforceable obligations, funds for servicing*  
 5 *bond debt may be deducted from the amounts for passthrough*  
 6 *payments under paragraph (1), as provided in those sections, but*  
 7 *only to the extent that the amounts remaining to be distributed to*  
 8 *taxing entities pursuant to paragraph (4) and the amounts available*  
 9 *for distribution for administrative costs in paragraph (3) have all*  
 10 *been exhausted.*

11 (c) The county treasurer may loan any funds from the county  
 12 treasury to the *Redevelopment Property Tax Trust Fund of the*  
 13 *successor agency for the purpose of paying an item approved on*  
 14 *the Recognized Obligation Payment Schedule at the request of the*  
 15 *Department of Finance that are necessary to ensure prompt*  
 16 *payments of redevelopment agency debts. An enforceable*  
 17 *obligation is created for repayment of those loans.*

18 (d) The Controller may recover the costs of audit and oversight  
 19 required under this part from the Redevelopment Property Tax  
 20 Trust Fund by presenting an invoice therefor to the county  
 21 auditor-controller who shall set aside sufficient funds for and  
 22 disburse the claimed amounts prior to making the next distributions  
 23 to the ~~taxing-jurisdictions~~ *entities* pursuant to Section 34188.  
 24 Subject to the approval of the Director of Finance, the budget of  
 25 the Controller may be augmented to reflect the reimbursement,  
 26 pursuant to Section 28.00 of the Budget Act.

27 (e) *Within 10 days of each distribution of property tax, the*  
 28 *county auditor-controller shall provide a report to the department*  
 29 *regarding the distribution for each successor agency that includes*  
 30 *information on the total available for allocation, the passthrough*  
 31 *amounts and how they were calculated, the amounts distributed*  
 32 *to successor agencies, and the amounts distributed to taxing entities*  
 33 *in a manner and form specified by the department. This reporting*  
 34 *requirement shall also apply to distributions required under*  
 35 *subdivision (b) of Section 34183.5.*

36 SEC. 26. Section 34183.5 is added to the Health and Safety  
 37 Code, to read:

38 34183.5. (a) *The Legislature hereby finds and declares that*  
 39 *due to the delayed implementation of this part due to the California*  
 40 *Supreme Court's ruling in the case California Redevelopment*

Reporting on distribution of property tax

1 *Association v. Matosantos et al.* (2011) 53 Cal.4th 231, some  
2 *disruption to the intended application of this part and other law*  
3 *with respect to passthrough payments may have occurred.*

4 (1) *If a redevelopment agency or successor agency did not pay*  
5 *any portion of an amount owed for the 2011–12 fiscal year to an*  
6 *affected taxing entity pursuant to Section 33401, 33492.140, 33607,*  
7 *33607.5, 33607.7, or 33676, or pursuant to any passthrough*  
8 *agreement entered into before January 1, 1994, between a*  
9 *redevelopment agency and an affected taxing entity, and to the*  
10 *extent the county auditor-controller did not remit the amounts*  
11 *owed for passthrough payments during the 2011–12 fiscal year,*  
12 *the county auditor-controller shall make the required payments*  
13 *to the taxing entities owed passthrough payments and shall reduce*  
14 *the amounts to which the successor agency would otherwise be*  
15 *entitled pursuant to paragraph (2) of subdivision (a) of Section*  
16 *34183 at the next allocation of property tax under this part, subject*  
17 *to the provisions of subdivision (b) of Section 34183. If the amount*  
18 *of available property tax allocation to the successor agency is not*  
19 *sufficient to make the required payment, the county*  
20 *auditor-controller shall continue to reduce allocations to the*  
21 *successor agency under paragraph (2) of subdivision (a) of Section*  
22 *34183 until the time that the owed amount is fully paid. Alternately,*  
23 *the county auditor-controller may accept payment from the*  
24 *successor agency’s reserve funds for payments of passthrough*  
25 *payments owed as defined in this subdivision.*

26 (2) *If a redevelopment agency did not pay any portion of the*  
27 *amount owed for the 2011–12 fiscal year to an affected taxing*  
28 *entity pursuant to Section 33401, 33492.140, 33607, 33607.5,*  
29 *33607.7, or 33676, or pursuant to any passthrough agreement*  
30 *entered into before January 1, 1994, between a redevelopment*  
31 *agency and an affected taxing entity, but the county*  
32 *auditor-controller did pay the difference that was owing, the*  
33 *auditor controller shall deduct from the next allocation of property*  
34 *tax to the successor agency under paragraph (2) of subdivision*  
35 *(a) of Section 34183, the amount of the payment made on behalf*  
36 *of the successor agency by the county auditor-controller, not to*  
37 *exceed one-half the amount of passthrough payments owed for the*  
38 *2011–12 fiscal year. If the amount of available property tax*  
39 *allocation to the successor agency is not sufficient to make the*  
40 *required deduction, the county auditor-controller shall continue*

1 to reduce allocations to the successor agency under paragraph  
2 (2) of subdivision (a) of Section 34183 until the time that the  
3 amount is fully deducted. Alternatively, the auditor-controller may  
4 accept payment from the successor agency's reserve funds for  
5 deductions of passthrough payments owed as defined in this  
6 subdivision. Amounts reduced from successor agency payments  
7 under this paragraph are available for the purposes of paragraphs  
8 (2) to (4), inclusive, of subdivision (a) of Section 34183 for the  
9 six-month period for which the property tax revenues are being  
10 allocated.

11 (b) In recognition of the fact that county auditor-controllers  
12 were unable to make the payments required by paragraph (4) of  
13 subdivision (a) of Section 34183 for the period January 1, 2012,  
14 through June 30, 2012, on January 16, 2012, due to the California  
15 Supreme Court's ruling in the case of California Redevelopment  
16 Association v. Matosantos (2011) 53 Cal.4th 231, in addition to  
17 taking the actions specified in Section 34183 with respect to the  
18 June 1 property tax allocations, county auditor-controllers should  
19 have made allocations as provided in paragraph (1).

20 (1) From the allocations made on June 1, 2012, for the  
21 Recognized Obligation Payment Schedule covering the period July  
22 1, 2012, through December 31, 2012, deduct from the amount that  
23 otherwise would be deposited in the Redevelopment Property Tax  
24 Trust Fund on behalf of the successor agency an amount equivalent  
25 to the amount that each affected taxing entity was entitled to  
26 pursuant to paragraph (4) of subdivision (a) of Section 34183 for  
27 the period January 1, 2012, through June 30, 2012. The amount  
28 to be retained by taxing entities pursuant to paragraph (4) of  
29 subdivision (a) of Section 34183 for the January 1, 2012, through  
30 June 30, 2012, period is determined based on the Recognized  
31 Obligation Payment Schedule approved by the Department of  
32 Finance pursuant to subdivision (h) of Section 34179 and any  
33 amount determined to be owed pursuant to subdivision (b). Any  
34 amounts so computed shall not be offset by any shortages in  
35 funding for recognized obligations for the period covering July 1,  
36 2012, through December 31, 2012.

37 (2) (A) If an affected taxing entity has not received the full  
38 amount to which it was entitled pursuant to paragraph (4) of  
39 subdivision (a) of Section 34183 of the property tax distributed  
40 for the period January 1, 2012, through June 30, 2012, and

1 paragraph (1), no later than July 9, 2012, the county  
2 auditor-controller shall determine the amount, if any, that is owed  
3 by each successor agency to taxing entities and send a demand  
4 for payment from the funds of the successor agency for the amount  
5 owed to taxing entities if it has distributed the June 1, 2012,  
6 allocation to the successor agencies. No later than July 12, 2012,  
7 successor agencies shall make payment of the amounts demanded  
8 to the county auditor-controller for deposit into the Redevelopment  
9 Property Tax Trust Fund and subsequent distribution to taxing  
10 entities. No later than July 16, 2012, the county auditor-controller  
11 shall make allocations of all money received by that date from  
12 successor agencies in amounts owed to taxing entities under this  
13 paragraph to taxing entities in accordance with Section 34183.  
14 The county auditor-controller shall make allocations of any money  
15 received after that date under this paragraph within five business  
16 days of receipt. These duties are not discretionary and shall be  
17 carried out with due diligence.

18 (B) If a county auditor-controller fails to determine the amounts  
19 owed to taxing entities and present a demand for payment by July  
20 9, 2012, to the successor agencies, the Department of Finance or  
21 any affected taxing entity may request a writ of mandate to require  
22 the county auditor-controller to immediately perform this duty.  
23 Such actions may be filed only in the County of Sacramento and  
24 shall have priority over other civil matters. Any county in which  
25 the county auditor-controller fails to perform the duties under this  
26 paragraph shall be subject to a civil penalty of 10 percent of the  
27 amount owed to taxing entities plus 1.5 percent of the amount owed  
28 to taxing entities for each month that the duties are not performed.  
29 The civil penalties shall be payable to the taxing entities under  
30 Section 34183. Additionally, any county in which the county  
31 auditor-controller fails to make the required determinations and  
32 demands for payment under this paragraph by July 9, 2012, or  
33 fails to distribute the full amount of funds received from successor  
34 agencies as required by this paragraph shall not receive the  
35 distribution of sales and use tax scheduled for July 18, 2012, or  
36 any subsequent payment, up to the amount owed to taxing entities,  
37 until the county auditor-controller performs the duties required  
38 by this paragraph.

39 (C) If a successor agency fails to make the payment demanded  
40 under subparagraph (A) by July 12, 2012, the Department of

Timeline for auditor-controller to demand payment and for successor agencies to pay the amount demanded

Penalties

1 Finance or any affected taxing entity may file for a writ of mandate  
 2 to require the successor agency to immediately make this payment.  
 3 Such actions may be filed only in the County of Sacramento and  
 4 shall have priority over other civil matters. Any successor agency  
 5 that fails to make payment by July 12, 2012, under this paragraph  
 6 shall be subject to a civil penalty of 10 percent of the amount owed  
 7 to taxing entities plus one and one-half percent of the amount owed  
 8 to taxing entities for each month that the payments are not made.  
 9 Additionally, the city or county or city and county that created the  
 10 redevelopment agency shall also be subject to a civil penalty of  
 11 10 percent of the amount owed to taxing entities plus 1.5 percent  
 12 of the amount owed to taxing entities for each month the payment  
 13 is late. The civil penalties shall be payable to the taxing entities  
 14 under Section 34183. If the Department of Finance finds that the  
 15 imposition of penalties will jeopardize the payment of enforceable  
 16 obligations it may request the court to waive some or all of the  
 17 penalties. A successor agency that does not pay the amount  
 18 required under this subparagraph by July 12, 2012, shall not pay  
 19 any obligations other than bond debt service until full payment is  
 20 made to the county auditor-controller. Additionally, any city,  
 21 county or city and county that created the redevelopment agency  
 22 that fails to make the required payment under this paragraph by  
 23 July 12, 2012, shall not receive the distribution of sales and use  
 24 tax scheduled for July 18, 2012, or any subsequent payment, up  
 25 to the amount owed to taxing entities, until the payment required  
 26 by this paragraph is made.

27 (D) The Legislature hereby finds and declares that time is of  
 28 the essence. Funds that should have been received and were  
 29 expected and spent in anticipation of receipt by community  
 30 colleges, schools, counties, cities, and special districts have not  
 31 been received resulting in significant fiscal impact to the state and  
 32 taxing entities. Continued delay and uncertainty whether funds  
 33 will be received warrants the availability of extraordinary relief  
 34 as authorized herein.

35 (3) If an affected taxing entity has not received the full amount  
 36 to which it was entitled pursuant to paragraph (4) of subdivision  
 37 (a) of Section 34183 for the period January 1, 2012, through June  
 38 30, 2012, and paragraph (1), the county auditor-controller shall  
 39 reapply the provisions of paragraph (1) to each subsequent  
 40 property tax allocation until such time as the affected taxing entity

1 has received the full amount to which it was entitled pursuant to  
2 paragraph (4) of subdivision (a) of Section 34183 for the period  
3 January 1, 2012, through June 30, 2012.

4 SEC. 27. Section 34185 of the Health and Safety Code is  
5 amended to read:

6 34185. Commencing on ~~May 16, 2012~~ June 1, 2012, and on  
7 each January ~~16~~ 2 and June 1 thereafter, the county  
8 auditor-controller shall transfer, from the Redevelopment Property  
9 Tax Trust Fund of each successor agency into the Redevelopment  
10 Obligation Retirement Fund of that agency, an amount of property  
11 tax revenues equal to that specified in the Recognized Obligation  
12 Payment Schedule for that successor agency as payable from the  
13 Redevelopment Property Tax Trust Fund subject to the limitations  
14 of ~~Sections 34173 and~~ subdivision (l) of Section 34177 and Section  
15 34183.

16 SEC. 28. Section 34186 of the Health and Safety Code is  
17 amended to read:

18 34186. (a) Differences between actual payments and past  
19 estimated obligations on recognized obligation payment schedules  
20 ~~must~~ shall be reported in subsequent recognized obligation payment  
21 schedules and shall adjust the amount to be transferred to the  
22 Redevelopment Obligation Retirement Fund pursuant to this part.  
23 These estimates and accounts shall be subject to audit by county  
24 auditor-controllers and the Controller.

25 (b) Differences between actual passthrough obligations and  
26 property tax amounts and the amounts used by the county  
27 auditor-controller in determining the amounts to be allocated  
28 under Sections 34183 and 34188 for a prior six-month period shall  
29 be applied as adjustments to the property tax and passthrough  
30 amounts in subsequent periods as they become known. County  
31 auditor-controllers shall not delay payments under this part to  
32 successor agencies or taxing entities based on pending  
33 transactions, disputes, or for any other reason, other than a court  
34 order, and shall use the Recognized Obligation Payment Schedule  
35 approved by the Department of Finance and the most current data  
36 for passthroughs and property tax available prior to the statutory  
37 distribution dates to make the allocations required on the dates  
38 required.

39 SEC. 29. Section 34187 of the Health and Safety Code is  
40 amended to read:

New distribution timeline for amounts listed on ROPS

County auditor-controllers shall not delay payments to successor agencies or taxing entities for reasons other than a court order

1 34187. (a) (1) Commencing May 1, 2012, whenever a  
 2 recognized obligation that had been identified in the Recognized  
 3 Payment Obligation Schedule is paid off or retired, either through  
 4 early payment or payment at maturity, the county auditor-controller  
 5 shall distribute to the taxing entities, in accordance with the  
 6 provisions of the Revenue and Taxation Code, all property tax  
 7 revenues that were associated with the payment of the recognized  
 8 obligation.

9 (2) *Notwithstanding paragraph (1), the Department of Finance*  
 10 *may authorize a successor agency to retain property tax that*  
 11 *otherwise would be distributed to affected taxing entities pursuant*  
 12 *to this subdivision, to the extent the department determines the*  
 13 *successor agency requires those funds for the payment of*  
 14 *enforceable obligations. Upon making a determination, the*  
 15 *department shall provide the county auditor-controller with*  
 16 *information detailing the amounts that it has authorized the*  
 17 *successor agency to retain. Upon determining the successor agency*  
 18 *no longer requires additional funds pursuant to this subdivision,*  
 19 *the department shall notify the successor agency and the county*  
 20 *auditor-controller. The county auditor-controller shall then*  
 21 *distribute the funds in question to the affected taxing entities in*  
 22 *accordance with the provisions of the Revenue and Taxation Code.*

23 (b) *When all of the debt of a redevelopment agency has been*  
 24 *retired or paid off, the successor agency shall dispose of all*  
 25 *remaining assets and terminate its existence within one year of*  
 26 *the final debt payment. When the successor agency is terminated,*  
 27 *all passthrough payment obligations shall cease and no property*  
 28 *tax shall be allocated to the Redevelopment Property Tax Trust*  
 29 *Fund for that agency.*

30 SEC. 30. *Section 34188 of the Health and Safety Code is*  
 31 *amended to read:*

32 34188. For all distributions of property tax revenues and other  
 33 moneys pursuant to this part, the distribution to each taxing entity  
 34 shall be in an amount proportionate to its share of property tax  
 35 revenues in the tax rate area in that fiscal year, as follows:

36 (a) (1) For distributions from the Redevelopment Property Tax  
 37 Trust Fund, the share of each taxing entity shall be applied to the  
 38 amount of property tax available in the Redevelopment Property  
 39 Tax Trust Fund after deducting the amount of any distributions  
 40 under paragraphs (2) and (3) of subdivision (a) of Section 34183.

Successor agency terminates its  
 existence within one year of final debt  
 payment

1 (2) For each taxing entity that receives passthrough payments,  
 2 that agency shall receive the amount of any passthrough payments  
 3 identified under paragraph (1) of subdivision (a) of Section 34183,  
 4 in an amount not to exceed the amount that it would receive  
 5 pursuant to this section in the absence of the passthrough  
 6 agreement. However, to the extent that the passthrough payments  
 7 received by the taxing entity are less than the amount that the  
 8 taxing entity would receive pursuant to this section in the absence  
 9 of a passthrough agreement, the taxing entity shall receive an  
 10 additional payment that is equivalent to the difference between  
 11 those amounts.

12 (b) Property tax shares of local agencies shall be determined  
 13 based on property tax allocation laws in effect on the date of  
 14 distribution, without the revenue exchange amounts allocated  
 15 pursuant to Section 97.68 of the Revenue and Taxation Code, and  
 16 without the property taxes allocated pursuant to Section 97.70 of  
 17 the Revenue and Taxation Code.

18 (c) The total school share, including passthroughs, shall be the  
 19 share of the property taxes that would have been received by school  
 20 entities, as defined in subdivision (f) of Section 95 of the Revenue  
 21 and Taxation Code, in the jurisdictional territory of the former  
 22 redevelopment agency, including, but not limited to, the amounts  
 23 specified in Sections 97.68 and 97.70 of the Revenue and Taxation  
 24 Code.

25 (d) *This section shall not be construed to increase any*  
 26 *allocations of excess, additional, or remaining funds that would*  
 27 *otherwise have been allocated to cities, counties, cities and*  
 28 *counties, or special districts pursuant to clause (i) of subparagraph*  
 29 *(B) of paragraph (4) of subdivision (d) of Section 97.2, clause (i)*  
 30 *of subparagraph (B) of paragraph (4) of subdivision (d) of Section*  
 31 *97.3, or Article 4 (commencing with Section 98) of Chapter 6 of*  
 32 *Part 0.5 of Division 1, of the Revenue and Taxation Code, had this*  
 33 *section not been enacted.*

34 SEC. 31. Section 34189 of the Health and Safety Code is  
 35 amended to read:

36 34189. (a) Commencing on the effective date of this part, all  
 37 provisions of the Community Redevelopment Law that depend on  
 38 the allocation of tax increment to redevelopment agencies,  
 39 including, but not limited to, Sections 33445, 33640, 33641, 33645,  
 40 and subdivision (b) of Section 33670, shall be inoperative, except

1 as those sections apply to a redevelopment agency operating  
2 pursuant to Part 1.9 (commencing with Section 34192).

3 ~~(b) The California Law Revision Commission shall draft a  
4 Community Redevelopment Law cleanup bill for consideration  
5 by the Legislature no later than January 1, 2013.~~

6 ~~(e)~~

7 (b) To the extent that a provision of Part 1 (commencing with  
8 Section 33000), Part 1.5 (commencing with Section 34000), Part  
9 1.6 (commencing with Section 34050), and Part 1.7 (commencing  
10 with Section 34100) conflicts with this part, the provisions of this  
11 part shall control. Further, if a provision of Part 1 (commencing  
12 with Section 33000), Part 1.5 (commencing with Section 34000),  
13 Part 1.6 (commencing with Section 34050), or Part 1.7  
14 (commencing with Section 34100) provides an authority that the  
15 act adding this part is restricting or eliminating, the restriction and  
16 elimination provisions of the act adding this part shall control.

17 ~~(f)~~

18 (c) It is intended that the provisions of this part shall be read in  
19 a manner as to avoid duplication of payments.

20 SEC. 32. Section 34189.1 is added to the Health and Safety  
21 Code, to read:

22 34189.1. No party, public or private, may pursue, nor does a  
23 court have jurisdiction over, a validation action with respect to  
24 any action of a redevelopment agency or a successor agency to a  
25 redevelopment agency that took place on or after January 1, 2011,  
26 unless the Department of Finance and the Controller, representing  
27 interests of the State of California and each of the taxing entities  
28 who could be affected financially by the action, has been properly  
29 noticed. All actions shall be filed in the County of Sacramento.

30 SEC. 33. Section 34189.2 is added to the Health and Safety  
31 Code, to read:

32 34189.2. A successor agency or any party to an enforceable  
33 obligation as defined under this part shall properly notice the state  
34 with respect to a validation action involving any enforceable  
35 obligation or matter of title to an asset that belonged to a  
36 redevelopment agency. For such an action to be properly filed,  
37 both the Controller and the Director of Finance shall be noticed  
38 and actions shall be filed in the County of Sacramento.

39 SEC. 34. Section 34189.3 is added to the Health and Safety  
40 Code, to read:

Pursuing a validation action for  
redevelopment or successor agency  
actions that took place after Jan. 1, 2011

Providing notice on validation actions  
involving enforceable obligations or  
assets

1 34189.3. An action contesting any act taken or determinations  
2 or decisions made pursuant to this part or Part 1.8 (commencing  
3 with Section 34161) may be brought in superior court and shall  
4 be filed in the County of Sacramento.

5 SEC. 35. Chapter 9 (commencing with Section 34191.1) is  
6 added to Part 1.85 of Division 24 of the Health and Safety Code,  
7 to read:

8  
9 **CHAPTER 9. POSTCOMPLIANCE PROVISIONS**

Post-Compliance Provisions

10  
11 34191.1. The provisions of this chapter shall apply to a  
12 successor agency upon that agency's receipt of a finding of  
13 completion by the Department of Finance pursuant to Section  
14 34179.7.

15 34191.3. Notwithstanding Section 34191.1, the requirements  
16 specified in subdivision (e) of Section 34177 and subdivision (a)  
17 of Section 34181 shall be suspended, except as those provisions  
18 apply to the transfers for governmental use, until the Department  
19 of Finance has approved a long-range property management plan  
20 pursuant to subdivision (b) of Section 34191.5, at which point the  
21 plan shall govern, and supersede all other provisions relating to,  
22 the disposition and use of the real property assets of the former  
23 redevelopment agency. If the department has not approved a plan  
24 by January 1, 2015, subdivision (e) of Section 34177 and  
25 subdivision (a) of Section 34181 shall be operative with respect  
26 to that successor agency.

A DOF-approved long-range property management plan will govern the disposition and use of real property assets

27 34191.4. The following provisions shall apply to any successor  
28 agency that has been issued a finding of completion by the  
29 Department of Finance:

30 (a) All real property and interests in real property identified in  
31 subparagraph (C) of paragraph (5) of subdivision (c) of Section  
32 34179.5 shall be transferred to the Community Redevelopment  
33 Property Trust Fund of the successor agency upon approval by  
34 the Department of Finance of the long-range property management  
35 plan submitted by the successor agency pursuant to subdivision  
36 (b) of Section 34191.7 unless that property is subject to the  
37 requirements of any existing enforceable obligation.

Transferring real property and interests to the Community Redevelopment Property Trust Fund

38 (b) (1) Notwithstanding subdivision (d) of Section 34171, upon  
39 application by the successor agency and approval by the oversight  
40 board, loan agreements entered into between the redevelopment

Loan agreements between the RDA and its sponsoring entity

1 agency and the city, county, or city and county that created by the  
2 redevelopment agency shall be deemed to be enforceable  
3 obligations provided that the oversight board makes a finding that  
4 the loan was for legitimate redevelopment purposes.

Loan agreements between the RDA and its sponsoring entity

5 (2) If the oversight board finds that the loan is an enforceable  
6 obligation, the accumulated interest on the remaining principal  
7 amount of the loan shall be recalculated from origination at the  
8 interest rate earned by funds deposited into the Local Agency  
9 Investment Fund. The loan shall be repaid to the city, county, or  
10 city and county in accordance with a defined schedule over a  
11 reasonable term of years at an interest rate not to exceed the  
12 interest rate earned by funds deposited into the Local Agency  
13 Investment Fund. The annual loan repayments provided for in the  
14 recognized obligations payment schedules shall be subject to all  
15 of the following limitations:

Loan repayment terms

16 (A) Loan repayments shall not be made prior to the 2013–14  
17 fiscal year. Beginning in the 2013–14 fiscal year, the maximum  
18 repayment amount authorized each fiscal year for repayments  
19 made pursuant to this subdivision and paragraph (7) of subdivision  
20 (e) of Section 34176 combined shall be equal to one-half of the  
21 increase between the amount distributed to the taxing entities  
22 pursuant to paragraph (4) of subdivision (a) of Section 34183 in  
23 that fiscal year and the amount distributed to taxing entities  
24 pursuant to that paragraph in the 2012–13 base year. Loan or  
25 deferral repayments made pursuant to this subdivision shall be  
26 second in priority to amounts to be repaid pursuant to paragraph  
27 (7) of subdivision (e) of Section 34176.

Repayment timeline

28 (B) Repayments received by the city, county or city and county  
29 that formed the redevelopment agency shall first be used to retire  
30 any outstanding amounts borrowed and owed to the Low and  
31 Moderate Income Housing Fund of the former redevelopment  
32 agency for purposes of the Supplemental Educational Revenue  
33 Augmentation Fund and shall be distributed to the Low and  
34 Moderate Income Housing Asset Fund established by subdivision  
35 (d) of Section 34176.

Maximum repayment amount

36 (C) Twenty percent of any loan repayment shall be deducted  
37 from the loan repayment amount and shall be transferred to the  
38 Low and Moderate Income Housing Asset Fund, after all  
39 outstanding loans from the Low and Moderate Income Housing

Low and Moderate Income Housing Fund and Supplemental Educational Revenue Augmentation Fund

Transfer 20% of loan repayment amounts to Low and Moderate Income Housing Asset Fund

1 Fund for purposes of the Supplemental Educational Revenue  
2 Augmentation Fund have been paid.

3 (c) (1) Bond proceeds derived from bonds issued on or before  
4 December 31, 2010, shall be used for the purposes for which the  
5 bonds were sold.

Bond proceeds

6 (2) (A) Notwithstanding Section 34177.3 or any other  
7 conflicting provision of law, bond proceeds in excess of the  
8 amounts needed to satisfy approved enforceable obligations shall  
9 thereafter be expended in a manner consistent with the original  
10 bond covenants. Enforceable obligations may be satisfied by the  
11 creation of reserves for projects that are the subject of the  
12 enforceable obligation and that are consistent with the contractual  
13 obligations for those projects, or by expending funds to complete  
14 the projects. An expenditure made pursuant to this paragraph shall  
15 constitute the creation of excess bond proceeds obligations to be  
16 paid from the excess proceeds. Excess bond proceeds obligations  
17 shall be listed separately on the Recognized Obligation Payment  
18 Schedule submitted by the successor agency.

Excess bond proceeds

List excess bond proceeds separately on  
ROPS

19 (B) If remaining bond proceeds cannot be spent in a manner  
20 consistent with the bond covenants pursuant to subparagraph (A),  
21 the proceeds shall be used to defease the bonds or to purchase  
22 those same outstanding bonds on the open market for cancellation.

23 34191.5. (a) There is hereby established a Community  
24 Redevelopment Property Trust Fund, administered by the successor  
25 agency, to serve as the repository of the former redevelopment  
26 agency's real properties identified in subparagraph (C) of  
27 paragraph (5) of subdivision (c) of Section 34179.5.

Establishment of Community  
Redevelopment Property Trust Fund

28 (b) The successor agency shall prepare a long-range property  
29 management plan that addresses the disposition and use of the  
30 real properties of the former redevelopment agency. The report  
31 shall be submitted to the oversight board and the Department of  
32 Finance for approval no later than six months following the  
33 issuance to the successor agency of the finding of completion.

Timeline for submittal of long-range  
property management plan

34 (c) The long-range property management plan shall do all of  
35 the following:

36 (1) Include an inventory of all properties in the trust. The  
37 inventory shall consist of all of the following information:

The long-range property management  
plan must include . . .

38 (A) The date of the acquisition of the property and the value of  
39 the property at that time, and an estimate of the current value of  
40 the property.

1 (B) *The purpose for which the property was acquired.*  
 2 (C) *Parcel data, including address, lot size, and current zoning*  
 3 *in the former agency redevelopment plan or specific, community,*  
 4 *or general plan.*  
 5 (D) *An estimate of the current value of the parcel including, if*  
 6 *available, any appraisal information.*  
 7 (E) *An estimate of any lease, rental, or any other revenues*  
 8 *generated by the property, and a description of the contractual*  
 9 *requirements for the disposition of those funds.*  
 10 (F) *The history of environmental contamination, including*  
 11 *designation as a brownfield site, any related environmental studies,*  
 12 *and history of any remediation efforts.*  
 13 (G) *A description of the property’s potential for transit-oriented*  
 14 *development and the advancement of the planning objectives of*  
 15 *the successor agency.*  
 16 (H) *A brief history of previous development proposals and*  
 17 *activity, including the rental or lease of property.*  
 18 (2) *Address the use or disposition of all of the properties in the*  
 19 *trust. Permissible uses include the retention of the property for*  
 20 *governmental use pursuant to subdivision (a) of Section 34181,*  
 21 *the retention of the property for future development, the sale of*  
 22 *the property, or the use of the property to fulfill an enforceable*  
 23 *obligation. The plan shall separately identify and list properties*  
 24 *in the trust dedicated to governmental use purposes and properties*  
 25 *retained for purposes of fulfilling an enforceable obligation. With*  
 26 *respect to the use or disposition of all other properties, all of the*  
 27 *following shall apply:*  
 28 (A) *If the plan directs the use or liquidation of the property for*  
 29 *a project identified in an approved redevelopment plan, the*  
 30 *property shall transfer to the city, county, or city and county.*  
 31 (B) *If the plan directs the liquidation of the property or the use*  
 32 *of revenues generated from the property, such as lease or parking*  
 33 *revenues, for any purpose other than to fulfill an enforceable*  
 34 *obligation or other than that specified in subparagraph (A), the*  
 35 *proceeds from the sale shall be distributed as property tax to the*  
 36 *taxing entities.*  
 37 (C) *Property shall not be transferred to a successor agency,*  
 38 *city, county, or city and county, unless the long-range property*  
 39 *management plan has been approved by the oversight board and*  
 40 *the Department of Finance.*

The long-range property management plan must include . . .

Permissible uses

Separately list governmental uses and properties that will be retained to fulfill enforceable obligations

Distributing revenue not used to fulfill enforceable obligations

Property transfers can only occur if the long-range property management plan is approved by oversight board and DOF

1     *SEC. 36. The Legislature finds and declares as follows:*

2     *(a) Certain provisions of Assembly Bill 26 of the 2011–12 First*  
3 *Extraordinary Session of 2011 (Ch. 5, 2011–12 First Ex. Sess.)*  
4 *are internally inconsistent, or uncertain in their meaning, with*  
5 *regard to the calculation of the amount to be paid by a county*  
6 *auditor-controller from the Redevelopment Property Tax Trust*  
7 *Fund to meet passthrough payment obligations to local agencies*  
8 *and school entities.*

9     *(b) Consistent with the statement in Section 34183 of the Health*  
10 *and Safety Code, as added by the measure identified in subdivision*  
11 *(a), that the provisions of that section are to apply*  
12 *“[n]otwithstanding any other law,” it was the intent of the*  
13 *Legislature in enacting that measure that the amount of the*  
14 *passthrough payments that are addressed by that section be*  
15 *determined in the manner specified by paragraph (1) of subdivision*  
16 *(a) of Section 34183 of the Health and Safety Code, and that the*  
17 *amount so calculated not be reduced or adjusted pursuant to the*  
18 *operation of any other provision of that measure.*

19     *SEC. 37. If any provision of this act or the application thereof*  
20 *to any person or circumstance is held invalid, the invalidity shall*  
21 *not affect other provisions or applications of this act which can*  
22 *be given effect without the invalid provision or application and to*  
23 *this end, the provisions of this act are severable.*

24     *SEC. 38. There is hereby appropriated up to twenty-two million*  
25 *dollars (\$22,000,000) from the General Fund, for allocation to*  
26 *departments by the Director of Finance in furtherance of the*  
27 *objectives of this act. Up to two million dollars (\$2,000,000) of*  
28 *this amount may be allocated to the Director of the Trial Court*  
29 *Trust Fund for allocation by the Administrative Office of the Courts*  
30 *to the Superior Court of California, County of Sacramento for*  
31 *work associated with Part 1.85 (commencing with Section 34170)*  
32 *of Division 24 of the Health and Safety Code. An allocation of*  
33 *funds approved by the Director of Finance under this item shall*  
34 *become effective no sooner than 30 days after the director files*  
35 *written notification thereof with the Chairperson of the Joint*  
36 *Legislative Budget Committee, and the chairpersons of the fiscal*  
37 *committees in each house of the Legislature, or no sooner than*  
38 *any lesser time the chairperson of the joint committee, or his or*  
39 *her designee, may in each instance determine.*

1     *SEC. 39. No reimbursement is required by this act pursuant*  
2 *to Section 6 of Article XIII B of the California Constitution because*  
3 *this act provides for offsetting savings to local agencies or school*  
4 *districts that result in no net costs to the local agencies or school*  
5 *districts, within the meaning of Section 17556 of the Government*  
6 *Code.*

7     *SEC. 40. This act is a bill providing for appropriations related*  
8 *to the Budget Bill within the meaning of subdivision (e) of Section*  
9 *12 of Article IV of the California Constitution, has been identified*  
10 *as related to the budget in the Budget Bill, and shall take effect*  
11 *immediately.*

12     ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
13 ~~changes relating to the Budget Act of 2012.~~

**LINE ITEM NOS.**

**13.3**

**14.4**

**16.4**

**17**

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March 13, 2012

Raul Romero  
 Acting City Manager  
 City of Huntington Park  
 6550 Miles Avenue  
 Huntington Park, California 90255

SUMMARY OF YOUR ACCOUNT	FEES	DISBURSEMENTS
General services performed during January, 2012	\$ 4,547.00	\$ 12.57
Adv. Plycraft Industries	\$ 33.58	\$ 21.00
LAUSD v. The County of Los Angeles	\$ 2,132.50	\$ .00
<b>Total:</b>	<b>\$ 6,713.08</b>	<b>\$ 33.57</b>
<b>Total Due Fees &amp; Disbursements:</b>	<b>\$ 6,746.65</b>	

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April 10, 2012

Raul Romero  
Acting City Manager  
City of Huntington Park  
6550 Miles Avenue  
Huntington Park, California 90255

SUMMARY OF YOUR ACCOUNT	FEES	DISBURSEMENTS
Successor Agency General services performed during February, 2012	\$ 2,802.00	\$ 15.43
LAUSD v. The County of Los Angeles	\$ 7,892.50	\$ 13.72
Total:	\$ 10,694.50	\$ 29.15
Total Due Fees & Disbursements:	\$ 10,723.65	

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BYRON MILLER

May 11, 2012

Mary Strenn  
Interim City Manager  
City of Huntington Park  
6550 Miles Avenue  
Huntington Park, California 90255

SUMMARY OF YOUR ACCOUNT	FEES	DISBURSEMENTS
Successor Agency General services performed during March, 2012	\$ 1,172.00	\$ .00
LAUSD v. The County of Los Angeles	\$ 4,135.00	\$ 93.57
Total:	\$ 5,307.00	\$ 93.57
Total Due Fees & Disbursements:	\$ 5,400.57	

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June 14, 2012

Mary Strenn  
 Interim City Manager  
 City of Huntington Park  
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SUMMARY OF YOUR ACCOUNT	FEES	DISBURSEMENTS
Successor Agency General services performed during April, 2012	\$ 3,500.00	\$ .00
LAUSD v. The County of Los Angeles	\$ 5,275.00	\$ 11.88
<b>Total:</b>	<b>\$ 8,775.00</b>	<b>\$ 11.88</b>
<b>Total Due Fees &amp; Disbursements:</b>	<b>\$ 8,786.88</b>	

12548-0001/1292127.1



September 19, 2005

**TO:** Chairperson Romo and Members of the Community Development Commission

**FROM:** Gregory D. Korduner, Executive Director *GDK*

**SUBJECT: RECOMMENDATION THAT THE CDC BOARD APPROVE AN AGREEMENT FOR LEGAL SERVICES BETWEEN THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK AND RICHARDS, WATSON & GERSHON, A PROFESSIONAL CORPORATION, AND AUTHORIZE THE CHAIR AND EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT**

On July 5, 2005 the CDC Board authorized staff to issue request for proposals for a permanent CDC Attorney. The deadline for submission of proposals to the Executive Director was August 8, 2005. Of the eighteen RFP's that were distributed, the following seven (7) legal firms submitted proposals:

Alvarez-Glassman & Colvin  
Best, Best & Krieger  
Burke, Williams & Sorensen  
Goldfarb & Lipman  
Green, de Bortnowsky & Quintanilla  
Kane, Ballmer and Berkman  
Richards, Watson & Gershon

Also, the law firm, Rutan and Tucker, sent a letter thanking the CDC for inviting them to submit a proposal and declined to apply. They indicated they would very much like to be considered for specialized legal services in transactional and litigation matters in the future.

At the August 15<sup>th</sup> meeting, the CDC Board directed staff to evaluate the seven proposals and interview the top firms. Staff developed a matrix based upon the requirements of the RFP to assist in the evaluation process and ranked all seven firms. Rankings were based on the firms' years of experience, including the redevelopment experience of the firm's proposed Attorney team, level of internal resources, office location and accessibility, qualifications and fees or fee structure.

On August 25<sup>th</sup> and August 29<sup>th</sup> staff interviewed the top five firms. The interview panel consisted of the City Manager Gregory Korduner, Community Development Director Henry Gray, Assistant to the City Manager Alan Shear and Community Development Analyst Jesus Gomez also assisted with some of the interviews. After the interviews, staff agreed on the following rankings of the top five firms:

1. Richards, Watson & Gershon
2. Kane, Ballmer and Berkman
3. Alvarez-Glasman & Colvin
4. Burke, Williams & Sorensen
5. Goldfarb & Lipman

On September 6, 2005, staff reported its assessment to the CDC that any of the top three ranked firms would perform well as CDC Attorneys. Staff further recommended to appoint Richards, Watson & Gershon as CDC attorneys based upon a combination of the firm's lengthy experience with redevelopment, the many redevelopment agencies which are currently their clients, their in-house capabilities in specialty areas such as eminent domain and environmental matters, and the proposed fee structure which would provide a discounted rate of \$200 per hour for most matters. The CDC then approved a motion to appoint the firm Richards, Watson & Gershon as the CDC Attorneys. Attached herewith is an Agreement for Legal Services between the Community Development Commission of the City of Huntington Park and Richards, Watson & Gershon which staff is recommending be approved at this time.

**RECOMMENDATION: STAFF RECOMMENDS THAT THE CDC BOARD APPROVE AN AGREEMENT FOR LEGAL SERVICES BETWEEN THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK AND RICHARDS, WATSON & GERSHON, A PROFESSIONAL CORPORATION, AND AUTHORIZE THE CHAIR AND EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT**

Attachments: Agreement for Legal Services

AGREEMENT FOR LEGAL SERVICES BETWEEN THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK AND RICHARDS, WATSON & GERSHON, A PROFESSIONAL CORPORATION

THIS AGREEMENT is entered into between the Community Development Commission of the City of Huntington Park ("Commission") and the law firm of Richards, Watson & Gershon, a professional corporation, ("Law Firm").

WHEREAS, the Commission wishes to retain Law Firm to discharge the duties of the office of Commission Attorney and to designate a member of Law Firm as Commission Attorney of the Commission; and

WHEREAS, Law Firm is qualified to, and proposes to provide such legal services and discharge the duties of Commission Attorney;

The parties agree as follows:

1. Term. This Agreement shall commence as of September 6, 2005.

Notwithstanding the foregoing, either party hereto may terminate this Agreement without cause by giving thirty (30) days prior written notice to the other. In the case of such termination Commission shall, as applicable, compensate Law Firm in full for all legal services rendered prior to termination.

2. General Commission Attorney Services. Law Firm shall discharge the duties of the office of Commission Attorney and shall use its best efforts to provide all required legal services in a professional, thorough, and competent manner. Attorney shall provide all necessary legal services to Commission unless specifically exempted by this Agreement or specifically excused in writing by Commission or Commission Executive Director. General Commission Attorney Services shall include the following tasks:

a. Provide routine legal advice, consultation and opinions to the Commission and staff on areas such as: land use, CEQA, general redevelopment and real estate law, and Brownfields legislation and law;

b. Review Commission agendas, staff reports, attend all Commission meetings and staff meetings as requested, unless excused therefrom by the Commission Executive Director;

c. Prepare redevelopment resolutions, ordinances, routine consultant agreements, routine redevelopment agreements (e.g., first time home buyer or residential rehabilitation agreements), and related documents;

d. Prepare routine purchase, sale or lease agreements;

e. Research new legislation and provide written summary to Commission as directed by Commission staff; and

f. Respond to legal questions on behalf of the Commission.

Roxanne M. Diaz shall be designated as Commission Attorney and primary attorney responsible to the Commission. Michael Estrada shall be designated as primary Assistant Commission Attorney. Ms. Diaz shall assign other lawyers in the firm to work on Commission matters on an as-needed basis.

3. Special Services. The following services shall be considered Special Services and not General Commission Attorney Services:

a. Negotiation and drafting of Disposition and Development, Owner Participation, and Affordable Housing Agreements (except as described under paragraph "2c" of this Agreement);

b. Other real estate transactions, which, in the determination of the Executive Director of the Commission, involve complexities, not present in the routine purchase, sale, or lease of real property;

c. Environmental and hazardous waste matters;

d. Property acquisition, which shall include legal advice, consultation and opinions, other than routine purchase transactions, pre-acquisition work, relocation work, relocation appeals to a relocation appeals board if any;

e. Litigation services including but not limited to eminent domain, in court proceedings and proceedings in non-judicial settings such as administrative adjudications and alternative dispute resolution proceedings ("Litigation Special Services"); and

f. Public finance matters such as bond issues; ("Public Finance Special Services").

4. Fees for Services.

a. **General Commission Attorney Services.**

(i) Law Firm shall be paid a composite rate of \$200.00 per hour for all attorneys. All such time shall be billed in one-tenth (1/10) hour increments.

b. **Special Services.**

(ii) **Special Services.** For all Special Services (other than Litigation Special Services or Public Finance Special Services) rendered by Law Firm pursuant to this Agreement, Law Firm shall be paid at the composite rate of \$250 per hour for shareholders, \$225 per hour for senior attorneys/of counsel, and \$195 per associates. All such time shall be billed in one-tenth (1/10) hour increments.

(iii) **Litigation Special Services.** For all Litigation Special Services rendered by Law Firm pursuant to this Agreement, Law Firm shall be paid Law Firm's then-current standard hourly rates for the attorney providing such service, discounted by fifteen percent (15%). All such time shall be billed in one-tenth (1/10) hour increments.

(iv) **Public Finance Special Services** rates will be negotiated per transaction at industry standards. Such shall not be subject to this Agreement.

c. **Third Party Payment.** For all services rendered by Law Firm pursuant to this Agreement and where payment for such services will be passed through to a third party, Law Firm shall be paid Law Firm's then current standard hourly rates for the attorney providing such service.

4. Conflicts of Interest. Law Firm shall comply with all applicable laws and professional rules and standards relating to any known conflict of interest involving matters upon which Law Firm is providing services under this Agreement. Law Firm shall not reveal confidential or secret information of the Commission except with the consent of the Commission or as otherwise required by law.

Law Firm shall notify Commission of any known conflict of interest related to matters upon which Law Firm is providing services under this Agreement. In the event that such conflict is not or cannot be waived, Law Firm shall assist and cooperate with separate services provided by outside legal counsel retained by Commission on the matter for which the conflict arose.

5. Billing of Services. Law Firm shall provide to Commission a monthly billing for the services provided, the time spent providing those services, and costs incurred in the form customarily supplied by Law Firm to public agency clients being billed on an hourly

basis. Commission shall process and cause such billings to be paid promptly, typically within thirty (30) days of receipt.

6. Supplies, Equipment and Support Staff. Law Firm shall provide all supplies, library facilities, clerical and support staff necessary to provide the services under this Agreement.

7. Costs and Expenses. Commission shall pay, upon submission of an appropriate invoice, out-of-pocket costs incurred by Law Firm for duplication at \$.15 cents per page, fax charges at one dollar (\$1.00) per page, filing fees, electronic legal research, long-distance telephone charges, ordinary and necessary business travel expenses outside of Los Angeles County, and any other extraordinary expenses reasonably incurred by Attorney in performing its services.

8. Files. All legal files of Law Firm pertaining to Commission shall be and remain the property of Commission. Law Firm shall control the physical location of such legal files during the term of this Agreement. Law Firm shall comply with Commission's records retention policy and the California Public Records Act, as applicable.

9. Indemnification. Law Firm agrees to indemnify, defend and hold harmless the Community Development Commission of the City of Huntington Park, its officers, agents and employees from any and all claims or losses arising from the wrongful or negligent action or inaction of Law Firm or any person employed by Law Firm in the performance of this Agreement.

10. Insurance.

a. Law Firm shall maintain at all times during the term of this Agreement policies of insurance with at least the minimum coverage specified below:

(1) Public liability insurance with a combined single limit of not less than One Million Dollars (\$1,000,000).

(2) Workers' compensation coverage in compliance with California law.

(3) Professional liability coverage with a minimum limit of liability of Two Million Dollars (\$2,000,000.00) per claim and Four Million Dollars (\$4,000,000.00) in the aggregate, providing coverage for any damages or losses suffered by Commission as a result of any error or omission or neglect by Law Firm which arises out of the professional services required by this Agreement. Such insurance may be subject to a self-insured retention or deductible to be borne entirely by Law Firm, which shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) per claim.

b. All such policies of insurance specified above shall:

(1) Provide minimum thirty (30) days notice of cancellation, said notice to be provided by insurer, and

(2) Be maintained in full force and effect throughout the term of this Agreement.

(3) Be placed with insurance carriers with an A.M. Best rating of no less than A:VII or otherwise acceptable to Commission.

11. Independent Contractor. No employment relationship is created by this Agreement. Attorney shall be an independent contractor of Commission, except that at all times providing services under the Agreement, Law Firm's employees shall be acting as public officials.

12. Integration. This Agreement shall constitute the full and complete agreement of the parties and shall supersede any other written or oral statements of either party. All previous written agreements between the Commission and Law Firm for legal services are hereby superseded. Any modification of this Agreement will be effective only if it is in writing and executed by Commission and Law Firm.

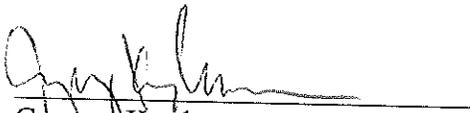
13. Arbitration. In the event of any dispute between the parties over legal fees, such dispute shall be submitted to binding arbitration. In the event the parties are unable to agree upon an arbitrator, an arbitrator shall be selected through the American Arbitration Association. In any such matter, the prevailing party shall be entitled to recover its reasonable costs and attorney's fees.

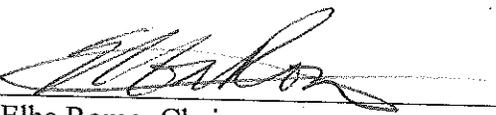
14. Attorney Fees. In the event that the Commission or Law Firm institute any action or proceeding in court or through arbitration to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to receive from the losing party all reasonable attorneys' fees and all court and/or arbitration costs in connection with said proceeding.

Executed this 20 day of September, 2005, at Huntington Park, California.

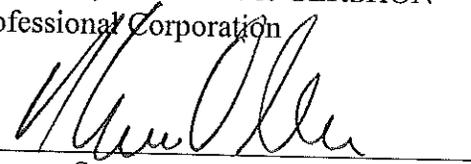
ATTEST:

CITY OF HUNTINGTON PARK  
COMMUNITY DEVELOPMENT  
COMMISSION

  
Gregory Korduner  
Executive Director

By:   
Elba Romo, Chair

RICHARDS, WATSON & GERSHON  
A Professional Corporation

By:   
Kayser Sume  
Chairman of the Board



355 South Grand Avenue, 40th Floor, Los Angeles, California 90071-3101  
Telephone 213.626.8484 Facsimile 213.626.0078

August 8, 2005

RICHARD RICHARDS  
(1916-1988)

GLENN R. WATSON  
(RETIRED)

HARRY L. GERSHON  
(RETIRED)

**VIA MESSENGER**

CDC Attorney Recruitment  
Gregory Korduner, Executive Director  
City of Huntington Park  
Community Development Commission  
6550 Miles Avenue  
Huntington Park, California 90255

Re: Proposal to Provide Community Development Commission  
Attorney Services

Dear Mr. Korduner:

After serving as the Commission's Interim Counsel, we are pleased to submit Richards, Watson & Gershon's proposal to provide legal services to the Community Development Commission of the City of Huntington Park. We are excited at the prospect of making our relationship to the Commission permanent and believe the firm can provide the highest quality legal services as the Commission and City embark on a number of exciting revitalization projects.

We have structured this letter proposal to first describe the firm's redevelopment practice, to then discuss the proposed attorneys' redevelopment experience, and finally to respond to other questions asked in the Request for Proposal ("RFP"). The firm biographies, list of public law clients and areas of practice are attached as Exhibits A-C to this proposal.

\* \* \* \*

**Firm Experience**

The firm serves as legal counsel to a number of redevelopment agencies throughout the State, including (in alphabetical order) those in Adelanto, Agoura Hills, Artesia, Blythe, Brea, Buena Park, Calimesa, Coachella, Compton, Fairfield, Highland, Industry-Urban Development Agency, Manteca, Morgan Hill, Norwalk, Palm

- DAROLD D. PIEPER
- STEVEN L. DORSEY
- WILLIAM L. STRAUSZ
- MITCHELL E. ABBOTT
- GREGORY W. STEPANICICH
- ROCHELLE BROWNE
- WILLIAM B. RUDELL
- QUINN M. BARROW
- CAROL W. LYNCH
- GREGORY M. KUNERT
- THOMAS M. JIMBO
- ROBERT C. CECCON
- STEVEN H. KAUFMANN
- GARY E. GANS
- JOHN J. HARRIS
- KEVIN G. ENNIS
- ROBIN D. HARRIS
- MICHAEL ESTRADA
- LAURENCE S. WIENER
- STEVEN R. ORR
- B. TILDEH KIM
- SASKIA T. ASAHURA
- KAYSER O. SUME
- PETER M. THORSON
- JAMES L. MARKMAN
- CRAIG A. STEELE
- T. PETER PIERCE
- TERENCE R. BOGA
- LISA BOND
- JANET E. COLESON
- ROXANNE M. DIAZ
- JIM G. GRAYSON
- ROY A. CLARKE
- WILLIAM P. CURLEY III
- MICHAEL F. YOSHIBA
- REGINA N. DANNER
- MARGUERITE P. BATTERSBY
- AMY GREYSON
- DEBORAH R. HAKMAN
- D. CRAIG FOX
- ROBERT H. PITTMAN
- PAULA GUTIERREZ BAEZA
- TERESA HO-URANO
- OWEN P. GROSS
- JIM R. KARPIAK
- ALEXANDER ABBE
- MICHAEL P. COYNE
- DIANA K. CHUANG
- PATRICK K. BOBKO
- DANIEL R. GARCIA
- EZRA J. REINSTEIN
- SONALI SARKAR JANDIAL
- DAVID M. SNOW
- LOLLY A. ENRIQUEZ
- G. INDER KHALSA
- BRUCE G. MCCARTHY
- MATTHEW B. FINNIGAN
- GINETTA L. GIOVINCO
- TRISHA ORTIZ
- CANDICE K. LEE
- MARICELA E. MARROQUIN
- BRIAN D. MABEE

OF COUNSEL  
MARK L. LAMKEN  
SAYRE WEAVER  
WILLIAM K. KRAMER  
BRUCE W. GALLOWAY

SAN FRANCISCO OFFICE  
TELEPHONE 415-421.8484

ORANGE COUNTY OFFICE  
TELEPHONE 714-990.0901

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Desert, Rancho Cucamonga, Rancho Palos Verdes, San Fernando, Seal Beach, South El Monte, South Lake Tahoe, Temecula, Whittier, Upland and Yucaipa. We also provide redevelopment legal services to the Pasadena and West Hollywood Community Development Commissions. The following paragraphs discuss the firm's expertise in the areas of redevelopment, including affordable housing, real estate and eminent domain.

Redevelopment

The firm has extensive experience in all facets of redevelopment law, including negotiating and drafting disposition and development agreements, owner participation agreements, and related redevelopment agreements for major developments such as regional shopping malls, hotels, auto malls and multiplex motion picture theaters. For example, the firm was recently engaged as special counsel to the City of Seaside and its Redevelopment Agency in the land use entitlement and the negotiation of a disposition and development agreement for a \$217,000,000 million project which will include a resort hotel, timeshare units, a single family residence development and a golf course. We also served as special counsel to the Pasadena Development Commission in negotiations for the redevelopment of Paseo Colorado, a \$140,000,000 million mixed-use retail and residential project in the heart of Pasadena.

As the Commission embarks on the El Centro de Huntington Park Regional Shopping Center Redevelopment Project, we believe that the above demonstrates the firm has the expertise (under one organization) to assist the Commission in this complex transaction. For example, in addition to the assistance of Mike Estrada and Roxanne Diaz, this project requires the expertise of eminent domain, land use and environmental counsel. Our attorneys in those practice groups will be consulted as appropriate. Currently, we are working with staff to assess the El Centro project in order to finalize the El Centro disposition and development agreement as well as assisting staff, as requested, with the various other projects undertaken by the Commission.

The firm provides day-to-day advice and counsel to members of the governing board and staff of our many redevelopment agency clients. From time to time, we are also called upon to review their state mandated reports for legal compliance. In our roles

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as City Attorney, Agency Counsel and Special Counsel to numerous cities and redevelopment agencies, we work on redevelopment implementation activities of varying sizes (from rehabilitation loans for affordable housing to complex real estate transactions involving hotels and regional shopping malls) on a daily basis. We provide advice regularly on the adoption, amendment and implementation of redevelopment plans.

Our firm has drafted the necessary notices, resolutions and ordinances and supervised the proceedings, step-by-step as taken, for the adoption of redevelopment plans and significant amendments to redevelopment plans (such as adding territory, merging project areas or increasing plan limits) for numerous redevelopment agencies.

Our involvement has included all aspects of the plan adoption and amendment proceedings, including participating in consultations with taxing agencies, project area committee elections and meetings, reviewing the text of the redevelopment plan or amendment, reports to city councils, feasibility reports and environmental documents, drafting or reviewing all required resolutions, notices and documents, such as EIRs, implementation plans and methods of relocation, drafting written responses to written objections, drafting adopting ordinances, and attending city council, Commission\Agency and planning commission meetings and community workshops. The firm maintains a library of documents in connection with these and other municipal topics to minimize redundant research and provide services cost effectively.

Our practice is to monitor and oversee all required steps to ensure the timely and defensible adoption of plans and amendments. It is imperative that plans and amendments are adopted in compliance with the applicable legal procedures and that substantial evidence exists to support the findings required to be contained in the adopting ordinance, including findings regarding the presence of blight and urbanization. To help ensure the validity of plans and amendments, we customarily are involved in the proceedings from the very beginning, including participating in scoping meetings, helping Commission\Agency staff to develop a legal strategy and a time line, and reviewing any feasibility studies, CEQA initial studies, and the status of the city's General Plan. Throughout the process, we work closely with staff and any outside consultants. In addition, on an ongoing basis, we would advise

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the Commission regarding related issues, such as conflicts of interest and required disclosures of economic interests of Commission board members. Because we routinely deal with these issues at the advisory level and in litigation, we have developed a level of shared knowledge and experience that is beneficial to our clients.

We regularly advise clients on general issues related to redevelopment, including statutory pass-through payments to affected taxing agencies, agency administrative and reporting requirements, such as the annual budget and annual report, the five-year implementation plan, affordable housing replacement and production requirements, and relocation. In addition to our role as Commission\Agency legal counsel and as bond counsel, the firm has been involved in a wide variety of financings of many different redevelopment projects.

We have extensive experience in all aspects of property acquisition and disposition, including acquiring property by eminent domain and have been involved in negotiations, and drafting required documents, including summary reports and resolutions making the required findings.

Our attorneys have broad expertise in litigation, environmental site assessment and remediation, administrative proceedings and regulatory compliance matters. The firm regularly advises public entity and private sector clients on the impact of environmental laws on the acquisition, sale, financing and leasing of property. We have also represented public agencies, property owners and tenants in negotiations for the remediation of properties, and have assisted in the oversight of numerous environmental remediation projects. Among these projects have been the environmental aspects of the property acquisition and construction for the Los Angeles to Pasadena Metro Blue Line Construction Authority, oversight of the remediation of a public park which had been contaminated through its prior use as a military facility, and oversight on behalf of a city of the remediation of a former tank farm for commercial/residential development.

#### *Affordable Housing*

We regularly advise redevelopment agency clients on affordable housing matters including relocation, land use, entitlements and other specialized low and moderate

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income housing matters. We also have enforced regulatory agreements relating to owner and tenant occupancy restrictions on rental and ownership programs.

We have experience preparing and reviewing all types of transactions involving affordable housing, including loan documents for financing low and moderate income housing including acquisition, redevelopment, construction and permanent loans, assumption and subordination agreements, security instruments and other necessary documentation. We have negotiated these transactions, prepared intercreditor agreements between various joint construction lenders regarding disbursements, inspections and other related issues and providing advice and document drafting with respect to funding restrictions on the Low and Moderate Income Housing Fund, HOME Investment Partnerships Program (HOME), Community Development Block Grant (CDBG), Urban Development Action Grant (UDAG), Brownfields (Superfund Amendment and Reauthorization Act of 1986), Polanco Act and Economic Development Administration (EDA), grants, tax credits, economic development projects, government loan and grant programs with nonprofit and other entities as may be necessary in the acquisition, construction, or rehabilitation of affordable housing.

*Eminent Domain*

We represent our clients in the pre-acquisition and acquisition phases of eminent domain proceedings as well as in court, prosecuting these actions. We are well-versed in the complex law regulating pre-acquisition procedures, including relocation, property negotiations, and CEQA compliance. It has been our experience that many issues raised during eminent domain court proceedings are directly related to problems that were not fully addressed during the pre-acquisition phase of the process. We have thus developed a team approach to the pre-acquisition phase of eminent domain proceedings, working closely with staff to address everything from relocation problems to staff reports for hearings on resolutions of necessity. Attached as Exhibit D to this proposal is a list of some eminent domain matters the firm has handled over the past ten years.

In connection with the Commission's current activities, Regina Danner has been working with Commission staff. For example, we have provided "form" letters related to pre-acquisition procedures to be used by Staff. Once such forms are in

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place, our review of these items is drastically reduced and assists the Commission in keeping attorney costs at a minimum.

### **Requested Information**

- 1. Please provide an employment history (past ten years) for the individual to be designated CDC Attorney as well as for any individual who may provide attorney services. Include:**
  - a. Name of individual.**
  - b. Name of firm/city/agency.**
  - c. Length of employment.**
  - d. Specialization.**
  
- 2. Please describe the qualifications for the individual to be designated CDC Attorney as well as the backup individual providing CDC legal services. This should include:**
  - a. Legal training and years of practice (including date of admittance to California Bar).**
  - b. Years of redevelopment or other local public sector law practice as a full-time local government attorney and/or private law office specialization in local government.**
  - c. Knowledge of and experience with California Municipal Law.**
  - d. Knowledge of, and experience with, Community Redevelopment Law of the State of California.**
  - e. Years and statement of other types of clientele represented.**
  - f. Litigation/condemnation experience (types of cases).**
  - g. Intended office location and accessibility to the CDC.**
  - h. List five professional and five personal references.**
  - i. Scholastic honors and professional affiliation.**
  - j. Knowledge of redevelopment plan adoption process.**
  - k. Knowledge of agency annual report requirements.**
  - l. Knowledge of real estate law, escrow procedures, and escrow documents.**
  - m. Knowledge of property acquisition and tenant relocation law.**

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- n. **Knowledge of eminent domain and its process.**
- o. **Knowledge of property disposition.**
- p. **Knowledge of land sale proceeds and lease revenues.**
- q. **Knowledge of Low and Moderate Income Housing requirements.**
- r. **Knowledge of public financing, including tax increment bonds, certificates of participation, community facilities districts.**
- s. **Knowledge of Community Development Block Grant requirements established by the Federal Housing and Urban Development Department.**
- t. **Knowledge of sales and use tax financing.**
- u. **Knowledge of CDC indebtedness.**
- v. **Knowledge of Polanco Act and Brownfields redevelopment.**
- w. **Knowledge of Brown Act.**
- x. **Knowledge of Conflict of Interest laws.**
- y. **Knowledge of CEQA and environmental issues as it relates to redevelopment projects and programs.**

**Attorneys Proposed**

At present, Roxanne Diaz is serving as the Interim Commission Counsel and is being primarily assisted by Michael Estrada. Staff has been working with both Roxanne and Michael on a regular basis during the interim period. We propose that Roxanne and Michael continue in those roles. The other members of the Huntington Park team are as follows: Regina Danner as eminent domain counsel, and John Harris as environmental counsel. Regina is a shareholder in the firm's eminent domain practice group and has been called upon during this interim period to provide staff with advice on pre-acquisition and acquisition matters for the El Centro project and other matters. John Harris is a shareholder in the firm's environmental department. In addition, although we have not listed their names on this proposal, all of the attorneys at the firm, including municipal attorneys, finance attorneys, environmental attorneys and litigators, will be available to offer assistance to the Commission as required. This is especially important as the Commission has several large projects in the pipeline (El Centro and Alameda Corridor of Cars). For example, the El Centro project has a variety of issues (Polanco Act, relocation, property acquisition, CEQA, land use) and we anticipate calling upon the expertise of the firm's lawyers in those fields. We believe it is a benefit to the Commission

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that the firm can provide this level of expertise under one organization. This reduces the expenses by reducing "start-up" time and increasing coordination among counsel on various projects.

**Roxanne M. Diaz:**

Roxanne obtained her B.A. from California State University, Fullerton in 1992 and her J.D. from University of California, Hastings College of Law in 1995 and has been practicing law in the firm's Public Law Department for ten years. She was admitted to the California Bar in 1995 and is admitted to practice in the United States District Court, Central District of California.

Roxanne is a shareholder in the Public Law Department and the Assistant Department Chair. In addition to her current role as Interim Commission Counsel, Roxanne is the General Counsel to the HUB Cities Consortium and Chief Assistant City Attorney for the City of Beverly Hills. She is also the Planning Commission attorney for the City of Norwalk. She was formerly the Assistant City Attorney in the Cities of Monrovia and La Puente. She specializes in advising clients on public law matters, including land use, CEQA, the Brown Act, conflict of interest laws and the Public Records Act. She has been a frequent speaker on the issue of community care facilities, housing issues and general public law fundamentals.

Roxanne has also worked on a variety of redevelopment matters over the years. Early in her career, Roxanne was part of the eminent domain team that assembled parcels in the City of Palm Desert for a golf course development. She also assisted the firm's litigation lawyers against a legal challenge to a client's proposed merger of project areas. More recently, Roxanne attends redevelopment agency meetings for a number of the firm's clients, drafts resolutions, drafts agreements, reviews redevelopment plans and associated environmental issues for the adoption of those plans, and provides land use and CEQA assistance to the firm's practice group on various large-scale redevelopment projects.

Roxanne is a member of the Los Angeles County Bar Association, the Mexican-American Bar Association, the Latina Lawyers Association and the Westside Urban Forum. She has been involved with the Southwest Voter Registration Education Project, Habitat for Humanity and serves as a mentor for CATCH (Caring Adults

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Teaching Children How), a Los Angeles Unified School District mentor program in which she tutors a 2<sup>nd</sup> grade student weekly during the entire school year. She is a past member of the Steering Committee for the Hastings Latino Alumni Association and of Las Madrinan, a non-profit organization to assist an all girls continuation school in East Los Angeles. Roxanne is proficient in Spanish.

**References - Roxanne Diaz:**

**Professional references**

Ernie Garcia, City Manager  
City of Norwalk  
12700 Norwalk Boulevard  
Norwalk, California 90650  
(562) 929-5700

Jeff Kennelly, Executive Director  
Hub Cities Consortium  
2677 Zoe Avenue, Second Floor  
Huntington Park, California 90255  
(323) 586-4700

Cherie Paglia, City Manager  
City of Hidden Hills  
6165 Spring Valley Road  
Hidden Hills, California 91302  
(818) 888-9281

Alice Griselle, Director of Community Development  
City of Monrovia  
415 South Ivy Avenue  
Monrovia, California 91016  
(626) 932-5550

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Anton Dalherbruch, Deputy City Manager  
City of Beverly Hills  
455 North Rexford Drive, 2nd Floor  
Beverly Hills, California 90210  
(310) 285-1055

**Personal References**

Alice McTighe  
Senior Counsel, Legal Affairs  
Disney ABC Cable Networks Group  
3800 W. Alameda Avenue  
Burbank, California 91505  
(818) 569-7851

Robert Vinson  
McKeel/Vinson Development  
8762 Holloway Drive  
Los Angeles, California 90069  
(310) 358-0402

Balbir Bhogal  
Fragomen, Del Rey, Bernsen & Loewy, LLP  
2804 Mission College Blvd., 2nd Floor  
Santa Clara, CA 95054  
(408) 330-1107

Steven Weiss  
Weiss Engineering  
4058 Stansbury Avenue  
Sherman Oaks, California  
(818) 789-0001

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Jonise Sullivan, Associate Director  
Production Accounting  
Fox Television Studios  
2121 Ave of the Stars, Suite 460, Room 463  
Los Angeles, CA 90067  
(310) 369-1383

**Michael Estrada:**

Michael Estrada obtained his B.A. in Urban and Rural Studies from the University of California San Diego in 1979, his M.A. in Urban Planning from the University of California Los Angeles in 1981 and his J.D. from the University of California Berkeley in 1986 and has been practicing law in the firm's Public Law Department for fifteen years. He was admitted to the California Bar in 1987 and is admitted to practice in the United States District Court, Central District of California. Mike's primary area of expertise is redevelopment; he serves as special counsel to numerous redevelopment agencies.

Mike is City Attorney/Agency Counsel for the City of San Fernando and its Redevelopment Agency, and Special Counsel to the Pasadena Community Development Commission and the West Hollywood Community Development Commission for redevelopment and real estate matters. Mike also serves as General Counsel to the Los Angeles to Pasadena Metro Blue Line Construction Authority.

Mike has negotiated and drafted redevelopment transactions for a variety of commercial and residential projects. Recent transactions of note include:

On behalf of the Pasadena Community Development Commission, Mike led a team of RWG lawyers in negotiations for the redevelopment of Paseo Colorado, a \$140 million mixed-use retail and residential project in the heart of Pasadena. Roxanne Diaz assisted Mike with CEQA issues related to the project. This was an extremely complex transaction, and involved a \$26 million bond issue. The project opened in 2002 and has been a great success, including winning the 2003 Award of Excellence from the California Redevelopment Association.

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On behalf of the West Hollywood Community Development Commission, Mike had primary responsibility for negotiating and drafting the Disposition and Development Agreement, related agreements and construction issues for the La Brea Gateway Project, a \$81 million retail and office project proposed for the Commission's Eastside Redevelopment Project Area. The project included 252,000 square feet of retail including a Target, Best Buy and other speciality retails and restaurants. La Brea Gateway also required the acquisition of several parcels of property; these parcels were occupied with numerous commercial tenants which made the transaction more complex. Regina Danner and other attorneys in the firm's eminent domain practice group handled the property acquisition and relocation issues. The property was contaminated; John Harris was involved at all stages of the project, providing advice on how best to achieve environmental remediation while limiting the Commission's potential liability. The project opened in 2004, and has been very successful. It is the winner of the 2005 Award of Excellence from the California Redevelopment Association.

As we have been working with staff on the El Centro project, we see many similarities between La Brea Gateway and El Centro—both are large scale commercial projects with complex acquisition and environmental issues and require a high level of sophistication from legal staff. The firm and the proposed team of lawyers can provide the same high level quality legal service to the Commission as we have done for West Hollywood, Pasadena and others who have been successful in their redevelopment efforts.

On behalf of the San Fernando Redevelopment Agency, Mike has drafted Owner Participation Agreements providing financial assistance for the expansion of an automotive dealership, location of new businesses in the downtown area, and development of the City's successful Library Square project. He also negotiated and drafted the Disposition and Development Agreement for a 94 unit scattered site senior citizen housing project currently under construction. The project involved the acquisition of real property from both the developer and third parties (which was handled by Regina Danner), and the ground lease of the site to the developer. The project utilized financing from a number of sources, including low-income housing tax credits.

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Mike regularly represents the Community Development Commissions of Pasadena, and West Hollywood, and the Redevelopment Agencies of Brea, Buena Park, and San Fernando as well as other Redevelopment Agency clients, in negotiating and drafting agreements for affordable housing projects.

The attorneys in our Real Estate Department will also be available as needed.

**References - Michael Estrada:**

Allyne Winderman, Deputy Executive Director  
West Hollywood Community Development Commission  
8300 Santa Monica Boulevard  
West Hollywood, California 90069-4314  
(323) 848-6418

Richard Bruckner, Director of Housing and Development  
Pasadena Community Development Commission  
175 N. Garfield Avenue  
Pasadena, California 91101  
(626) 744-4650

Jose Pulido, City Administrator  
City of San Fernando  
117 MacNeil Street  
San Fernando, California 91340  
(818) 898-1201

Milton Swimmer, Partner  
JH Snyder Company  
Museum Square  
5757 Wilshire Blvd,  
Penthouse 30  
Los Angeles, CA 90036  
(323) 857-5546 Ext.107

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Paul S. Rutter  
Gilchrist & Rutter  
1299 Ocean Avenue, Ste. 900  
Santa Monica, California 90401  
(310) 393-4000

*Regina Danner:*

Regina Danner brings extensive eminent domain expertise to the team. In her experience as eminent domain counsel, she has represented both public and private sector clients in cases involving eminent domain, inverse condemnation, redevelopment, business and real estate transactions, and commercial litigation. Gina has drafted numerous covenants and agreements, ordinances, resolutions, contracts, purchase and sale documents, and other real estate-related documents. Some of her public sector experience includes the following:

1. Representation of the Metropolitan Water District in condemnation actions to acquire property for its Inland Feeder Pipeline Project.
2. Representation of the Community Redevelopment Commission of the City of Los Angeles in a number of condemnation actions to acquire property for the Staples Center Arena.
3. Representation of the Pasadena Community Development Commission in eminent domain matters for redevelopment purposes.
4. Representation of the Southern California Rapid Transit District in several eminent domain matters.

In the private sector, Gina's experience includes representation of property owners in their defense of eminent domain actions which challenged a public agency's right to take real property, including severance damage claims, claims for loss of business goodwill, and inverse condemnation claims. Gina believes her experience defending private sector clients has enabled her to better see all sides of the issues in her representation of public sector clients.

Gina received her B.A. from Loyola Marymount University in 1982 and her J.D. from Loyola Law School, Los Angeles in 1985.

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The other attorneys in our Eminent Domain Practice Group will be available as needed.

**References - Regina N. Danner:**

Lauren Brainard  
Deputy General Counsel  
Metropolitan Water District of Southern California  
700 N. Alameda Street  
P.O. Box 54153  
Los Angeles, California 90054  
(213) 217-6312

Joseph Vanderhorst  
Assistant Deputy General Counsel  
Metropolitan Water District of Southern California  
700 N. Alameda Street  
P.O. Box 54153  
Los Angeles, California 90054  
(213) 217-632

Fran Mason, MAI  
Mason & Mason  
Real Estate Appraisers & Consultants  
2609 Honolulu Avenue, Suite 100  
Montrose, California 91020-1706  
(818) 957-1881

Carol Chiodo  
City of San Diego  
Deputy Director of Real Estate Assets  
1200 3<sup>rd</sup> Avenue, Suite 1700  
San Diego, California 92101  
(619) 236-6725

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Faith Mitchell  
The Metropolis Group  
270 N. Canon Drive, #1422  
Beverly Hills, California 90210  
(323) 298-5448

**John Harris:**

John J. Harris would provide advice on environmental issues. John is a shareholder of the firm's Environmental and Energy Department. For the last twenty years, John has advised both private and public sector clients regarding their rights, obligations, liabilities and opportunities under federal, state, and local environmental laws and regulations. His practice has included litigation, environmental site assessment and remediation, administrative proceedings and regulatory compliance matters, as well as reporting environmental problems or liabilities.

John's environmental litigation practice has focused on the representation of individual cities and groups of municipalities in a wide variety of environmental matters, including CERCLA cases, contaminated property clean-up and cost recovery cases, as well as environmental insurance coverage claims. He has represented and is currently representing groups of cities in Superfund cases brought by both the U.S. Environmental Protection Agency, the State of California, as well as private parties.

John regularly advises public entity and private sector clients on the impact of environmental laws on the acquisition, sale, financing and leasing of property. He has extensive experience in the redevelopment of Brownfields sites, and has assisted public agencies in obtaining federal grants for that purpose. He has also represented public agencies, property owners and tenants in negotiations for the remediation of properties, and has assisted in the oversight of numerous environmental remediation projects. For example, he has advised governmental entities on the remediation of properties contaminated through prior uses such as military facilities, tank farms, oil producing facilities and other commercial and industrial uses. John represents cities, individually and in groups, in negotiations with the EPA, the Regional Water

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Quality Control Board, the Department of Toxic Substances Control and environmental groups on issues such as NPDES municipal storm water permits, site remediation and other environmental regulatory matters.

John has assisted clients in dealing with and obtaining permits and approvals from California environmental agencies, such as Regional Water Quality Control Boards and the Department of Toxic Substances, and other state and local agencies. He has negotiated remediation agreements, prospective purchaser agreements and consent decrees with California environmental agencies and the U.S. Environmental Protection Agency.

John is the chief environmental counsel for the Los Angeles to Pasadena Metro Blue Line Construction Authority. His responsibilities include oversight of the environmental aspects of the property acquisition, construction and remediation for the light rail project.

The other attorneys in our Environmental Law Department will also be available as needed.

**John Harris - References**

Frank Tam, Senior Engineer  
Montgomery Watson Harza  
260 N. Madison Avenue  
Pasadena, California 91101  
(626) 568-6339

Allyne Winderman, Deputy Executive Director  
West Hollywood Community Development Commission  
8300 Santa Monica Boulevard  
West Hollywood, California 90069-4314  
(323) 848-6418

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Habib Balian, Chief Financial Office  
LA-Pasadena Metro Blue Line Construction Authority  
625 S. Fair Oaks Avenue, Suite 200  
So. Pasadena, California 91030  
(626) 403-5504

Sue Georgino, Community Development Director  
City of Burbank  
354 E. Orange Grove  
Burbank, California 91502  
(818) 238-5176

Bryan Stirrat  
Bryan A. Stirrat & Associates, Inc.  
1360 Valley Vista Drive  
Diamond Bar, California 91765  
(909) 860-7777

\* \* \* \*

### **Office Location and Accessibility**

All of the attorneys proposed are located at our downtown Los Angeles Office on Bunker Hill about 15 miles from Huntington Park. See Section 7 of this proposal for a discussion of responsiveness and accessibility.

- 3. Please describe how the firm intends to provide the legal services for the CDC, either on a flat-rate monthly retainer (and said amount of retainer) or on a different basis. It is expected that the services provided under a retainer would include:**

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- a. **Routine legal advice, consultation and opinions to the CDC and staff on areas such as land use, CEQA, general redevelopment and real estate law, Brownfield legislation and law, tenant relocation and real property acquisition;**
- b. **Review CDC agendas, staff reports, attend all CDC meetings (regularly held on the first and third Monday of each month), and other meetings as requested;**
- c. **Prepare redevelopment resolutions, ordinances, agreements, leases, disposition and development agreements, contracts and related documents;**
- d. **Research new legislation and provide written summary to CDC as directed by CDC staff;**
- e. **Respond to legal questions on behalf of the CDC;**
- f. **Defend CDC against any claims brought against it;**
- g. **Mileage, reproduction of documents, computer or word processing charges are included as part of the retainer fee.**

See No. 5 below.

4. **If hourly rate billing is preferred, please state the hourly rates for the designated CDC Attorney and associates for general work, and for special services, such as litigation, if at a different rate.**

See No. 5 below.

5. **Please define what would be considered to be extraordinary service to be provided over and beyond the normal services and the basis for compensation thereof.**

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At this time, it is difficult for us to propose a retainer until we have a clear understanding of the average monthly demand for legal services. The Commission is embarking upon a number of projects that we believe will result in increased staff time and attorney review. The realization of those projects will be a positive change for the community. With that said, we are cognizant of the budgetary constraints placed on public entities and commit to partnering with Commission staff to minimize legal fees when possible. We propose to provide the services of our firm on an hourly rate as follows:

Routine Services: A composite rate of \$200 per hour. We would consider the following to be routine legal services:

- a. Routine legal advice, consultation and opinions to the CDC and staff on areas such as: land use, CEQA, general redevelopment and real estate law, and Brownfields legislation and law;
- b. Review CDC agendas, staff reports, attend all CDC meetings and staff meetings as requested;
- c. Prepare redevelopment resolutions, ordinances, routine consultant agreements, routine redevelopment agreements (e.g., first time home buyer or residential rehabilitation agreements), and related documents;
- d. Research new legislation and provide written summary to CDC as directed by CDC staff;
- e. Respond to legal questions on behalf of the CDC.

Special Services: A composite rate as follows: shareholders at a discounted rate of \$250 per hour; senior attorneys/of counsel at the discounted rate of \$225 per hour; and associates at the discounted rate of \$195 per hour. We would consider the following to be special services:

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- a. Negotiation and drafting of Disposition and Development, Owner Participation, and Affordable Housing Agreements (except as described under paragraph "c" of Routine Services);
- b. Other real estate transactions which, in the determination of the Executive Director of the Commission, involve complexities not present in the routine purchase, sale, or lease of real property;
- c. Environmental and hazardous waste matters;
- d. Property acquisition. This includes legal advice, consultation and opinions, pre-acquisition work, relocation work, relocation appeals to a relocation appeals board if any.

Litigation Services: Standard rates less a 15% discount. Litigation includes eminent domain, in court proceedings and proceedings in non-judicial settings such as administrative adjudications and alternative dispute resolution proceedings.

Bond Counsel. If bond counsel services are needed, we would discuss the appropriate rate for that service with you at that time.

We would receive reimbursement for our out-of-pocket expenses such as cost of duplication (\$.15 per page) and facsimile transmissions (\$1.00 per page). The firm, however, uses state of the art copying machines that allow us to scan documents and email those documents to our clients. Accordingly, we anticipate fax charges to be minimal. Other expenses, such as messenger services, binding of transcripts and travel outside of Southern California, will be billed at cost.

Richards, Watson & Gershon is proud to offer superior legal services at competitive hourly rates. Additionally, we encourage potential clients to look beyond the hourly rates offered by any law firm and to examine the total cost of obtaining legal services. Due to our experience, technology and team work, we are confident that our efficiency enables us to deliver quality service at the lowest possible total cost to our clients. We are open to discussing a retainer arrangement at a future date and we invite and welcome discussion of our rates.

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A chart depicting the firms' current standard rates for the attorneys identified in this proposal is attached hereto as Exhibit E.

**6. Please describe how you would structure the working relationship between the CDC Attorney and the CDC Board, City Attorney, Executive Director and other members of staff.**

Our role as CDC Attorney is to provide legal advice to the Commission. We believe strongly that the CDC Attorney's office is a part of the entire City governance team, and we provide legal advice as members of that team. It is up to the Commission, Executive Director, and other Commission staff members to make policy decisions based on this advice. Although we will be directly accountable to the Commission and will likely interact most often with the Executive Director and Director of Community Development, we believe our responsibility to Commission staff is equally important. We will also work cooperatively with your City Attorney. As our proposal demonstrates, some of the larger development projects where we have been lead counsel have been in cities where we do not serve as City Attorney.

Our years of experience working with cities have taught us to recognize the important role that all staff members play in accomplishing the Commission's goals and our tasks as CDC Attorney. As discussed below, the firm's attorneys will make themselves available at all times (on-site, telephonically and electronically) to answer questions posed by members of the Commission and Commission staff. As has been the case since our appointment as interim Commission Counsel, Roxanne Diaz will be the primary contact between the Commission, its staff and elected officials, and the firm, with Michael Estrada as her primary backup. As working relationships are established, our usual practice is to encourage direct communication between staff and the particular attorney functioning on any given matter. This approach provides economy and better communication for the Commission.

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- 7. Please define the standard time frames for responses by the CDC Attorney to direction and/or inquiry from the CDC Board, Executive Director and other members of staff.**

The firm regards accessibility and responsiveness as two of the most critical factors in the provision of legal services. A call from a Commission member or from the Executive Director or other staff personnel is always responded to promptly by the CDC Attorney. If an attorney in our firm is unable to take a call because he or she is on the telephone or away from the office, that call will be returned as soon as feasible. Our attorneys are reachable by telephone, cellular phone and e-mail. Furthermore, we take pride in our ability to provide a complete and accurate response to assignments and inquiries within whatever time constraints are imposed, and to manage our cases with extensive client communication and input. Specific response times vary with the nature of each assignment.

- 8. Discuss firm's bilingual capabilities.**

Roxanne Diaz is proficient in Spanish. Michael Estrada and Regina Danner are fluent in Spanish, as are many other of the firm's attorneys and support staff.

- 9. Please describe your procedure for billing of extra hours and expenses and any other accounting requirements.**

The firm provides detailed billings on a monthly basis that show work performed in 1/10th hour increments. These billings are adequately detailed for an audit.

- 10. Please indicate how you would provide for professional liability insurance, indemnity, renewal, amendment, extension and/or termination of contract.**

The firm maintains professional liability insurance in a substantial amount that would protect against damages or losses incurred as a result of any error or omission or neglect by the firm, or any of its attorneys, in providing professional services to the Commission. A certificate of insurance evidencing this coverage will be provided to the Commission prior to the effective date of any agreement for legal services. The firm maintains workers' compensation insurance as required by

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California law. This insurance will be maintained by the firm for the duration of any agreement for legal services entered into with the Commission.

- 11. List all public clients for which the firm currently provides services, or who are under a retainer.**

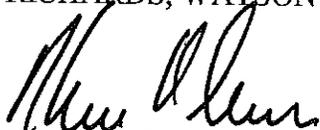
Attached as Exhibit B to this proposal is a list of our Public Law Clients.

\* \* \* \*

We have appreciated the opportunity to serve as the Commission's Interim Counsel while it engages in the Request for Proposal process. We hope to make this arrangement permanent and look forward to the opportunity to serve as Counsel to the Community Development Commission of the City of Huntington Park. We are happy to discuss this proposal with you and your staff. Please feel free to give Roxanne Diaz or Michael Estrada a call if you have any questions.

Very truly yours,

RICHARDS, WATSON & GERSHON



Kayser O. Sume  
Chairman of the Board

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**BACK UP MATERIAL FOR  
ALL PROJECTS**

**DATE:** August 16, 2012  
**TO:** Oversight Board  
**FROM:** Successor Agency Staff  
**RE:** Additional information on Projects Listed on the ROPS

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**I. BACKGROUND:**

At the Oversight Board meeting held on August 8, 2012, several Board members had questions or needed additional information regarding specific items listed on the ROPS related to enforceable obligations of the Successor Agency.

**II. DISCUSSION**

**A. ITEM 6- LOS ANGELES COUNTY DEFERRAL AGREEMENT**

Item 6 refers to two agreements between the former redevelopment agency, Los Angeles County and the Consolidated Fire Protection District of Los Angeles County entered into on January 30, 1990. Section 4 of the agreement provides that the County agreed to loan the former redevelopment agency a portion of the County's share of pass through and this is commonly known as the "County deferral." Repayment terms are also set forth in Section 4, which include interest at 7% and repayment to the County when certain conditions are met. The County Auditor Controller notifies the former redevelopment agency on a yearly basis the amount of outstanding principal and interest. This loan has been listed and disclosed on the former Agency's financial statement and the 2011 financial statement provides that the amount owing is \$126,230,996.

This contract meets the definition of an enforceable obligation in several ways. First the definition of "enforceable obligations" includes "loans of moneys borrowed by the redevelopment agency for a lawful purpose. . . ." under Section 34171(b) (1) (B). This item meets that definition. Item 6 also qualifies as "any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy" under Section 34171(b)(1)(E) and would also qualify as a "contract or agreement necessary for the administration or operation of the successor agency" under 34171\*(b)(1)(F).

As explained previously to the Board, this item should have been placed on the ROPS. In fact because it was not placed on the ROPS, the Successor Agency was required to make the "true-up" required by AB 1484 in July. This caused the Successor Agency to dip into bond reserves.

Under Section 34177 (which lists the duties of a successor agency), a successor agency is required to "maintain reserves in the amount required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds." 34177(b). To make this payment, the Successor Agency had to dip into its reserves. If this obligation is not placed on the ROPS because the Oversight Board fails to approve the item, this will cause the Successor Agency to be in violation of its duties under State law. Furthermore, Section 34117(c) also provides that successor agency continue to perform obligations required pursuant to any enforceable obligation. We ask that the Oversight Board reconsider this item for inclusion on the ROPS. It should be noted that it was included on the very first EOPS but it did not transfer over to the subsequent ROPS. Also, there are a number of Successor Agencies in Los Angeles County that also have similar agreements. The oversight boards for those agencies have approved ROPS with a County Deferral loan as a ROPS line item and to our knowledge that item has not been questioned by DOF. The cities include Pico Rivera, Baldwin Park and Monterey Park.

## **B. CARMELITA PROJECT**

**1. Background:** On April 13, 2010, the Commission completed the purchase of the Subject Site, which is occupied by twelve residential rental units and an adjacent underutilized vacant site formerly used as a nursery. Eleven of the twelve tenants have been relocated in accordance with the Uniform Relocation Law of the State of California. The Properties were purchased with bond proceeds from the Neighborhood Preservation Redevelopment Project Area. The proposed project site consist of a total of 1.9 acres in size and is zoned High Density Residential (R-H).

On September 20, 2010, the CDC Board entered into an Exclusive Negotiating Agreement with a Developer to negotiate the development of the Subject Property. The proposed project concept included the development of 36 rental tax-credit residential units, one to three bedrooms, on a 1.9 acre site. Since the original proposal, staff and the Developer have been exploring modifying the project to be owner occupied rather than rental with at least 15% of the units to be sold at affordable rates. To that end, staff and Developer agreed re-evaluate the project concept to reflect a project that would meet the needs of the community. The negotiating period with the Developer is expired on September 20, 2011.

Consequently, CDC staff and the Developer facilitated two community charette design meetings to receive input from residents on the type of residential project envisioned for the site. The two meetings were held on March 5<sup>th</sup> and April 2<sup>nd</sup> at the Community Center in Freedom Park from 10 a.m. to 12 p.m. The first meeting was intended to inform residents about the history of the site and receive input on the type of residential development. The second meeting served to present

residents with schematic designs and conceptual site plans of potential housing types for the Subject Site based on the input received during the first meeting. Based on the outcome of these meetings, on May 2, 2011, the Board authorized staff to work with the Developer to explore the financial feasibility to develop a project that would include single-family and/or townhome for-sale residential units. On June 2, 2012, staff issued Request for Proposals to retain a company to demolish the existing structures and clear the site. However new state legislation, AB X1 26 immediately suspended most redevelopment agency activities and, among other things, prohibited the CDC from entering into new contracts. As a result, the CDC was not able to proceed with awarding a contract for the demolition and clearance of the subject property and negotiations with the Developer were suspended.

Additionally, the City has expressed an interest in retaining the property to develop a public park as discussed at prior Oversight Board meetings. The site is located within a residential neighborhood and close to two public schools and the city feels that it has great potential to provide green space for its residents.

**2. Issues:** Due to the dissolution of the former Redevelopment Agency, the project was suspended and demolition and clearance of the structures was placed on hold. Staff's initial plans were to demolish the units as soon as they became vacant to avoid on-going maintenance and health and safety issues. The City's Police Department and staff have received numerous complaints from residents in the area regarding illegal activities, break-ins, vandalism and overgrown weeds. To address these issues staff retained a board-up company to secure the windows and doors and requested that the City's Public Works Department assist in maintaining the site clean; however, this has not deterred trespassers from dumping trash and breaking into the vacant units. Additionally, staff will need legal assistance to initiate the eviction process of one tenant that has been uncooperative in relocating.

**3. Actions:** As an asset of the Successor Agency, the Successor Agency is charged with maintaining that asset prior to its disposition. In addition, staff can engage in agreements that relate to the winding down of the Agency. In order to prevent this property from becoming a public nuisance as well as discourage squatting, Staff requests that the Oversight Board approve funding to demolish the existing structures as well as evict the last remaining tenant. Legal fees are an enforceable obligation as previously explained. Such actions would avoid any further on-going problems and potential health and safety liability issues as well as serve as maintaining an asset for the benefit of the taxing entities.

## C. SOUTHLAND STEEL

1. **Background:** On March 22, 2005, the Community Development Commission of the City of Huntington Park (Commission) purchased four parcels located at 5959, 5969, 6011, 6161, and 6169 Alameda Street. The Commission purchased these parcels to revitalize and redevelop the area into a commercial retail center that will stimulate economic growth, increase the City's tax base, and create new jobs for the community. The site, also known as the Southland Steel site and is located within the Amended Merged Redevelopment Project Area and is approximately 4.8 acres. At the time the property was purchase the appraised value of the property was \$6.32 million. The commission purchased the property for \$5.43 million. A discount of \$890,000 was negotiated with the previous property owner as it was anticipated that this would be the cost for the environmental clean-up.

Upon acquisition, the Commission performed environmental assessments which revealed that the site contained contamination. As a result, on December 5, 2005, the Commission and the Department of Toxic Substances Control (DTSC) entered into a California Land Reuse and Revitalization Act (CLRRA) Agreement to facilitate the environmental assessment, clean-up and re-use of the Southland Steel site. The agreement would allow DTSC to provide the CDC with technical assistance and consultation to supervise site clean-up without the CDC being designated as a responsible party. Upon completion of site clean-up, DTSC will provide a Certificate of Completion for the properties. A major benefit of the program is that immunity is obtained by completing the process under the CLRRA Agreement. The Agreement requires that the Commission prepare a work plan to implement a Site Characterization Report (SCR) and develop a plan to remediate the contamination on site. October 2008 the Commission retained Eco & Associates to serve as its peer-review consultant to assist in the preparation of environmental reports required by the DTSC.

During the environmental investigation process, high levels of contaminants were detected in the soil, soil vapor, and in the ground water. Staff has been working with the Department of Toxic Substances Control (DTSC) to remediate the site. Staff completed a draft Removal Action Workplan (RAW) to remove contaminated shallow surface soil. Deeper soil vapor and groundwater conditions will be addressed separately. The RAW serves to present findings of the existing site conditions based on investigations performed; describe the appropriate removal action objectives for protection of human health and the environment; and describe a remedy consisting of the removal action at the site. As part of the RAW approval process, staff notified residents living within ¼ mile radius of the proposed cleanup activities and made the RAW available for public review and comment for 30 days. The review period began on March 31, 2012 and end in June 30, 2012.

The RAW was approved by DTSC on July 5, 2012. The next step is to issue a Request for Proposals to retain a consultant to implement the soil clean up.

**2. Issues:** On September 22, 2005, the On September 2009, the City of Huntington Park was awarded a \$200,000 clean-up grant from the Environmental Protection Agency (EPA) for the remediation of the Southland Steel site. The grant expires in October 2012; however staff was able to receive a one year extension. The City will be at risk of losing its \$200,000 award grant if it is not spent by October 2013. Ensuring that the City take advantage of the grant will mean more assets going to the taxing entities.

It is estimated that \$700,000 will be needed to fund soil remediation and staff expects to be able to utilize a \$200,000 grant received from the State. The balance is proposed to be paid from Successor Agency funds.

**3. Actions:** At this time staff recommends that the Board approve funding to move forward next year with soil clean-up activities. If funding is approved to move forward with the implementation soil clean-up, staff will proceed with issuing Request for Proposals and continue working with DTSC to complete soil remediation. After completion of the soil clean-up, the site will be deemed suitable remediated for shallow soil contamination and it may be released for commercial uses. DTSC may require review of improvement plans and oversight of any proposed project. The soil vapor and groundwater conditions will be investigated and remediated separately.

The agreement with DTSC is an enforceable obligation of the Successor Agency. Section 5.4 of the agreement provides that if DTSC determines that a response action is necessary to prevent or eliminate an unreasonable risk, "CDC-HP shall submit a Response Plan to DTSC for approval. Once the Response Plan is approved, CDC-HP shall implement the plan." Accordingly, Item 14.2 is seeking approval for the Successor Agency's legal requirement to implement the Response Plan—i.e. the RAW described above. It should be noted that recently the Oversight Board for the CRA/LA approved a similar item on its agenda.

Pursuant to Section 34177 a Successor Agency is required under the statute to "perform obligations required pursuant to any enforceable obligation." Staff is requesting that the Oversight Board facilitate this legal mandate. Also, under 34177.3(b) the Successor Agency is authorized to create enforceable obligations to conduct the work of winding down the redevelopment agency—approval of this item would facilitate this act.

#### **D. 6614 & 6700 MIDDLETON PROJECT**

**1. Background:** On December 3, 2007, the Community Development Commission (CDC) and the Oldtimers Housing Development Corporation -IV entered into an Affordable Housing Agreement (Agreement) to acquire and rehabilitate a six-unit property located at 6700 Middleton Street. Shortly after the acquisition of the property at 6700 Middleton Street, the adjacent property located at 6614 Middleton Street became available for purchase. Staff and Oldtimers, the City's designated Community Housing Development Organization ("CHDO") determined that the acquisition of two contiguous properties would provide an excellent opportunity to consolidate both lots and develop a high quality and larger project that would make positive impact on the entire neighborhood. As a result, the AHA was Amended and Restated in October 2008, to provide total of \$1.34 million in HOME funds and \$450,000 in tax increment low and moderate-income housing (Set-Aside) funds to acquire the second property at 6614 Middleton and fund soft costs associated with merging and developing a concept plan both properties. The Agreement was subsequently amended in May of 2011 to provide funding for construction costs. The proposed project includes the construction and rehabilitation of 11 residential dwellings. The agreement provides for a \$4.7 million loan to the Developer (\$2.0 million in Federal HOME funds and \$2.7 million in redevelopment low-mod set aside funds). To date, the CDC has incurred approximately \$2.1 million in project costs (\$1.71 million from HOME and \$524,000 in low-mod set aside) from the \$4.7 million allocated to the project for acquisition, soft costs and construction expenses; and \$168,000 of the \$338,000 allocated for relocation expenses.

**2. Issues:** As a result of the dissolution of the CDC and an unexpected "true up" payment required to be paid by the Successor Agency, pursuant to AB 1484, limited funding is available. Presently, the only funding available is limited to the outstanding balance in Federal HOME loan funds in an amount of \$331,129. The Successor Agency expects to receive additional funds when the Auditor-Controller makes property tax distributions in January of 2013. However, at this time staff is does not know if the property tax distributions to be received in 2013 will be sufficient to cover all of the Successor Agency's obligations including the Middleton project.

The obligation for this project was approved by the Department of Finance (DoF) as part of the Successor's Agency second Recognized Payment of Obligations Schedule (ROPS).

**Actions:** At the July 18 and August 8, 2012 Oversight Board meetings staff has communicated the impacts to funding for the Middleton Project resulting from the dissolution of the CDC and AB 1484. Staff and the CHDO are currently are working together to study different scenarios to mitigate the impacts on the Project. Several meetings have been held with the CHDO to discuss the projects and the

impacts regarding the availability of funding. Staff also is working with its relocation consultant to coordinate the permanent relocation process.

The positions primarily responsible for the completion of these projects are summarized in Table 1

Project Delivery:

Project Delivery Costs will include staff costs for specific projects which were approved as part of ROPS 1 and 2: Southland Steel, Middleton and Carmelita. Project delivery costs include cost for the following three positions within the Community Development Department responsible for implementing these projects- Community Development Director; Housing and Community Development Manager, and Redevelopment Project Manager and consultants on an as needed basis. Other Successor Agencies (i.e. Burbank and Pasadena) included project delivery costs as part of their first and second ROPS and were approved by their respective Oversight Boards and subsequently by the Department of Finance. The positions primarily responsible for the completion of these projects are summarized in Table 1.

TABLE 1- PROJECT DELIVER ESTIMATES							
	Salary percentage	hourly rate (incl. benefits)	hrs/year	hrs/ month	Southland Steel	Carmelita	Middleton
Community Development Director	5%	\$103	104	9	10,670	10,670	10,670
Housing and Comm Dev Mngr	10%	\$77	208	17	15,991	15,991	15,991
Project Manager	15%	\$69	312	26	21,549	21,549	21,549
<b>Year 1</b>					<b>48,210</b>	<b>48,210</b>	<b>48,210</b>
6 month					24,105	24,105	24,105
monthly					4,018	4,018	4,018
Year 2					48,210	48,210	\$ 48,210
Year 3					48,210		
<b>TOTAL</b>					<b>\$ 144,630</b>	<b>\$ 96,420</b>	<b>\$ 96,420</b>

As indicated previously and this would relate to all the projects mentioned in this memorandum, AB 1484 makes it clear that "Employee costs associated with work on specific project implementation activities, including but not limited to, construction inspection, project management or actual construction, shall be considered project-specific costs" and as such they have been appropriately included in the ROPS as "Project Delivery" costs. This is an enforceable obligation of the Successor Agency. Similarly legal counsel costs also constitute costs related to project implementation under this same section. Another provision of AB 1484 would also apply in that costs related to assets or obligations are also appropriate to be placed on the ROPS for payment and this would include litigation costs if any. Also, legal counsel costs related to the winding down of the agency

are also enforceable obligations. In review of numerous other ROPS in the County, line items for legal services have been routinely approved.

Attachment: Sample Time Tracking Sheet for Successor Agency Staff

MAY 2012  
Fernanda Palacios

STAFF  
 JW - Jack Wong  
 MA - Manny Acosta  
 EP - Elba Padilla  
 FP - Fernanda Palacios

GENERAL ADMINISTRATIVE			
Date	Participants	Description	Hours
05/03/12	RD, ME, JW MA, EP, FP	Conf call to discuss OB agenda for 5/3/12	1.00
05/10/12	RD, ME, JW MA, EP, FP	Con call to discuss SA list of obligations	1.00
05/15/12	ME, RH, JW, EP, MA, FP	Con call to discuss and revie OB meeting agenda for 5/17/12	1.00
05/16/12	JW, EP, MA, FP, City Mngr	Meeting with City Manager discuss status of SA and OB	1.00
05/17/12	JW, EP, FP	Attend OB meeting to present ROPS	4.50
		<b>Total Hours</b>	<b>8.50</b>

PROJECT MANAGEMENT			
<i>Southland Steel</i>			
Date	Participants	Description	Hours
05/07/12	FP	Prepare CP and email to Eco & Assoc for review	3.50
05/09/12	FP	Email CP to DTSC for review and approval	0.25
05/10/12	FP	Correspondance with Eco to request preparation of a Fact Sheet	0.25
05/15/12	FP	Review correspondence from DTSC re: approval of fact sheet and CP	0.50
05/16/12	FP	Translate Fact Sheet into Spanish and email to DTSC for approval	3.50
05/17/12	FP	Prepare Public notices and coordinate publishing dates for public notices in English & Spanish	2.50
05/23/12	FP	Email DTSC status of project, update schedule and request extenion for grant	4.00
05/24/12	FP	Coordinate with printing company to prepare envelopes and print Fact Sheets	1.50
05/30/12	FP	Coodinate the mailing of Fact Sheets to residents within 1/4 mile radius	5.00
05/31/12	FP	Coodinate the mailing of Fact Sheets to residents within 1/4 mile radius Prepare documents to be available for review at City Hall and Library	10.00
		<b>Total Hours</b>	<b>31.00</b>

<i>Middleton</i>			
05/30/12	FP, MA	Attend Middleton Walk-thru project site meeting with Developer	1.50
		<b>Total Hours</b>	<b>1.50</b>
		<b>Project Management Total</b>	<b>32.50</b>

<b>TOTAL GENERAL ADMIN &amp; PROJECT MANAGEMENT</b>	<b>41.00</b>
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JUNE 2012  
Fernanda Palacios

STAFF  
 JW - Jack Wong  
 MA - Manny Acosta  
 EP - Elba Padilla  
 FP - Fernanda Palacios

GENERAL ADMINISTRATIVE			
Date	Participants	Description	Hours
06/04/12	ME, GK, JW, MA, EP, FP	Conf call with to discuss status of LAUSD litigation and RDAs housing obligations	1.50
06/04/12	N/A	Review Oversight Board meeting agenda and items sent by the County	0.50
06/06/12	ME, RH, JW, EP, MA, FP	Conf call to discuss OB agenda for 6/7/12	1.50
06/07/12	FP, MA, JW	Attend Oversight Board meeting	2.50
06/13/12	FP	Prepare Staff report re: Admin Budget	2.00
06/18/12	FP	Revise staff report re: Admin Budget	1.00
06/20/12	FP	Prepare Summary for legal services proposals Revise and Finalize staff report re: Admin Budget and email to the County	2.00
06/27/12	FP	Prepare and attend Oversight Board meeting	3.00
<b>Total Hours</b>			<b>14.00</b>

PROJECT MANAGEMENT			
Southland Steel			
Date	Participants	Description	Hours
06/05/12	FP	Correspondence with DTSC re: Southland Steel RAW - send letter confirming notifications were mailed and that notices were published	1.00
06/19/12	FP	Prepare RFP cover letter and email to Eco & Associates for review and comment	2.00
06/27/12	FP	Call with DTSC to discuss the next the status of the RAW review and next steps	0.50
06/28/12	FP, JW, MA ME, ND	Con call with ME and ND to discuss environmental issues on property and strategize on the next steps	1.00
<b>Total Hours</b>			<b>4.50</b>

Carmelita			
Date	Participants	Description	Hours
06/04/12	FP, GD	Email GD regarding review of letter for Ms. Munoz	0.15
06/12/12	FP	Contact Ms. Munoz to provide update regarding claim Revise letter	1.50
06/13/12	FP	Print and send response letter to Ms. Munoz	0.25
06/21/12	FP	Respond to call from Ms. Munoz re: response letter	0.25
06/27/12	FP	Contact Protech regarding Invoice for security fencing	0.20
06/27/12	FP	Phone call with OPC to discuss the status pending relocation payments	0.50
<b>Total Hours</b>			<b>2.85</b>

Middleton			
Date	Participants	Description	Hours
06/04/12	FP	Review construction draw #53 and prepare memo to Finance for disbursement of funds	0.50
06/05/12	FP	Make revisions to draw #53 and send to finance. Contact Developer regarding changes to disbursement of funds	0.50
06/13/12	FP	Meet with Developer to discuss project status Discuss project funding	3.00
06/18/12	FP	Lot Consolidation - Collect signatures for lot consolidation parcel map	1.00
06/19/12	FP	Contact building official to discuss her approval requirements for the map	1.00
06/19/12	FP	Prepare draft Memo to City Manager re: project funding	2.00
06/25/12	FP	Revise letter to CM re: project funding	1.00
06/26/12	FP	Contact OPC to discuss project status and request budget for permanent relocation benefits	0.30
06/26/12	FP	Prepare letter to Oldtimers to inform of the situation in funding and revise letter as necessary per JW revisions	3.00
06/26/12	FP	Contact Oldtimers to inform them of the situation and forthcoming letter	0.25
06/27/12	FP	Review draw #54 and submit to Director for approval	0.20
06/28/12	FP, JW, MA	Meet with City Manager to discuss project situation with funding deficit	1.50
06/28/12	FP	Review agreement to determine provisions related to payment and conditions of funding and email staff and legal counsel	0.50
<b>Total Hours</b>			<b>13.75</b>
<b>Project Management Total</b>			<b>21.10</b>

**TOTAL GENERAL ADMIN & PROJECT MANAGEMENT 35.10**

JULY 2012  
Fernanda Palacios

STAFF  
JW -Jack Wong  
MA -Manny Acosta  
EP - Elba Padilla  
FP - Fernanda Palacios

GENERAL ADMINISTRATIVE			
Date	Participants	Description	Hours
07/02/12	FP, JW, MA	Conference call with legal counsel (ME) to discuss questions brought up during OSB meeting of 6/27/12	1.00
07/02/12	FP	email city clerk requesting meeting of Successor Agency to present admin budget	0.10
07/03/12	FP	Research legislation and prepare staff report re: housing successor and housing authority	3.00
07/03/12	FP	Draft staff report re: administrative budget to be presented to Successor Agency	2.00
07/05/12	FP	finalize staff report for admin budget, prepare and finalize report re: Summary of RDA dissolution; make copies and provide to City Clerk	5.00
07/11/12	FP	Review demand letter received from the County. Meet with CM, legal counsel and staff to discuss strategy and funding availability. Draft staff report for successor agency	3.00
07/12/12	FP	Edit and finalize staff report. Review cash flow analysis prepared by EP. Contact other cities to find out their situation. Meet with CM, legal counsel and staff to discuss special meeting with Successor agency board. Review information received from league of cities on the matter. Attend successor agency board meeting	5.00
07/16/12	FP, JW, MA, EP	Participate in con call with DoF, Participate in webinar re: AB 1484.	4.00
07/17/12	FP	Prepare appeal letter to DoF, submit to JW for review. Email letter and prepare necessary back-up document to include with letter.	5.00
07/18/12	FP	Prepare and copy documents for OSB meeting, attend OSB meeting	4.00
07/19/12	FP	Review and update ROPS 3 and email to MA and JW for review	2.00
07/31/12	FP	Prepare staff reports for Admin Budget #3 and ROPS #3 and make necessary revisions for Successor Agency and OSB meetings. Coordinate Agenda items for meetings	6.00
<b>Total Hours</b>			<b>40.10</b>

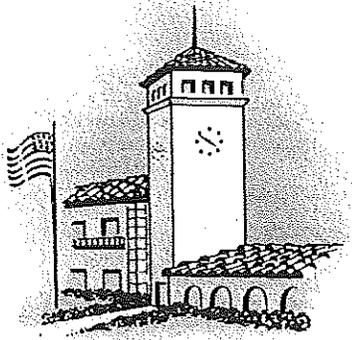
PROJECT MANAGEMENT			
<i>Southland Steel</i>			
Date	Participants	Description	Hours
07/03/12	FP	Review management contract and prepare letter to Brabrant Realty terminating contract. Contact Don Brabrant to notify him of the termination of contract. Prepare letters to tenants (Alexander and Silver & Friend) notifying them of termination of contract.	2.00
07/26/11	FP	contact Eco & Asso and discuss project status. Request budget for next fiscal year	1.00
07/31/12	FP	Prepare and email quarterly status report to EPA	2.00
<b>Total Hours</b>			<b>3.00</b>

<i>Carmelita</i>			
Date	Participants	Description	Hours
07/30/12	FP	Contact Board Up company and Public Works Dept to follow up on the reboarding of windows that were broken, contact Board-Up company	0.30
07/30/12	FP	Contact Public Works Dept to request estimate for property maintenance	0.15
<b>Total Hours</b>			<b>0.45</b>

<i>Middleton</i>			
Date	Participants	Description	Hours
07/02/12	FP	Contact ME regarding request of City Manager regarding funding for Middleton	0.50
07/02/12	FP, MA	Meet with Oldtimers to discuss funding situation for project	1.00
07/19/12	FP	Phone call with Oldtimers to discuss funding situation and set up a meeting	0.50
07/20/12	FP, MA, ME	Meeting with Oldtimers and legal counsel	1.00
07/26/12	FP, JW, ME	Meet with CM and staff to discuss funding issues. Contact relocation consultant to authorize permanent relocation for all tenants.	2.00
07/31/11	FP, JW	Meet with CM and legal counsel to discuss project and funding issues	2.00
07/31/12	FP	Contact Oldtimers to follow up on the project a communications with contractor. Schedule meeting for 8/6/12	1.50
07/31/12	FP	Prepare 2nd letter to Oldtimers regarding funding issues and forward to legal counsel for review	2.00
<b>Total Hours</b>			<b>10.50</b>
<b>Project Management Total</b>			<b>13.95</b>

**TOTAL GENERAL ADMIN & PROJECT MANAGEMENT 54.05**

ITEM NO. 6  
HUNTINGTON PARK APPEAL LETTER  
COUNTY AGREEMENT



City of  
**HUNTINGTON PARK** california

6550 MILES AVENUE, HUNTINGTON PARK, CALIFORNIA 90255  
TEL. (323) 584-6222 • FAX (323) 584-6313

ADMINISTRATION

July 17, 2012

John Chiang, State Controller  
CALIFORNIA STATE CONTROLLER'S OFFICE  
300 Capitol Mall, Suite 1850  
P.O. Box 942850  
Sacramento, California 94250

Mark Hill, Program Manager  
CALIFORNIA DEPARTMENT OF FINANCE  
915 L Street, 8<sup>th</sup> Floor  
Sacramento, California 95814

**RE: Appeal Letter Regarding Remittance by Successor Agency to the Community Development Commission of the City of Huntington Park pursuant to Notice from Auditor-Controller per Section 34183.5 of Assembly Bill 1484; Huntington Park's Reservation of Rights**

Dear Mr. Chiang and Mr. Hill:

The purpose of this letter is to appeal the County Auditor-Controller's ("CAC") decision to deny our request to correct the amount demanded of \$2,666,047 pursuant to Section 34183.5 of Assembly Bill 1484 ("AB 1484"). The Successor Agency to the Community Development Commission of the City of Huntington Park timely submitted payment to CAC in an amount of \$2,579,659.92 under protest and with a reservation of rights by the Successor Agency to the Community Development Commission of the City of Huntington Park ("Successor Agency") as well as the City of Huntington Park ("City").<sup>1</sup> The City believes that the CAC inaccurately calculated the amount reflected in their demand letter dated July 9, 2012, and requests that the amount be corrected to \$598,408.51.

Without limitation, Successor Agency and City stated formal written objection to (1) the method and calculations made by the CAC to reach the amount demanded of \$2,666,047, and (2) the unconstitutional provisions of AB 1484 by which the City's general fund monies, both sales tax and/or property taxes, would be taken unlawfully and without due process in the event the Successor Agency were to fail to make payment of \$2,666,047 per the Notice dated July 9, 2012, from the CAC, Property Tax Division.

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<sup>1</sup> The Successor Agency pursuant to AB 1484 is a separate legal entity, distinct from the City of Huntington Park, a municipal corporation. The City of Huntington Park also objects to the payment demanded of the Successor Agency and reserves all rights as stated herein.

In the schedule of demand for payment pursuant to H&S 34183.5(b) the County shows that the Successor Agency has outstanding pass-through payments in the amount of \$86,388 as listed on the January 2012 to June 2012 ROPS. When the Successor Agency received the demand notice on July 9, 2012, the Successor Agency notified the County via email that those payments were made on June 26, 2012. Therefore, we remitted \$2,579,659.92, deducting the aforementioned pass-through payment of \$86,388. Attached are copies of the checks and statements from the bank showing that all checks have been cashed with the exception of check number 100037 in the amount of \$36.94 which is outstanding as of July 12, 2012 (see Exhibit 1).

In addition, the Successor Agency believes that the Schedule of Demand for Payment Pursuant to H&S Code 34183.5(b) as prepared by the CAC included the County Tax Entities (CTE) Deferral Loan Proceeds of \$1,981,251. This amount should have been excluded from the *Demand for Payment Calculation* due to the fact that they are proceeds derived from a loan with the County of Los Angeles and not tax increment; therefore those proceeds are not available for redistribution. As such, the Successor Agency and the City requested that the CAC correct the residual Redevelopment Property Tax Trust Fund amount to \$598,408.51 and not \$2,579,659.92 as calculated by the CAC (see Exhibit 2).

On July 16<sup>th</sup>, 2012, the City held a conference call with CAC to discuss the dispute in the calculation; however, CAC denied our request to correct the amount by the Deferral Loan Proceeds of \$1,981,251. The City's payment of the disputed amount jeopardizes its ability to meet its bond obligations and contractual payments listed in the approved ROPS for July 1, 2012 through December 31, 2012. Additionally, there is an anticipated shortfall of \$2.4 million to pay related to an affordable housing project currently under construction.

The Successor Agency and City hereby request the Department of Finance to review our claim to correct the remittance amount to \$598,408.5. We are enclosing all the back up documentation necessary for your review.

To the extent the Successor Agency and/or City incur damages, actual and/or consequential, or there are other financial or legal impacts to any City entity or to a third party, including, without limitation, to holders of enforceable obligations, as a result of this payment or otherwise unlawfully impacts the ability of the Successor Agency to meet legal obligations and to pay debt service, then the Successor Agency (see footnote 1) may seek redress in the courts and avails itself of any and all remedies at law and equity against the CAC, the DOF, the SCO, and the State in general.

If you have any questions, please do not hesitate to contact me at (323) 584-6223.

Sincerely,

  
Mary Strehn  
Interim City Manager

Enclosure

cc: Francisco Leal, City Attorney  
Michael Estrada, Special Counsel, Richards/Watson/Gershon  
Members of the Successor Agency  
Members of the Oversight Board  
County of Los Angeles, Auditor-Controller

# Exhibit 1

July 12, 2012



07/10/2012 7:10 PM EDT  
 Customer ID: CITY0021  
 OPERATOR ID: CISNEROS

CITY OF HUNTINGTON PARK  
 Search Results: CHECKS  
 As Of 07/10/2012

Commercial Electronic Office®

Stops - Images - Search

Currency: USD  
 Bank: 121000248  
 Account: 4123401655

WELLS FARGO BANK, NA  
 successor to the community dev

Check # / Cust. Ref.#	Item Sequence #	Amount†	Tran. Type	Description	Posting Date†	As of Date	Copy Available
100028	8319536835	32.95	Debit	CHECK PAID	07/03/2012	07/03/2012	No
100029	8319456383	1.31	Debit	CHECK PAID	07/02/2012	07/02/2012	No
100030	9909750498	296.38	Debit	CHECK PAID	07/05/2012	07/05/2012	No
100031	8319456384	517.34	Debit	CHECK PAID	07/02/2012	07/02/2012	No
100032	8319536836	3,186.92	Debit	CHECK PAID	07/03/2012	07/03/2012	No
100033	387915376	149.33	Debit	CHECK PAID	06/29/2012	06/29/2012	No
100034	8416791164	18.19	Debit	CHECK PAID	06/28/2012	06/28/2012	No
100035	8817176674	452.62	Debit	CHECK PAID	06/29/2012	06/29/2012	No
100036	387915390	1,559.56	Debit	CHECK PAID	06/29/2012	06/29/2012	No
100037		Item Not Found					No
100038	287928313	1,130.58	Debit	CHECK PAID	07/03/2012	07/03/2012	No
100039	382255298	710.75	Debit	CHECK PAID	07/05/2012	07/05/2012	No
100040	382255299	18,514.18	Debit	CHECK PAID	07/05/2012	07/05/2012	No
100041	287928262	2,385.16	Debit	CHECK PAID	07/03/2012	07/03/2012	No
100042	1625279075	33,928.29	Debit	CHECK PAID	06/29/2012	06/29/2012	No
100043	8319456385	23,463.51	Debit	CHECK PAID	07/02/2012	07/02/2012	No

Search Criteria:  
 Check / Customer Reference Numbers: 100028 through 100043  
 Amounts: All  
 Posting Dates: 01/13/2012 to 07/10/2012  
 (mm/dd/yyyy)

† All currency amounts will end in .00.  
 ‡ Intraday Information subject to change.

----End of Report----

City of Huntington Park

CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100028

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 32.95

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
LA COMMUNITY COLLEGE DISTRICT	2090	\$ 32.95

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
PLEASE DETACH BEFORE DEPOSITING

THIS DOCUMENT WAS PRINTED ON PAPER CONTAINING ULTRAVIOLET FIBERS AND A WATERMARK

City of Huntington Park  
Successor Agency  
CIVIC CENTER  
HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161



Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100028

DATE	AMOUNT
6/26/2012	***** \$ 32.95

THIRTY TWO AND 95/100 \*\*\*\*\* NOT PAYABLE AFTER 90 DAYS  
FROM DATE ISSUED

PAY  
TO THE  
ORDER OF

LA COMMUNITY COLLEGE DISTRICT  
771 WILSHIRE BLVD.  
ATTN: CHILDREN'S CENTER FUND  
LOS ANGELES, CA 90017

⑈ 1000 28 ⑈ ⑆ 2 1000 248 ⑆ 4 1 2340 16 55 ⑈



**Item Details**

[Print](#) [Close](#)

Amount: 32.95  
Currency : USD  
Check #: 100028  
Item Sequence #: 8319536835  
Transaction Type: DEBIT  
Type Code/Description: 475/CHECK PAID  
Routing Number: 121000248  
Account Number/Account Name: 4123401655/successor to the community dev  
Posting Date: 07/03/2012  
Issue Date: 06/26/2012  
Payee: LA COMMUNITY COLLEGE DISTRICT  
As of Date: 07/03/2012  
Additional Item Details: 0000005 +000000414096190  
CHECK

[Close Window](#)

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City of Huntington Park  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100029

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 1.31

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
LAUSD SERVICES FUND	2088	\$ 1.31

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
PLEASE DETACH BEFORE DEPOSITING

THIS DOCUMENT WAS PRINTED ON PAPER CONTAINING ULTRAVIOLET FIBERS AND A WATERMARK

100029

City of Huntington Park  
Successor Agency  
CIVIC CENTER  
HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161

 Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

DATE

AMOUNT

6/26/2012

\*\*\*\*\* \$ 1.31

ONE AND 31/100\*\*\*\*\*

NOT PAYABLE AFTER 90 DAYS  
FROM DATE ISSUED

PAY  
TO THE  
ORDER OF

LAUSD SERVICES FUND  
333 S. BEAUDRY AVE.  
LOS ANGELES, CA 90017

⑈ 1000 29 ⑈ ⑆ 2 1000 248 ⑆ 4 1 2340 1655 ⑈



**Item Details**

Amount:	1.31
Currency :	USD
Check #:	000029
Item Sequence #:	8319456383
Transaction Type:	DEBIT
Type Code/Description:	175/CHECK PAID
Routing Number:	121000248
Account Number/Account Name:	4123401655/successor to the community dev
Posting Date:	07/02/2012
Issue Date:	06/26/2012
Payee:	LAUSD SERVICE FUND
As of Date:	07/02/2012
Additional Item Details:	0000003 +000000414799389 CHECK

**Close Window**

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City of Huntington Park  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100030

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 296.38

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
LA COUNTY OFFICE OF EDUCATION	2089	\$ 296.38

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
PLEASE DETACH BEFORE DEPOSITING

THIS DOCUMENT WAS PRINTED ON PAPER CONTAINING ULTRAVIOLET FIBERS AND A WATERMARK

City of Huntington Park  
Successor Agency  
CIVIC CENTER  
HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161

 Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100030

DATE

AMOUNT

6/26/2012

\*\*\*\*\* \$ 296.38

TWO HUNDRED NINETY SIX AND 38/100\*\*\*\*\*

NOT PAYABLE AFTER 90 DAYS  
FROM DATE ISSUED

PAY  
TO THE  
ORDER OF

LA COUNTY OFFICE OF EDUCATION  
9300 IMPERIAL HWY EC109  
CHILDREN'S INSTITUTIONAL TUITION  
ATTN: DARLENE ROBLES

DOWNNEY, CA 90242-2690

100030 1 1 2 1000 248 4 1 2340 1655



> Print > Close

**Item Details**

Amount:	296.38
Currency :	USD
Check #:	100030
Item Sequence #:	9909750498
Transaction Type:	DEBIT
Type Code/Description:	475/CHECK PAID
Routing Number:	121000248
Account Number/Account Name:	4123401655/successor to the community dev
Posting Date:	07/05/2012
Issue Date:	06/26/2012
Payee:	LA COUNTY OFFICE OF EDUCATION
As of Date:	07/05/2012
Additional Item Details:	0000002 +000000414096190 CUSTOMER CHECK OUR REF: 7-03- 12 00000000

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City of Huntington Park  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100031

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 517.34

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
LAUSD DEVELOPMENT CENTER	2087	\$ 517.34

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
PLEASE DETACH BEFORE DEPOSITING

**THIS DOCUMENT WAS PRINTED ON PAPER CONTAINING ULTRAVIOLET FIBERS AND A WATERMARK**

City of Huntington Park  
Successor Agency  
CIVIC CENTER  
HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161

 Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100031

DATE	AMOUNT
6/26/2012	***** \$ 517.34

FIVE HUNDRED SEVENTEEN AND 94/100\*\*\*\*\* NOT PAYABLE AFTER 90 DAYS  
FROM DATE ISSUED

PAY  
TO THE  
ORDER OF

LAUSD DEVELOPMENT CENTER  
333 S. BEAUDRY AVE.  
LOS ANGELES, CA 90017

⑈100031⑈ ⑆121000248⑆ 4123401655⑈



**Item Details**

Amount: 517.14  
Currency : USD  
Check #: 00031  
Item Sequence #: 8319456384  
Transaction Type: DEBIT  
Type Code/Description: 475/CHECKPAID  
Routing Number: 121000248  
Account Number/Account Name: 4123401655/successor to the community dev  
Posting Date: 07/02/2012  
Issue Date: 06/26/2012  
Payee: LAUSD DEVELOPMENT CENTER  
As of Date: 07/02/2012  
Additional Item Details: 0000002 +000000414799520  
CHECK



City of Huntington Park  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100032

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 3,186.92

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
LA COMMUNITY COLLEGE DISTRICT	2091	\$ 3,186.92

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
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City of Huntington Park

Successor Agency  
CIVIC CENTER

HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161



Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100032

DATE

AMOUNT

6/26/2012

\*\*\*\*\* \$ 3,186.92

THREE THOUSAND ONE HUNDRED EIGHTY SIX AND 92/100 \*\*\*\*\* NOT PAYABLE AFTER 90 DAYS  
FROM DATE ISSUED

PAY  
TO THE  
ORDER OF

LA COMMUNITY COLLEGE DISTRICT  
770 WILSHIRE BLVD.  
LOS ANGELES, CA 90017

⑈ 100032⑈ ⑆ 21000248⑆ 4123401655⑈



**Item Details**

Amount: 3,186.92  
Currency : USD  
Check #: 160032  
Item Sequence #: 8319536836  
Transaction Type: DEBIT  
Type Code/Description: 475 CHECK PAD  
Routing Number: 121000248  
Account Number/Account Name: 4123401655/successor to the community dev  
Posting Date: 07/03/2012  
Issue Date: 06/26/2012  
Payee: LA COMMUNITY COLLEGE DISTRICT  
As of Date: 07/03/2012  
Additional Item Details: 0000001 +000000414480697  
CHECK

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**City of Huntington Park**  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100033

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 149.33

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
LA COUNTY SCHOOL SERVICES	2092	\$ 149.33

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
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**City of Huntington Park**  
Successor Agency  
CIVIC CENTER  
HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161



Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100033

DATE	AMOUNT
6/26/2012	***** \$ 149.33

ONE HUNDRED FORTY NINE AND 33/100 \*\*\*\*\* NOT PAYABLE AFTER 90 DAYS FROM DATE ISSUED

PAY TO THE ORDER OF

LA COUNTY SCHOOL SERVICES  
9300 E IMPERIAL HWY  
DOWNEY, CA 90242

⑈ 100033 ⑈ ⑆ 21000248 ⑆ 4123401655 ⑈



[Print](#) [Close](#)

### Item Details

Amount: 149.33  
Currency : USD  
Check #:   
Item Sequence #: 387915376  
Transaction Type: DEBIT  
Type Code/Description:  CHECK PAID  
Routing Number: 121000248  
Account Number/Account Name: 4123401655/successor to the community dev  
Posting Date: 06/29/2012  
Issue Date: 06/26/2012  
Payee: LA COUNTY SCHOOL SERVICES  
As of Date: 06/29/2012  
Additional Item Details: 0000006 +000000417197605  
CHECK

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City of Huntington Park  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100034

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 18.19

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
WATER REPLENISHMENT DISTRICT OF	765	\$ 18.19

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
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City of Huntington Park  
Successor Agency  
CIVIC CENTER  
HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161

WELLS FARGO  
Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100034

DATE	AMOUNT
6/26/2012	***** \$ 18.19

EIGHTEEN AND 19/100 \*\*\*\*\* NOT PAYABLE AFTER 90 DAYS FROM DATE ISSUED

PAY TO THE ORDER OF

WATER REPLENISHMENT DISTRICT OF  
SOUTHERN CALIFORNIA  
4040 PARAMOUNT BLVD.  
LAKEWOOD, CA 90712

100034 121000248 4123401655



**Item Details**

Amount: 18.19  
Currency : USD  
Check #: [REDACTED]  
Item Sequence #: 8416791164  
Transaction Type: DEBIT  
Type Code/Description: [REDACTED] 475/CHECK PAID  
Routing Number: 121000248  
Account Number/Account Name: 4123401655/successor to the community dev  
Posting Date: 06/28/2012  
Issue Date: 06/26/2012  
Payee: WATER REPLENISHMENT DISTRICT O  
As of Date: 06/28/2012  
Additional Item Details: 0000001 +000000423606585  
CHECK



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City of Huntington Park  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100035

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 452.62

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
CENTRAL BASIN MWD	155	\$ 452.62

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
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City of Huntington Park  
Successor Agency  
CIVIC CENTER  
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PHONE: (323) 582-6161

 Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100035

DATE	AMOUNT
6/26/2012	***** \$ 452.62

FOUR HUNDRED FIFTY TWO AND 62/100 \*\*\*\*\* NOT PAYABLE AFTER 90 DAYS FROM DATE ISSUED

PAY TO THE ORDER OF

CENTRAL BASIN MWD  
6252 TELEGRAPH RD.  
COMMERCE, CA 90040

⑈ 100035⑈ ⑆ 121000248⑆ 4123401655⑈



Print Close

**Item Details**

Amount: 452.62  
Currency : USD  
Check #: 100035  
Item Sequence #: 8817176674  
Transaction Type: DEBIT  
Type Code/Description: 43-CHECK PAID  
Routing Number: 121000248  
Account Number/Account Name: 4123401655/successor to the community dev  
Posting Date: 06/29/2012  
Issue Date: 06/26/2012  
Payee: CENTRAL BASIN MWD  
As of Date: 06/29/2012  
Additional Item Details: 0000005 +000000417212538  
CHECK

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City of Huntington Park  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100036

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 1,559.56

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
LA COUNTY SANITATION DISTRICT #1	2094	\$ 1,559.56

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
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City of Huntington Park  
Successor Agency  
CIVIC CENTER  
HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161

Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100036

DATE

AMOUNT

6/26/2012

\*\*\*\*\* \$ 1,559.56

ONE THOUSAND FIVE HUNDRED FIFTY NINE AND 56/100 \*\*\*\*\* NOT PAYABLE AFTER 90 DAYS FROM DATE ISSUED

PAY TO THE ORDER OF

LA COUNTY SANITATION DISTRICT #1  
1955 WORKMAN MILL RD.  
WHITTIER, CA 90670

⑈ 100036 ⑈ ⑆ 21000248⑆ 4123401655⑈



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### Item Details

Amount: 1,559.56  
Currency : USD  
Check #: ~~100036~~  
Item Sequence #: 387915390  
Transaction Type: DEBIT  
Type Code/Description: 4756 ~~CHECK PAID~~  
Routing Number: 121000248  
Account Number/Account Name: 4123401655/successor to the community dev  
Posting Date: 06/29/2012  
Issue Date: 06/26/2012  
Payee: LA COUNTY SANITATION DISTRICT  
As of Date: 06/29/2012  
Additional Item Details: 0000004 +000000417257800  
CHECK

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City of Huntington Park

CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100037

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 36.94

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
GREATER LA COUNTY VECTOR CONTROL	2095	\$ 36.94

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
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City of Huntington Park

Successor Agency  
CIVIC CENTER

HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161



Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100037

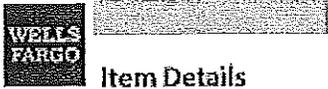
DATE	AMOUNT
6/26/2012	***** \$ 36.94

THIRTY SIX AND 94/100 \*\*\*\*\* NOT PAYABLE AFTER 90 DAYS FROM DATE ISSUED

PAY TO THE ORDER OF

GREATER LA COUNTY VECTOR CONTROL  
DISTRICT  
12545 FLORENCE AVE.  
SANTA FE SPRINGS, CA 90670

100037 121000248 4123401655



**Item Details**

Amount: 36.94  
Currency : USD  
Check #: 00637  
Item Sequence #:  
Transaction Type:  
Type Code/Description: **OUTSTANDING**  
Routing Number: 121000248  
Account Number/Account Name: 4123401655/successor to the community dev  
Posting Date:  
Issue Date: 06/26/2012  
Payee: GREATER LA COUNTY VECTOR CONTR



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City of Huntington Park  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100038

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 1,130.58

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
LA COUNTY FLOOD CONTROL DISTRICT	427	\$ 1,130.58

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENCOURSEMENT.  
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City of Huntington Park  
Successor Agency  
CIVIC CENTER  
HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161

WELLS FARGO  
Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100038

DATE	AMOUNT
6/26/2012	***** \$ 1,130.58

ONE THOUSAND ONE HUNDRED THIRTY AND 58/100 \*\*\*\*\* NOT PAYABLE AFTER 90 DAYS FROM DATE ISSUED

PAY TO THE ORDER OF

LA COUNTY FLOOD CONTROL DISTRICT  
P.O. BOX 7437  
DEPT OF PUBLIC WORKS, ATTN: CASHIER  
ALHAMBRA, CA 91802

⑈ 100038⑈ ⑆ 21000248⑆ 4123401655⑈



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### Item Details

Amount: 1,130.58  
Currency : USD  
Check #:   
Item Sequence #: 287928313  
Transaction Type: DEBIT  
Type Code/Description:  CHECK PAID  
Routing Number: 121000248  
Account Number/Account Name: 4123401655/successor to the community dev  
Posting Date: 07/03/2012  
Issue Date: 06/26/2012  
Payee: LA COUNTY FLOOD CONTROL DISTRI  
As of Date: 07/03/2012  
Additional Item Details: 000003 +000000414129123  
CHECK

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City of Huntington Park  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100039

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 710.75

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
LA COUNTY FIRE -FFW	2093	\$ 710.75

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
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City of Huntington Park  
Successor Agency  
CIVIC CENTER  
HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161

 Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100039

DATE	AMOUNT
6/26/2012	***** \$ 710.75

SEVEN HUNDRED TEN AND 75/100\*\*\*\*\*

NOT PAYABLE AFTER 90 DAYS  
FROM DATE ISSUED

PAY  
TO THE  
ORDER OF

LA COUNTY FIRE -FFW  
5823 RICKENBACKER RD, RM 123  
COMMERCE, CA 90040

⑈ 100039 ⑈ ⑆ 121000248 ⑆ 4123401655 ⑈



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### Item Details

Amount:	710.75
Currency :	USD
Check #:	100039
Item Sequence #:	382255298
Transaction Type:	DEBIT
Type Code/Description:	475/CHECK PAID
Routing Number:	121000248
Account Number/Account Name:	4123401655/successor to the community dev
Posting Date:	07/05/2012
Issue Date:	06/26/2012
Payee:	LA COUNTY FIRE -FFW
As of Date:	07/05/2012
Additional Item Details:	0000005 +000000412054997 CHECK

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City of Huntington Park

CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100040

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 18,514.18

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
CONSOLIDATED FIRE PROTECTION DISTF	2096	\$ 18,514.18

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City of Huntington Park

Successor Agency  
CIVIC CENTER

HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161



Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100040

DATE

AMOUNT

6/26/2012

\*\*\*\*\* \$ 18,514.18

EIGHTEEN THOUSAND FIVE HUNDRED FOURTEEN AND 18/100 \*\*\*\*\* NOT PAYABLE AFTER 90 DAYS \*\*\*  
FROM DATE ISSUED

PAY  
TO THE  
ORDER OF

CONSOLIDATED FIRE PROTECTION DISTRICT  
5823 RICKENBACKER RD, RM 123  
COMMERCE, CA 90040

⑈ 100040 ⑈ ⑆ 121000248⑆ 4123401655⑈



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**Item Details**

Amount: 18,514.18  
Currency : USD  
Check #: ~~100040~~  
Item Sequence #: 382255299  
Transaction Type: DEBIT  
Type Code/Description: ~~47/CHECK PAID~~  
Routing Number: 121000248  
Account Number/Account Name: 4123401655/successor to the community dev  
Posting Date: 07/05/2012  
Issue Date: 06/26/2012  
Payee: CONSOLIDATED FIRE PROTECTION D  
As of Date: 07/05/2012  
Additional Item Details: 0000003 +000000412244772  
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City of Huntington Park  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
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100041

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 2,385.16

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
LA COUNTY LIBRARY	2097	\$ 2,385.16

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
PLEASE DETACH BEFORE DEPOSITING

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City of Huntington Park  
Successor Agency  
CIVIC CENTER  
HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161

 Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100041

DATE	AMOUNT
6/26/2012	***** \$ 2,385.16

TWO THOUSAND THREE HUNDRED EIGHTY FIVE AND 16/100 \*\*\*\*\* NOT PAYABLE AFTER 90 DAYS FROM DATE ISSUED

PAY TO THE ORDER OF

LA COUNTY LIBRARY  
7400 E IMPERIAL HWY  
DOWNEY, CA 90242

⑈ 100041 ⑆ ⑆ 21000248 ⑆ 4123401655 ⑆



Item Details

> Print > Close

Amount: 2,385.16  
Currency : USD  
Check #: [REDACTED]  
Item Sequence #: 287928262  
Transaction Type: DEBIT  
Type Code/Description: [REDACTED] / CHECK PAID  
Routing Number: 121000248  
Account Number/Account Name: 4123401655/successor to the community dev  
Posting Date: 07/03/2012  
Issue Date: 06/26/2012  
Payee: LA COUNTY LIBRARY  
As of Date: 07/03/2012  
Additional Item Details: 0000002 +000000414242181  
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**City of Huntington Park**  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
PHONE: (323) 582-6161

100042

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 33,928.29

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
CITY OF HUNTINGTON PARK	166	\$ 33,928.29

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**City of Huntington Park**  
Successor Agency  
CIVIC CENTER  
HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161

 Weills Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100042

DATE	AMOUNT
6/26/2012	***** \$ 33,928.29

THIRTY THREE THOUSAND NINE HUNDRED TWENTY EIGHT AND 29/100 \*\*\*\*\*  
NOT PAYABLE AFTER 90 DAYS  
FROM DATE ISSUED

PAY  
TO THE  
ORDER OF

CITY OF HUNTINGTON PARK  
6550 MILES AVE.  
HUNTINGTON PARK, CA 90255

⑈ 100042⑈ ⑆ 121000248⑆ 4123401655⑈



> Print > Close

**Item Details**

Amount: 33,928.29  
 Currency : USD  
 Check #: 100042  
 Item Sequence #: 1625279075  
 Transaction Type: DEBIT  
 Type Code/Description: 45/CHECK PAID  
 Routing Number: 121000248  
 Account Number/Account Name: 4123401655/successor to the community dev  
 Posting Date: 06/29/2012  
 Issue Date: 06/26/2012  
 Payee: CITY OF HUNTINGTON PARK  
 As of Date: 06/29/2012  
 Additional Item Details: 0000003 +000000417413756  
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City of Huntington Park  
CIVIC CENTER

HUNTINGTON PARK, CALIFORNIA 90255  
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100043

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	INVOICE AMOUNT
6/13/2012	FY 2011-2012	AB1290 TAX INCREMENT PASS THROUGH PAYMENT	\$ 23,463.51

VENDOR NAME	VENDOR NO.	TOTAL AMOUNT
LAUSD	1435	\$ 23,463.51

THIS WARRANT IS ISSUED IN FULL PAYMENT OF THE ATTACHED ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH BY ENDORSEMENT.  
PLEASE DETACH BEFORE DEPOSITING

THIS DOCUMENT WAS PRINTED ON PAPER CONTAINING ULTRAVIOLET FIBERS AND A WATERMARK

City of Huntington Park  
Successor Agency  
CIVIC CENTER  
HUNTINGTON PARK, CALIF. 90255  
PHONE: (323) 582-6161

 Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

11-24  
1210

100043

DATE	AMOUNT
6/26/2012	***** \$ 23,463.51

TWENTY THREE THOUSAND FOUR HUNDRED SIXTY THREE AND 51/100 \*\*\*\*\*  
NOT PAYABLE AFTER 90 DAYS FROM DATE ISSUED

PAY TO THE ORDER OF

LAUSD  
333 S. BEAUDRY AVE.  
LOS ANGELES, CA 90017

⑈ 100043⑈ ⑆ 121000248⑆ 4123401655⑈



**Item Details**

Amount: 23,463.51  
Currency : USD  
Check #:   
Item Sequence #: 8319456385  
Transaction Type: DEBIT  
Type Code/Description:   
Routing Number: 121000248  
Account Number/Account Name: 4123401655/successor to the community dev  
Posting Date: 07/02/2012  
Issue Date: 06/26/2012  
Payee: LAUSD  
As of Date: 07/02/2012  
Additional Item Details: 0000001 +000000414851254  
CHECK

**Close Window**

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# Exhibit 2

July 12, 2012

CTE Deferrals from 2011-12 Property Tax Remittances

	11/18/11 Tax	12/20/11 Tax	1/20/12 Tax	Totals
<b>CBD</b>				
Gross TI	16,985.63	1,287,888.90	190,351.75	
Pass Through	(9,184.55)	(685,430.89)	(101,319.70)	
CTE Deferral (Loan)	6,973.98	520,459.17	76,933.75	
Admin Fees	(296.91)	(46,142.13)	22.82	
<b>Industrial</b>				
Gross TI	513,917.33	582,083.91	95,617.03	
Pass Through	(272,938.25)	(309,599.62)	(50,958.97)	
CTE Deferral (Loan)	207,246.59	235,084.19	38,694.00	
Admin Fees	(2,248.12)	(23,540.88)	(345.49)	
<b>North</b>				
Gross TI	448,280.34	1,536,722.98	229,192.59	
Pass Through	(241,697.35)	(816,374.98)	(121,751.08)	
CTE Deferral (Loan)	183,524.87	619,887.22	92,447.64	
Admin Fees	(198.91)	(59,837.68)	(128.57)	
<b>Sta Fe R.P.</b>				
Gross TI	38,257.79	660,092.27	96,813.19	
Pass Through	(20,299.63)	(350,371.75)	(51,393.12)	
CTE Deferral (Loan)	-	-	-	
Admin Fees	(53.29)	(24,594.61)	308.29	
<b>Neighborhood Preservation</b>				
Gross TI	32,576.97	607,457.15	86,319.59	
Pass Through	-	-	-	
Stat Pass (1290)	(1,407.06)	(25,897.12)	(3,682.21)	
CTE Deferral (Loan)	-	-	-	
Admin Fees	(260.42)	(21,975.73)	336.00	
<b>Total</b>				
Gross TI	1,050,018.06	4,674,245.21	698,294.15	6,422,557.42
Pass Through	(544,119.78)	(2,161,777.24)	(325,422.87)	(3,031,319.89)
Stat Pass (1290)	(1,407.06)	(25,897.12)	(3,682.21)	(30,986.39)
* <u>CTE Deferral (Loan)</u>	397,745.44	1,375,430.58	208,075.39	<u>1,981,251.41</u> *
Admin Fees	(3,057.65)	(176,091.03)	193.05	(178,955.63)

AMENDED AGREEMENT  
FOR ALLOCATION OF TAX INCREMENT FUNDS

*Redevelopment  
Tax Agreement  
Santa Fe*

62525

(Huntington Park Santa Fe Redevelopment Project)

THIS AMENDED AND RESTATED AGREEMENT, made and entered into this 30<sup>th</sup> day of January, 1990, by and between the Huntington Park Redevelopment Agency ("Agency"), the City of Huntington Park ("City"), the Consolidated Fire Protection District of Los Angeles County ("Fire District"), and the County of Los Angeles.

WITNESSETH

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CITY OF  
HUNTINGTON PARK

WHEREAS, the City and the Agency held a joint public hearing on November 26, 1984, for the purpose of considering the approval and adoption of the Redevelopment Plan for the Huntington Park Santa Fe Redevelopment Project ("Santa Fe Plan"); and

WHEREAS, the City adopted Ordinance No. 372-NS on December 3, 1984, approving and adopting the Santa Fe Plan; and

WHEREAS, the Agency consulted with representatives of the County of Los Angeles, the Los Angeles County Flood Control District, and the Los Angeles County Public Library (collectively, the "County"), and the Fire District pursuant to California Health and Safety Code Sections 33328 and 33353.3 to determine the fiscal impact of the Santa Fe Plan; and

WHEREAS, by approval of this Amended Agreement, the parties hereto find and determine that any financial effects described in California Health and Safety Code Sections 33012 and 33401 relating to the Santa Fe Project are thereby alleviated; and

WHEREAS, the County and Fire District intend that this Amended Agreement shall serve as a solution to their concerns regarding the Santa Fe Plan and agree to forebear any judicial remedies they may have to challenge further implementation of the Santa Fe Project.

NOW THEREFORE, for and in consideration of the foregoing, the parties do hereby agree as follows:

SECTION 1. Definitions. (a) "Assessment Roll" shall mean the 1984-85 assessment roll, which was the last roll equalized prior to the effective date of the ordinance adopting the Santa Fe Plan. The Assessment Roll shall be utilized as the base year assessment roll for allocation of taxes for the Santa Fe Project pursuant to California Health and Safety Code Section 33670 and the provisions of this Amended Agreement.

(b) "Tax Increment Revenues" shall mean that portion of tax revenues generated by application of the basic tax levy to any increases in the respective assessed valuation within the Santa Fe

Share for the Santa Fe Project shall be thirty-five and six-tenths percent (35.6%).

SECTION 2. Allocation of Tax Increment Revenues. The Tax Increment Revenues for the Santa Fe Project shall annually be distributed as follows:

(a) Subject to SECTION 4 of this Amended Agreement, the County shall annually be allocated the County Share as defined in SECTION 1(c) herein. Any limitations previously established in the Original Agreement and applied to the County Share are hereby eliminated and, as of the date of execution of this Amended Agreement, shall not be applicable. The allocation to be made pursuant to this SECTION 2(a) shall not be used to calculate the Agency's maximum tax increment limit for the Santa Fe Project.

(b) The Fire District shall annually be allocated the Fire District Share as defined in SECTION 1(d) herein. The allocation to be made pursuant to this SECTION 2(b) shall not be used to calculate the Agency's maximum tax increment limit for the Santa Fe Project.

(c) The Agency shall annually be allocated the Agency Share as defined in SECTION 1(e) herein. In no event during the life of the Santa Fe Project shall the Agency Share exceed sixty-one million four hundred fifty-five thousand dollars (\$61,455,000).

attributable to annual increases in the assessed value in the Santa Fe Project area in excess of six percent (6%). In no event shall the County Deferral exceed the Tax Increment Revenues specified in SECTION 2(a) of this Amended Agreement.

(b) The Agency shall, in good faith, attempt to fully repay the County Deferral prior to the end of the life of the Santa Fe Project, with interest compounded annually.

(c) The County Deferral shall accrue interest at seven percent (7%) per year, compounded annually. Such interest shall be calculated annually by the County Auditor-Controller based on the outstanding balance, including interest accrued to date, as of June 30. The County Auditor-Controller shall upon an annual written request of the Agency, notify the Agency of the total outstanding principal and interest due no later than 30 days after receipt of such request.

(d) The Agency shall commence repayment of the principal and interest amounts of the County Deferral beginning with the fiscal year immediately following the year in which existing developer debt totalling five million three hundred sixty-eight thousand eight hundred forty dollars (\$5,368,840) and identified in Exhibit A to this Amended Agreement, are paid. Once existing developer debt is repaid, the Agency shall annually utilize all of the Agency Share of annual Tax Increment Revenues to repay the

Tax Increment Revenues are to be contributed to the Housing Fund and the percentage that is to be contributed.

SECTION 6. County-Owned/Leased Property. The development by the County or Fire District of any real property owned or leased by the County or Fire District within the Santa Fe Project area shall not be subject to the approval or control of the City or Agency beyond that available to the City prior to the date of execution of this Amended Agreement, except with the written consent of the County.

SECTION 7. Plan Amendments. The parties agree that the Agency shall not amend the Santa Fe Plan for any of the purposes described in California Health and Safety Code Section 33354.6 which could result in creation of a fiscal review committee without prior written approval of the County.

SECTION 8. Administration. County's Auditor-Controller shall annually determine, document and distribute Tax Increment Revenues in accordance with this Amended Agreement, as follows:

(a) The Auditor-Controller shall annually determine, as provided by law: (1) The total amount of Tax Increment Revenues generated by the Santa Fe Project; (2) the total amount of Tax Increment Revenues that will be allocated to the Agency; (3) the amount of Tax Increment Revenues to be allocated to the County and

annual Agency bonded debt service requirements for bonded debt existing at the time of execution of this Amended Agreement.

(b) The Agency shall incur no new debt, bonded or otherwise, other than self-liquidating debt that is not secured by tax increment, or as otherwise approved by the County, until such time as the County Deferral is fully repaid.

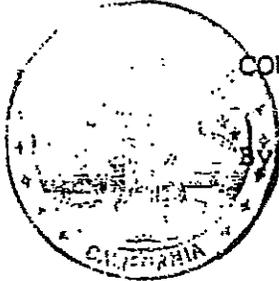
(c) The parties agree that the Agency shall not repay any and all loans from the City until such time as the County Deferral is fully repaid.

SECTION 10. Covenant Not To Sue. The County and Fire District agree that neither will file or participate in any lawsuit or proceedings attacking or otherwise questioning the validity or implementation of the Santa Fe Plan, or any other findings or determinations previously made or to be made by the Agency or the City in connection with the Santa Fe Plan or its implementation.

SECTION 11. Miscellaneous. (a) Nothing in this Amended Agreement shall relieve the Agency from the obligation of filing a Statement of Indebtedness pursuant to California Health and Safety Code Section 33675.

(b) If this Amended Agreement is held invalid, in whole or in part, in order to carry out the purposes identified herein,

IN WITNESS THEREOF, the City of Huntington Park, the Huntington Park Redevelopment Agency, the Consolidated Fire Protection District of Los Angeles County, and the County of Los Angeles have caused this Amended Agreement to be executed on their behalf by their duly authorized representatives.



COUNTY OF LOS ANGELES

By: Pat C. Schickman  
Chairman,  
Board of Supervisors

ATTEST TO:

LARRY J. MONTEILH,  
Executive Officer -  
Clerk of the  
Board of Supervisors

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY  
By: Pat C. Schickman

By: Janet Logan  
Deputy

CITY OF HUNTINGTON PARK

Approved as to Form:

DE WITT W. CLINTON  
County Counsel

By: William P. [Signature]  
Mayor

By: [Signature]  
Deputy

HUNTINGTON PARK REDEVELOPMENT AGENCY

Approved as to Form:

By: [Signature]  
MICHAEL B. MONTGOMERY  
Agency Counsel

By: [Signature]  
Chairman

ATTEST:

By: [Signature]  
MARILYN A. BOYETTE, CMC  
City Clerk

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

[Signature]  
LARRY J. MONTEILH  
EXECUTIVE OFFICER

AMENDED AND RESTATED  
AGREEMENT FOR ALLOCATION OF TAX INCREMENT FUNDS

62524

Huntington Park Redevelopment Plan Merging the CBD,  
Industrial and North Redevelopment Projects)

THIS AMENDED AND RESTATED AGREEMENT, made and entered into this 30<sup>th</sup> day of January, 1990, by and between the HUNTINGTON PARK REDEVELOPMENT AGENCY ("Agency"), the CITY OF HUNTINGTON PARK ("City"), the CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY ("Fire District"), and the COUNTY OF LOS ANGELES.

WITNESSETH

WHEREAS, the City adopted Ordinance No. 66-NS on December 20, 1971, after public hearing, approving and adopting the CBD Plan; and

WHEREAS, the City adopted Ordinance No. 232-NS on June 4, 1979, after public hearing, approving and adopting the CBD Amendment; and

WHEREAS, upon the finding by the Agency and City that the CBD Amendment would cause financial burden or detriment to the Fire District and County, the parties entered into an Agreement for the Reimbursement of Tax Increments dated May 29, 1979 ("CBD Agreement") (No. 43746); and

CITY OF  
HUNTINGTON PARK  
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WHEREAS, the City adopted Ordinance No. 167-NS on May 25, 1977, after public hearing, approving and adopting the Industrial Plan as subsequently amended by Ordinance No. 282-NS adopted February 2, 1981; and

WHEREAS, the City adopted Ordinance No. 261-NS on July 7, 1980, after public hearing, approving and adopting the North Plan; and

WHEREAS, upon the finding by the Agency and City that the North Plan would cause financial burden or detriment to the Fire District and County, the parties entered into an Agreement for the Reimbursement of Tax Increments dated May 27, 1980 ("North Agreement")(No. 43747); and

WHEREAS, the City and the Agency will hold a joint public hearing for the purpose of considering the approval and adoption of the Redevelopment Plan to extend the lives and limitations of the respective Plans to merge the CBD, Industrial and North Redevelopment Projects ("Plan"), with the merger of the projects to be effective upon the sale of the additional bonds; and

WHEREAS, the City will adopt an ordinance approving and adopting the Merger; and

WHEREAS, the Agency has consulted with representatives of the County of Los Angeles, the Los Angeles County Flood Control District, and the Los Angeles County Public Library (collectively, the "County"), and the Fire District to determine the fiscal impact of the Plan; and

WHEREAS, prior to and after the aforementioned public hearing, the County, acting through its Chief Administrative Officer, the Fire District, the City and the Agency have agreed to address the fiscal impact of the Plan; and

WHEREAS, the County and Fire District have found and the Agency and City hereby find that the merged CBD, Industrial and North Redevelopment Projects ("Merger") have caused and continue to cause financial detriment to the County and Fire District as defined in California Health and Safety Code Section 33012; and

WHEREAS, the City and Agency desire to amend and restate the CBD Agreement and North Agreement (collectively, the "Prior Agreements") to provide for the issuance of additional tax increment obligations in order to facilitate the implementation of the Merger; and

WHEREAS, the County and Fire District have determined that such an amendment and restatement of the Prior Agreements is desirable, reasonable and appropriate, and may be accomplished

while providing for the alleviation of any financial burden on the County from the implementation of the Industrial and North Projects which have been merged with the Huntington Park CBD Project; and

WHEREAS, the City, the Agency, the County and the Fire District also seek to alleviate the fiscal impact of the redevelopment projects which were the subjects of the Merger not currently covered by the Prior Agreements, by providing for the distribution to the County and Fire District of a portion of all tax increments derived from the Merger area; and

WHEREAS, this Amended Agreement is entered into upon the authority of California Health and Safety Code Section 33401 and the provisions of the Plan required by Health and Safety Code Section 33338.1; and

WHEREAS, the Agency agrees to make any findings necessary to the determination of financial detriment pursuant to Section 33401; and

WHEREAS, by approval of this Amended Agreement, the parties hereto find and determine that any financial effects described in California Health and Safety Code Sections 33012 and 33401 relating to the Merger are thereby alleviated; and

WHEREAS, the County and Fire District intend that this Amended Agreement shall serve as a solution to their concerns regarding the Plan and agree to forebear any judicial remedies they may have to challenge the validity or implementation of the Merger.

NOW THEREFORE, for and in consideration of the foregoing, the parties do hereby agree as follows:

SECTION 1. Definitions.

(a) "Assessment Rolls" shall mean the assessment rolls, which were the last roll equalized prior to the effective dates of the ordinances adopting the respective redevelopment projects merged by the Plan ("Merged Projects"). The Assessment Rolls shall be utilized as the base year assessment roll for allocation of taxes for the Merged Projects pursuant to California Health and Safety Code Section 33670 and the provisions of this Amended Agreement.

(b) "Tax Increment Revenues" shall mean that portion of tax revenues generated by application of the basic tax levy to any increases in the respective assessed valuation within the Merged Projects which would otherwise be allocated to the Agency pursuant to California Health and Safety Code Section 33670.

(c) "County Share" of Tax Increment Revenues shall mean that respective portion of property taxes generated from the basic tax levy within the Merged Projects which would be allocated to the County in the absence of a division of taxes pursuant to California Health and Safety Code Section 33670. For purposes of this Amended Agreement, ~~the County Share shall be forty-eight and nine-tenths percent (48.9%).~~

(d) "Fire District Share" of Tax Increment Revenues shall mean that respective portion of property taxes generated from the basic tax levy within the Merged Projects which would be allocated to the Fire District in the absence of a division of taxes pursuant to California Health and Safety Code Section 33670. For purposes of this Amended Agreement, ~~the Fire District Share shall be fifteen and five-tenths percent (15.5%).~~

(e) "Agency Share" of Tax Increment Revenues shall mean that respective percentage of property taxes generated from the basic tax levy within the Merged Projects which would be allocated to the Agency as a result of a division of taxes pursuant to California Health and Safety Code Section 33670 less the County Share and Fire District Share. For purposes of this Amended Agreement, ~~the Agency Share for the Merged Projects shall be thirty-five and six-tenths percent (35.6%).~~

SECTION 2. Allocation of Tax Increment Revenues. The Tax Increment Revenues for the Merger shall annually be distributed as follows:

(a) Subject to SECTION 4 of this Amended Agreement, the County shall annually be allocated the County Share as defined in SECTION 1(c) herein. The allocation to be made pursuant to this SECTION 2(a) shall not be used to calculate the Agency's maximum tax increment limit for the Merger.

(b) The Fire District shall annually be allocated the Fire District Share as defined in SECTION 1(d) herein. The allocation to be made pursuant to this SECTION 2(b) shall not be used to calculate the Agency's maximum tax increment limit for the Merger.

(c) The Agency shall annually be allocated the Agency Share as defined in SECTION 1(e) herein.

SECTION 3. Tax Rate Increases. In addition to the portion of taxes allocated to the County and Fire District pursuant to California Health and Safety Code Section 33670 (a) and SECTION 2 herein, an amount equal to all that portion of the Tax Increment Revenues allocable to the Agency pursuant to Section 33670(b) attributable to increases in the rate of tax levied by the County Board of Supervisors for the benefit of the County or special

districts for which the Board of Supervisors acts as the governing body, which levy occurs after the tax year in which the ordinances adopting the redevelopment plans for the Merged Projects became effective, shall be allocated to the County and Fire District pursuant to California Health and Safety Code Section 33676(a)(1). The allocation to be made pursuant to this SECTION 3 shall not be used to calculate the Agency's maximum tax increment limit for the Merger.

SECTION 4. County Loan. Recognizing the Agency's need to utilize a portion of the annual Tax Increment Revenues generated in the Merger area to meet annual bonded debt service requirements, the County agrees to loan to the Agency a portion of the Tax Increment Revenues allocated to the County pursuant to SECTION 2(a) of this Amended Agreement ("County Deferral") on the basis stated below:

(a) ~~The County shall annually loan to the Agency that portion of the County Share representing an amount necessary to assist the Agency in meeting County approved bonded debt which includes existing bonded debt and an additional amount authorized by SECTION 7 of this Amended Agreement and required third-party non-Agency administrative fees such as Trustee/fiscal agency fees, etc., required to administer the debt. The Agency shall, no later than October 1 of each year, request and substantiate the need for the County Deferral. In computing the Agency's annual need, the~~

Agency shall use all available revenues, including debt service override, unitary revenue, State property tax subvention revenue and the Agency Share toward its annual debt service requirements. In no event shall the County loan exceed the Tax Increment Revenues specified in SECTION 2(a) of this Amended Agreement.

(b) The Agency shall, in good faith, attempt to fully repay the County Deferral prior to the end of the life of the Merger, with interest compounded annually.

(c) The County Deferral shall accrue interest at seven percent (7%) per year, compounded annually. Such interest shall be calculated annually by the County Auditor-Controller based on the outstanding balance, including interest accrued to date, as of June 30. The County Auditor-Controller shall upon an annual written request of the Agency, notify the Agency of the total outstanding principal and interest due no later than 30 days after receipt of such request.

(d) The Agency shall commence repayment of the principal and interest amounts of the County Deferral beginning in the fiscal year immediately following the year in which the total of the Agency's Share of Tax Increment, debt service override, unitary revenue and State property tax subvention revenue is sufficient to meet annual Agency bonded debt service requirements. The County Deferral for the Merger shall terminate that year.

(e) The County shall begin to receive its full share of Tax Increment Revenues the year in which the County Deferral is terminated.

(f) The Agency shall make annual repayments toward County's loan amount out of the Agency's annual revenues, including the Agency's Share of Tax Increment, debt service override, unitary tax revenue and State Subvention revenues. The annual repayment amount shall be seventy percent (70%) of the difference between the annual debt service requirement and the Agency's total annual revenues described above.

(g) The County loan shall be considered indebtedness for the purpose of listing on the Merged Projects' annual statements of indebtedness.

SECTION 5. Housing Fund. The Agency shall be solely responsible for any required contributions to the Housing Fund from the Agency's portion of Tax Increment. The Agency shall notify, in writing, the County Auditor-Controller by October 1 of each year as to whether or not Tax Increment Revenues are to be contributed to the Housing Fund and the percentage that is to be contributed.

SECTION 6. County-Owned/Leased Property. The development by the County or Fire District of any real property owned or leased by the County or Fire District within the Merger

area shall not be subject to the approval or control of the City or Agency beyond that available to the City prior to the date of execution of this Amended Agreement, except with the written consent of the County.

SECTION 7. Plan Amendments.

(a) With the exception of an amendment to extend the life of the Plan and raise tax increment limits to accommodate an additional \$15 million in gross bond sales by the Agency or by an appropriate authority as hereby approved by the County, the Agency shall not amend any Plan for any of the purposes described in California Health and Safety Code Section 33354.6 which could result in creation of a fiscal review committee without prior written approval of the County.

(b) The Agency or appropriate authority shall use bond proceeds resulting from the amendment authorized in SECTION 7(a) above, to repay County-approved outstanding developer debt as identified by the Agency in Exhibit 1 to this Amended Agreement. Surplus bond proceeds beyond the amount needed to repay such developer debts, cost of bond issuance, and appropriate reserve funds, may be used by the Agency to repay City debt.

SECTION 8. Administration. County's Auditor-Controller shall annually determine, document and distribute Tax Increment Revenues in accordance with this Amended Agreement, as follows:

(a) The Auditor-Controller shall annually determine, as provided by law and this Amended Agreement:

(1) The total amount of Tax Increment Revenues generated by the Merged Projects;

(2) the total amount of Tax Increment Revenues that will be allocated to the Agency;

(3) the amount of Tax Increment Revenues to be allocated to the County and Fire District based on the distribution established by this Amended Agreement;

(4) the amount of Tax Increment to be loaned to the Agency from the County Share pursuant to SECTION 4 herein; and

(5) the amount the Agency is to repay to the County pursuant to SECTION 4 of this Amended Agreement.

(b) The County Auditor-Controller shall allocate and distribute the property tax revenues generated from within the Projects in the manner described in California Health and Safety

Code Sections 33670 (a) and (b) and in accordance with the requirements of this Amended Agreement. In the event the County Auditor-Controller makes overpayment or underpayment to the Agency, the affected party shall serve upon the other party a written demand for payment setting forth the amount of overpayment or underpayment and an explanation of how such amount is calculated. Such overpayment shall be reimbursed within thirty (30) working days of receipt of such demand or, in the alternative, any amount owed by the Agency shall be withheld from future payments to the Agency for the respective project for which overpayment was made.

(c) Upon the written request of the Agency, the Auditor-Controller shall provide to the Agency the basis for distribution of the Tax Increment Revenues, as outlined in SECTION 8(a) herein, by October 1 of each year or thirty days following receipt of the request.

#### SECTION 9. Subordination.

(a) The indebtedness of the Agency under this Amended Agreement shall be subordinate solely to annual Agency bonded debt service requirements. The indebtedness of the Agency under this Amended Agreement shall be included in all calculations of the amounts of the other Agency indebtedness used in connection with the sale of bonds or any agreement for which a pledge of Tax Increment Revenues is necessary.

(b) Except as provided in SECTION 7 herein, the Agency shall not incur new debt, bonded or otherwise, other than self-liquidating debt that is not secured by tax increment, or as otherwise approved by the County, until such time as the County Deferral is fully repaid.

(c) The order of priority to be given to distribution of Tax Increment Revenues for the Merger shall be as follows:

(1) Annual bonded debt service requirements and payment of the Fire District Share, which for the purposes of bonds previously sold shall be deemed to be subordinate to that debt service, and administrative fees to administer debt.

(2) Payment of the County Share.

(3) Repayment of the County Deferral as provided in SECTION 4 herein, and Agency administration/City loans on a 70/30 ratio (i.e., seventy percent (70%) to the County, thirty percent (30%) to the Agency).

(4) Other Agency purposes, including repayment of City debt.

SECTION 10. Covenant Not To Sue. The County and Fire District consent to and approve the proposed amendment to the Merger which has been reviewed by the County and Fire District.

The County and Fire District agree that neither will file or participate in any lawsuit or proceedings attacking or otherwise questioning the validity of the Plan or its adoption or approval, or any other findings or determinations previously made or to be made by the Agency or the City in connection with such Plan or their implementation.

SECTION 11. Miscellaneous.

(a) The Agency shall not spend Tax Increment Revenues within the Merger area for public improvements not integrally related to the Merger.

(b) Nothing in this Amended Agreement shall relieve the Agency from the obligation of filing a Statement of Indebtedness pursuant to California Health and Safety Code Section 33675.

(c) If this Amended Agreement is held invalid, in whole or in part, in order to carry out the purposes identified herein, the parties agree that each will take all necessary steps, including formal action and execution of documents, to accomplish the provisions of this Amended Agreement (including the distribution of Tax Increment Revenues in the manner and according to the allocation contemplated herein) by legal means.

(d) For audit purposes, the Agency shall have the right to review the County Auditor-Controller's calculations required in SECTION 8 herein.

SECTION 12. In-Lieu Payments. The Agency shall make in-lieu payments for any revenue losses resulting from property being taken off the tax rolls for extended periods of time by virtue of ownership by the Agency. These in-lieu payments shall only apply to property acquired by the Agency for the purpose of resale to private developers and held off the tax rolls for over a three year period.

SECTION 13. Protection of Agreement and Bonds. It is intended that this Amended Agreement and the bonds shall be protected by the provisions of California Health and Safety Code Section 33486 (b).

SECTION 14. Financial Commitment to Merger. The Agency shall commit all available sources of funding, including the Agency Share, the debt service override, unitary revenue and State property tax subvention revenue toward financial support of the Merger.

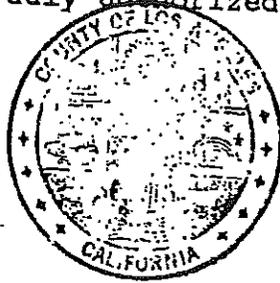
SECTION 15. Term. (a) The effective date of this Amended Agreement shall be the date of execution by the County Board of Supervisors, unless the Plan is not legally adopted by the

City and Agency, in which event, this Amended Agreement shall be null and void. If legally adopted, the effective date of the Project Merger shall be the day following the closing date of the bond issue(s) provided for in foregoing SECTION 8 herein. In the event bonds are not issued by the Agency or appropriate authority pursuant to this Amended Agreement within six (6) months from execution, as extended by any litigation, then this Amended Agreement shall be null and void. The County shall have the right to approve the bond sale herein. If the County objects, the bonds shall not be delivered. This Amended Agreement, if adopted, shall supersede any and all pre-existing Agency-County Agreements for the Plan, including but not limited to Agreement No. 43746 and Agreement No. 43747.

(b) Unless previously terminated by mutual agreement of the parties, all rights and obligations in this Amended Agreement shall terminate when the Agency's legal rights to claim and receive Tax Increment Revenues from the Merged Projects cease.

SECTION 16. Severability. If any portion of this Amended Agreement is held invalid, the remaining provisions shall maintain their full force and effect.

IN WITNESS THEREOF, the City of Huntington Park, the Huntington Park Redevelopment Agency, the Consolidated Fire Protection District of Los Angeles County, and the County of Los Angeles have caused this Amended Agreement to be executed on their behalf by their duly authorized representatives.



COUNTY OF LOS ANGELES

By: *Pat E. Schickman*  
Chairman,  
Board of Supervisors

ATTEST TO:

LARRY J. MONTEILH,  
Executive Officer -  
Clerk of the  
Board of Supervisors

CONSOLIDATED FIRE PROTECTION  
DISTRICT OF LOS ANGELES COUNTY

By: *Pat E. Schickman*

By: *Janet Lopez*  
Deputy

Approved as to Form:

DE WITT W. CLINTON  
County Counsel

By: *De Witt W. Clinton*  
Deputy

CITY OF HUNTINGTON PARK

By: *William P. Griffin*  
Mayor

Approved as to Form:

By: *Michael B. Montgomery*  
MICHAEL B. MONTGOMERY  
Agency Counsel

HUNTINGTON PARK REDEVELOPMENT  
AGENCY

By: *Jack Parker*  
Chairman

ATTEST:

By: *Marilyn A. Boyette*  
MARILYN A. BOYETTE, CMC  
City Clerk

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18 08

JAN 30 1990

*Larry J. Montelh*  
LARRY J. MONTEILH,  
EXECUTIVE OFFICER

EXHIBIT I

<u>File Area</u>	<u>Development Description</u>	<u>ID #</u>	<u>Creditor/ Developer</u>	<u>Agency Debt</u>
CBD	Daisy Victorian	72	Jim Watson	1,199,329
CBD	Plaza de la Fiesta	60	Jim Watson	2,320,962
				=====
				3,520,291
IND	Industrial Park	1	Bestway Recycl	230,000
IND	Robin Plaza	91	Jim Watson	236,486
				=====
				466,486
NRP	Alexander Plaza	63	RHA Partners	969,974
NRP	BOCL 164 SFD	93	Mus Co., Inc.	211,577
NRP	Christina Plaza	NA	Jim Watson	41,936
NRP	DDA Cancelled	47	Kent Roberts	348,702
NRP	Juliana Plaza	65	Sam & James	571,853
NRP	None	NA	Hawkins	15,000
NRP	Pacific Shop. Cntr.	16	PacificShopCntr Partners	5,209,361
NRP	Seville Gardens	84	Katina Assoc.	226,729
				=====
				7,595,132
			Total Dev Debt	11,581,909
				=====

NOTE: Amounts above are informational only as they are presently being confirmed and reconciled to developers records. Adjustments relating to these procedures borrowing between the date of agreement and date of payoff and interest due on these to date of payoff may result in these amounts changing.

AMENDED AGREEMENT  
FOR ALLOCATION OF TAX INCREMENT FUNDS

62525

(Huntington Park Santa Fe Redevelopment Project)

THIS AMENDED AND RESTATED AGREEMENT, made and entered into this 30<sup>th</sup> day of January, 1990, by and between the Huntington Park Redevelopment Agency ("Agency"), the City of Huntington Park ("City"), the Consolidated Fire Protection District of Los Angeles County ("Fire District"), and the County of Los Angeles.

WITNESSETH

WHEREAS, the City and the Agency held a joint public hearing on November 26, 1984, for the purpose of considering the approval and adoption of the Redevelopment Plan for the Huntington Park Santa Fe Redevelopment Project ("Santa Fe Plan"); and

WHEREAS, the City adopted Ordinance No. 372-NS on December 3, 1984, approving and adopting the Santa Fe Plan; and

WHEREAS, the Agency consulted with representatives of the County of Los Angeles, the Los Angeles County Flood Control District, and the Los Angeles County Public Library (collectively, the "County"), and the Fire District pursuant to California Health and Safety Code Sections 33328 and 33353.3 to determine the fiscal impact of the Santa Fe Plan; and

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HUNTINGTON PARK

WHEREAS, prior to the aforementioned public hearing, the County, acting through its Chief Administrative Officer, the Fire District, the City and the Agency agreed to address the fiscal impact of the Santa Fe Plan; and

WHEREAS, upon the finding by the Agency and City that the Santa Fe Plan would cause financial burden or detriment to the Fire District and County, the parties entered into an agreement for the Reimbursement of Tax Increments dated November 20, 1984 ("Original Agreement") (No. 48892); and

WHEREAS, the County and Fire District have found and the Agency and City hereby find that the Santa Fe Redevelopment Project ("Santa Fe Project") is continuing to cause financial detriment to the County and Fire District as defined in California Health and Safety Code Section 33012; and

WHEREAS, the parties of the Original Agreement desire to amend and restate the terms of that agreement to address the continued fiscal impact of the Santa Fe Project on the County and Fire District; and

WHEREAS, the Agency and City agree to make any findings necessary to the determination of continued financial detriment pursuant to Section 33401; and

WHEREAS, by approval of this Amended Agreement, the parties hereto find and determine that any financial effects described in California Health and Safety Code Sections 33012 and 33401 relating to the Santa Fe Project are thereby alleviated; and

WHEREAS, the County and Fire District intend that this Amended Agreement shall serve as a solution to their concerns regarding the Santa Fe Plan and agree to forebear any judicial remedies they may have to challenge further implementation of the Santa Fe Project.

NOW THEREFORE, for and in consideration of the foregoing, the parties do hereby agree as follows:

SECTION 1. Definitions. (a) "Assessment Roll" shall mean the 1984-85 assessment roll, which was the last roll equalized prior to the effective date of the ordinance adopting the Santa Fe Plan. The Assessment Roll shall be utilized as the base year assessment roll for allocation of taxes for the Santa Fe Project pursuant to California Health and Safety Code Section 33670 and the provisions of this Amended Agreement.

(b) "Tax Increment Revenues" shall mean that portion of tax revenues generated by application of the basic tax levy to any increases in the respective assessed valuation within the Santa Fe

Project area which would otherwise be allocated to the Agency pursuant to California Health and Safety Code Section 33670.

(c) "County Share" of Tax Increment Revenues shall mean that portion of property taxes generated from the basic tax levy within the Santa Fe Project area which would be allocated to the County in the absence of a division of taxes pursuant to California Health and Safety Code Section 33670. For purposes of this Amended Agreement, the County Share shall be forty-eight and nine-tenths percent (48.9%).

(d) "Fire District Share" of Tax Increment Revenues shall mean that portion of property taxes generated from the basic tax levy within the Santa Fe Project area which would be allocated to the Fire District in the absence of a division of taxes pursuant to California Health and Safety Code Section 33670. For purposes of this Amended Agreement, the Fire District Share shall be fifteen and five-tenths percent (15.5%).

(e) "Agency Share" of Tax Increment Revenues shall mean that percentage of property taxes generated from the basic tax levy within the Santa Fe Project area which would be allocated to the Agency as a result of a division of taxes pursuant to California Health and Safety Code Section 33670 less the County Share and Fire District Share. For purposes of this Amended Agreement, the Agency

Share for the Santa Fe Project shall be thirty-five and six-tenths percent (35.6%).

SECTION 2. Allocation of Tax Increment Revenues. The Tax Increment Revenues for the Santa Fe Project shall annually be distributed as follows:

(a) Subject to SECTION 4 of this Amended Agreement, the County shall annually be allocated the County Share as defined in SECTION 1(c) herein. Any limitations previously established in the Original Agreement and applied to the County Share are hereby eliminated and, as of the date of execution of this Amended Agreement, shall not be applicable. The allocation to be made pursuant to this SECTION 2(a) shall not be used to calculate the Agency's maximum tax increment limit for the Santa Fe Project.

(b) The Fire District shall annually be allocated the Fire District Share as defined in SECTION 1(d) herein. The allocation to be made pursuant to this SECTION 2(b) shall not be used to calculate the Agency's maximum tax increment limit for the Santa Fe Project.

(c) The Agency shall annually be allocated the Agency Share as defined in SECTION 1(e) herein. In no event during the life of the Santa Fe Project shall the Agency Share exceed sixty-one million four hundred fifty-five thousand dollars (\$61,455,000).

SECTION 3. Tax Rate Increases. In addition to the portion of taxes allocated to the County and Fire District pursuant to California Health and Safety Code Section 33670 (a) and SECTION 2 herein, an amount equal to all that portion of the Tax Increment Revenues allocable to the Agency pursuant to Section 33670(b) attributable to increases in the rate of tax levied by the County Board of Supervisors for the benefit of the County or special districts for which the Board of Supervisors acts as the governing body, which levy occurs after the tax year in which the ordinance adopting the Santa Fe Plan became effective, shall be allocated to the County and Fire District pursuant to California Health and Safety Code Section 33676(a)(1). The allocation to be made pursuant to this SECTION 3 shall not be used to calculate the Agency's maximum tax increment limit for the Santa Fe Project.

SECTION 4. County Loan. Recognizing the Agency's need to utilize a portion of the annual Tax Increment Revenues generated in the Santa Fe Project area to meet existing obligations under certain developer agreements, and associated developer debt repayments, for the Santa Fe Project, the County agrees to loan a portion of the Tax Increment Revenues allocated to the County pursuant to SECTION 2 of this Amended Agreement ("County Deferral") to the Agency on the basis stated below:

(a) The County shall annually loan to the Agency that portion of the County Share of the Tax Increment Revenues

attributable to annual increases in the assessed value in the Santa Fe Project area in excess of six percent (6%). In no event shall the County Deferral exceed the Tax Increment Revenues specified in SECTION 2(a) of this Amended Agreement.

(b) The Agency shall, in good faith, attempt to fully repay the County Deferral prior to the end of the life of the Santa Fe Project, with interest compounded annually.

(c) The County Deferral shall accrue interest at seven percent (7%) per year, compounded annually. Such interest shall be calculated annually by the County Auditor-Controller based on the outstanding balance, including interest accrued to date, as of June 30. The County Auditor-Controller shall upon an annual written request of the Agency, notify the Agency of the total outstanding principal and interest due no later than 30 days after receipt of such request.

(d) The Agency shall commence repayment of the principal and interest amounts of the County Deferral beginning with the fiscal year immediately following the year in which existing developer debt totalling five million three hundred sixty-eight thousand eight hundred forty dollars (\$5,368,840) and identified in Exhibit A to this Amended Agreement, are paid. Once existing developer debt is repaid, the Agency shall annually utilize all of the Agency Share of annual Tax Increment Revenues to repay the

County Deferral. The County deferral for the Santa Fe Project shall terminate that year.

(e) The County shall begin to receive its full share of Tax Increment Revenues the year in which the County Deferral is terminated.

(f) The County loan shall be considered indebtedness for the purpose of listing on the annual statements of indebtedness for the Santa Fe Project.

SECTION 5. Housing Fund. California Health and Safety Code Section 33334.2 requires that twenty percent (20%) of the tax increment revenue allocated to the Agency shall be paid into a fund to be used for low- and moderate-income housing unless certain findings are made. During the life of the Santa Fe Project, the parties agree that, in any year in which Tax Increment Revenues are to be contributed to the Low and Moderate Income Housing Fund ("Housing Fund"), such contribution shall be governed by the following:

(a) The Agency shall be solely responsible for required contributions to the Housing Fund.

(b) The Agency shall notify, in writing, the County Auditor-Controller by October 1 of each year as to whether or not

Tax Increment Revenues are to be contributed to the Housing Fund and the percentage that is to be contributed.

SECTION 6. County-Owned/Leased Property. The development by the County or Fire District of any real property owned or leased by the County or Fire District within the Santa Fe Project area shall not be subject to the approval or control of the City or Agency beyond that available to the City prior to the date of execution of this Amended Agreement, except with the written consent of the County.

SECTION 7. Plan Amendments. The parties agree that the Agency shall not amend the Santa Fe Plan for any of the purposes described in California Health and Safety Code Section 33354.6 which could result in creation of a fiscal review committee without prior written approval of the County.

SECTION 8. Administration. County's Auditor-Controller shall annually determine, document and distribute Tax Increment Revenues in accordance with this Amended Agreement, as follows:

(a) The Auditor-Controller shall annually determine, as provided by law: (1) The total amount of Tax Increment Revenues generated by the Santa Fe Project; (2) the total amount of Tax Increment Revenues that will be allocated to the Agency; (3) the amount of Tax Increment Revenues to be allocated to the County and

Fire District based on the distribution established by this Amended Agreement; (4) the amount of Tax Increment Revenues to be loaned to the Agency from the County Share pursuant to SECTION 4 herein; and (5) the amount the Agency is to repay to the County pursuant to SECTION 4 of this Amended Agreement.

(b) The County Auditor-Controller shall allocate and distribute the property tax revenues generated from within the Santa Fe Project in the manner described in California Health and Safety Code Sections 33670 (a) and (b) and in accordance with the requirements of this Amended Agreement. In the event the County Auditor-Controller makes overpayment to the Agency, the Auditor-Controller shall serve upon the Agency a written demand for payment setting forth the amount of overpayment and an explanation of how such amount is calculated. The Agency shall repay the County for such overpayment within ten (10) working days of receipt of such demand or, in the alternative, the amount shall be withheld from future payments to the Agency for the respective project for which overpayment was made.

(c) Upon the written request of the Agency, the Auditor-Controller shall provide to the Agency the basis for distribution of the Tax Increment Revenues.

SECTION 9. Subordination. (a) The indebtedness of the Agency under this Amended Agreement shall be subordinate solely to

annual Agency bonded debt service requirements for bonded debt existing at the time of execution of this Amended Agreement.

(b) The Agency shall incur no new debt, bonded or otherwise, other than self-liquidating debt that is not secured by tax increment, or as otherwise approved by the County, until such time as the County Deferral is fully repaid.

(c) The parties agree that the Agency shall not repay any and all loans from the City until such time as the County Deferral is fully repaid.

SECTION 10. Covenant Not To Sue. The County and Fire District agree that neither will file or participate in any lawsuit or proceedings attacking or otherwise questioning the validity or implementation of the Santa Fe Plan, or any other findings or determinations previously made or to be made by the Agency or the City in connection with the Santa Fe Plan or its implementation.

SECTION 11. Miscellaneous. (a) Nothing in this Amended Agreement shall relieve the Agency from the obligation of filing a Statement of Indebtedness pursuant to California Health and Safety Code Section 33675.

(b) If this Amended Agreement is held invalid, in whole or in part, in order to carry out the purposes identified herein,

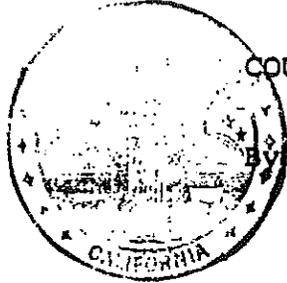
the parties agree that each will take all necessary steps, including formal action and execution of documents, to accomplish the provisions of this Amended Agreement (including the distribution of Tax Increment Revenues in the manner and according to the allocation contemplated herein) by legal means.

(c) For audit purposes, the Agency shall have the right to review the County Auditor-Controller's calculations required in SECTION 8 herein.

SECTION 12. Term. The effective date of this Amended Agreement shall be the date of execution by the County Board of Supervisors and, unless previously terminated by mutual agreement of the parties, all rights and obligations in this Amended Agreement shall terminate when the Agency's legal right to claim and receive Tax Increment Revenues from the Santa Fe Project cease.

SECTION 13. Severability. If any portion of this Amended Agreement is held invalid, the remaining provisions shall maintain their full force and effect.

IN WITNESS THEREOF, the City of Huntington Park, the Huntington Park Redevelopment Agency, the Consolidated Fire Protection District of Los Angeles County, and the County of Los Angeles have caused this Amended Agreement to be executed on their behalf by their duly authorized representatives.



COUNTY OF LOS ANGELES

By: Pete E. Schakman  
Chairman,  
Board of Supervisors

ATTEST TO:

LARRY J. MONTEILH,  
Executive Officer -  
Clerk of the  
Board of Supervisors

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY  
By: Pete E. Schakman

By: Janet Logan  
Deputy

Approved as to Form:

CITY OF HUNTINGTON PARK

DE WITT W. CLINTON  
County Counsel

By: William P. [Signature]  
Mayor

By: [Signature]  
Deputy

Approved as to Form:

HUNTINGTON PARK REDEVELOPMENT AGENCY

By: [Signature]  
MICHAEL B. MONTGOMERY  
Agency Counsel

By: Jack Parker  
Chairman

ATTEST:

By: Marilyn A. Boyette  
MARILYN A. BOYETTE, CMC  
City Clerk

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

[Signature]  
LARRY J. MONTEILH  
EXECUTIVE OFFICER

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AMENDED AND RESTATED  
AGREEMENT FOR ALLOCATION OF TAX INCREMENT FUNDS

62524

Huntington Park Redevelopment Plan Merging the CBD,  
Industrial and North Redevelopment Projects)

THIS AMENDED AND RESTATED AGREEMENT, made and entered into this 30<sup>th</sup> day of January, 1990, by and between the HUNTINGTON PARK REDEVELOPMENT AGENCY ("Agency"), the CITY OF HUNTINGTON PARK ("City"), the CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY ("Fire District"), and the COUNTY OF LOS ANGELES.

WITNESSETH

WHEREAS, the City adopted Ordinance No. 66-NS on December 20, 1971, after public hearing, approving and adopting the CBD Plan; and

WHEREAS, the City adopted Ordinance No. 232-NS on June 4, 1979, after public hearing, approving and adopting the CBD Amendment; and

WHEREAS, upon the finding by the Agency and City that the CBD Amendment would cause financial burden or detriment to the Fire District and County, the parties entered into an Agreement for the Reimbursement of Tax Increments dated May 29, 1979 ("CBD Agreement") (No. 43746); and

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WHEREAS, the City adopted Ordinance No. 167-NS on May 25, 1977, after public hearing, approving and adopting the Industrial Plan as subsequently amended by Ordinance No. 282-NS adopted February 2, 1981; and

WHEREAS, the City adopted Ordinance No. 261-NS on July 7, 1980, after public hearing, approving and adopting the North Plan; and

WHEREAS, upon the finding by the Agency and City that the North Plan would cause financial burden or detriment to the Fire District and County, the parties entered into an Agreement for the Reimbursement of Tax Increments dated May 27, 1980 ("North Agreement") (No. 43747); and

WHEREAS, the City and the Agency will hold a joint public hearing for the purpose of considering the approval and adoption of the Redevelopment Plan to extend the lives and limitations of the respective Plans to merge the CBD, Industrial and North Redevelopment Projects ("Plan"), with the merger of the projects to be effective upon the sale of the additional bonds; and

WHEREAS, the City will adopt an ordinance approving and adopting the Merger; and

WHEREAS, the Agency has consulted with representatives of the County of Los Angeles, the Los Angeles County Flood Control District, and the Los Angeles County Public Library (collectively, the "County"), and the Fire District to determine the fiscal impact of the Plan; and

WHEREAS, prior to and after the aforementioned public hearing, the County, acting through its Chief Administrative Officer, the Fire District, the City and the Agency have agreed to address the fiscal impact of the Plan; and

WHEREAS, the County and Fire District have found and the Agency and City hereby find that the merged CBD, Industrial and North Redevelopment Projects ("Merger") have caused and continue to cause financial detriment to the County and Fire District as defined in California Health and Safety Code Section 33012; and

WHEREAS, the City and Agency desire to amend and restate the CBD Agreement and North Agreement (collectively, the "Prior Agreements") to provide for the issuance of additional tax increment obligations in order to facilitate the implementation of the Merger; and

WHEREAS, the County and Fire District have determined that such an amendment and restatement of the Prior Agreements is desirable, reasonable and appropriate, and may be accomplished

while providing for the alleviation of any financial burden on the County from the implementation of the Industrial and North Projects which have been merged with the Huntington Park CBD Project; and

WHEREAS, the City, the Agency, the County and the Fire District also seek to alleviate the fiscal impact of the redevelopment projects which were the subjects of the Merger not currently covered by the Prior Agreements, by providing for the distribution to the County and Fire District of a portion of all tax increments derived from the Merger area; and

WHEREAS, this Amended Agreement is entered into upon the authority of California Health and Safety Code Section 33401 and the provisions of the Plan required by Health and Safety Code Section 33338.1; and

WHEREAS, the Agency agrees to make any findings necessary to the determination of financial detriment pursuant to Section 33401; and

WHEREAS, by approval of this Amended Agreement, the parties hereto find and determine that any financial effects described in California Health and Safety Code Sections 33012 and 33401 relating to the Merger are thereby alleviated; and

WHEREAS, the County and Fire District intend that this Amended Agreement shall serve as a solution to their concerns regarding the Plan and agree to forebear any judicial remedies they may have to challenge the validity or implementation of the Merger.

NOW THEREFORE, for and in consideration of the foregoing, the parties do hereby agree as follows:

SECTION 1. Definitions.

(a) "Assessment Rolls" shall mean the assessment rolls, which were the last roll equalized prior to the effective dates of the ordinances adopting the respective redevelopment projects merged by the Plan ("Merged Projects"). The Assessment Rolls shall be utilized as the base year assessment roll for allocation of taxes for the Merged Projects pursuant to California Health and Safety Code Section 33670 and the provisions of this Amended Agreement.

(b) "Tax Increment Revenues" shall mean that portion of tax revenues generated by application of the basic tax levy to any increases in the respective assessed valuation within the Merged Projects which would otherwise be allocated to the Agency pursuant to California Health and Safety Code Section 33670.

(c) "County Share" of Tax Increment Revenues shall mean that respective portion of property taxes generated from the basic tax levy within the Merged Projects which would be allocated to the County in the absence of a division of taxes pursuant to California Health and Safety Code Section 33670. For purposes of this Amended Agreement, ~~the County Share shall be forty-eight and nine-tenths percent (48.9%).~~

(d) "Fire District Share" of Tax Increment Revenues shall mean that respective portion of property taxes generated from the basic tax levy within the Merged Projects which would be allocated to the Fire District in the absence of a division of taxes pursuant to California Health and Safety Code Section 33670. For purposes of this Amended Agreement, ~~the Fire District Share shall be fifteen and five-tenths percent (15.5%).~~

(e) "Agency Share" of Tax Increment Revenues shall mean that respective percentage of property taxes generated from the basic tax levy within the Merged Projects which would be allocated to the Agency as a result of a division of taxes pursuant to California Health and Safety Code Section 33670 less the County Share and Fire District Share. For purposes of this Amended Agreement, ~~the Agency Share for the Merged Projects shall be thirty-five and six-tenths percent (35.6%).~~

SECTION 2. Allocation of Tax Increment Revenues. The Tax Increment Revenues for the Merger shall annually be distributed as follows:

(a) Subject to SECTION 4 of this Amended Agreement, the County shall annually be allocated the County Share as defined in SECTION 1(c) herein. The allocation to be made pursuant to this SECTION 2(a) shall not be used to calculate the Agency's maximum tax increment limit for the Merger.

(b) The Fire District shall annually be allocated the Fire District Share as defined in SECTION 1(d) herein. The allocation to be made pursuant to this SECTION 2(b) shall not be used to calculate the Agency's maximum tax increment limit for the Merger.

(c) The Agency shall annually be allocated the Agency Share as defined in SECTION 1(e) herein.

SECTION 3. Tax Rate Increases. In addition to the portion of taxes allocated to the County and Fire District pursuant to California Health and Safety Code Section 33670 (a) and SECTION 2 herein, an amount equal to all that portion of the Tax Increment Revenues allocable to the Agency pursuant to Section 33670(b) attributable to increases in the rate of tax levied by the County Board of Supervisors for the benefit of the County or special

districts for which the Board of Supervisors acts as the governing body, which levy occurs after the tax year in which the ordinances adopting the redevelopment plans for the Merged Projects became effective, shall be allocated to the County and Fire District pursuant to California Health and Safety Code Section 33676(a)(1). The allocation to be made pursuant to this SECTION 3 shall not be used to calculate the Agency's maximum tax increment limit for the Merger.

SECTION 4. County Loan. Recognizing the Agency's need to utilize a portion of the annual Tax Increment Revenues generated in the Merger area to meet annual bonded debt service requirements, the County agrees to loan to the Agency a portion of the Tax Increment Revenues allocated to the County pursuant to SECTION 2(a) of this Amended Agreement ("County Deferral") on the basis stated below:

(a) ~~The County shall annually loan to the Agency that portion of the County Share representing an amount necessary to assist the Agency in meeting County approved bonded debt which includes existing bonded debt and an additional amount authorized by SECTION 7 of this Amended Agreement and required third party non-Agency administrative fees such as Trustee/fiscal agency fees, etc., required to administer the debt. The Agency shall, no later than October 1 of each year, request and substantiate the need for the County Deferral. In computing the Agency's annual need, the~~

Agency shall use all available revenues, including debt service override, unitary revenue, State property tax subvention revenue and the Agency Share toward its annual debt service requirements. In no event shall the County loan exceed the Tax Increment Revenues specified in SECTION 2(a) of this Amended Agreement.

(b) The Agency shall, in good faith, attempt to fully repay the County Deferral prior to the end of the life of the Merger, with interest compounded annually.

(c) The County Deferral shall accrue interest at seven percent (7%) per year, compounded annually. Such interest shall be calculated annually by the County Auditor-Controller based on the outstanding balance, including interest accrued to date, as of June 30. The County Auditor-Controller shall upon an annual written request of the Agency, notify the Agency of the total outstanding principal and interest due no later than 30 days after receipt of such request.

(d) The Agency shall commence repayment of the principal and interest amounts of the County Deferral beginning in the fiscal year immediately following the year in which the total of the Agency's Share of Tax Increment, debt service override, unitary revenue and State property tax subvention revenue is sufficient to meet annual Agency bonded debt service requirements. The County Deferral for the Merger shall terminate that year.

(e) The County shall begin to receive its full share of Tax Increment Revenues the year in which the County Deferral is terminated.

(f) The Agency shall make annual repayments toward County's loan amount out of the Agency's annual revenues, including the Agency's Share of Tax Increment, debt service override, unitary tax revenue and State Subvention revenues. The annual repayment amount shall be seventy percent (70%) of the difference between the annual debt service requirement and the Agency's total annual revenues described above.

(g) The County loan shall be considered indebtedness for the purpose of listing on the Merged Projects' annual statements of indebtedness.

SECTION 5. Housing Fund. The Agency shall be solely responsible for any required contributions to the Housing Fund from the Agency's portion of Tax Increment. The Agency shall notify, in writing, the County Auditor-Controller by October 1 of each year as to whether or not Tax Increment Revenues are to be contributed to the Housing Fund and the percentage that is to be contributed.

SECTION 6. County-Owned/Leased Property. The development by the County or Fire District of any real property owned or leased by the County or Fire District within the Merger

area shall not be subject to the approval or control of the City or Agency beyond that available to the City prior to the date of execution of this Amended Agreement, except with the written consent of the County.

SECTION 7. Plan Amendments.

(a) With the exception of an amendment to extend the life of the Plan and raise tax increment limits to accommodate an additional \$15 million in gross bond sales by the Agency or by an appropriate authority as hereby approved by the County, the Agency shall not amend any Plan for any of the purposes described in California Health and Safety Code Section 33354.6 which could result in creation of a fiscal review committee without prior written approval of the County.

(b) The Agency or appropriate authority shall use bond proceeds resulting from the amendment authorized in SECTION 7(a) above, to repay County-approved outstanding developer debt as identified by the Agency in Exhibit 1 to this Amended Agreement. Surplus bond proceeds beyond the amount needed to repay such developer debts, cost of bond issuance, and appropriate reserve funds, may be used by the Agency to repay City debt.

SECTION 8. Administration. County's Auditor-Controller shall annually determine, document and distribute Tax Increment Revenues in accordance with this Amended Agreement, as follows:

(a) The Auditor-Controller shall annually determine, as provided by law and this Amended Agreement:

(1) The total amount of Tax Increment Revenues generated by the Merged Projects;

(2) the total amount of Tax Increment Revenues that will be allocated to the Agency;

(3) the amount of Tax Increment Revenues to be allocated to the County and Fire District based on the distribution established by this Amended Agreement;

(4) the amount of Tax Increment to be loaned to the Agency from the County Share pursuant to SECTION 4 herein; and

(5) the amount the Agency is to repay to the County pursuant to SECTION 4 of this Amended Agreement.

(b) The County Auditor-Controller shall allocate and distribute the property tax revenues generated from within the Projects in the manner described in California Health and Safety

Code Sections 33670 (a) and (b) and in accordance with the requirements of this Amended Agreement. In the event the County Auditor-Controller makes overpayment or underpayment to the Agency, the affected party shall serve upon the other party a written demand for payment setting forth the amount of overpayment or underpayment and an explanation of how such amount is calculated. Such overpayment shall be reimbursed within thirty (30) working days of receipt of such demand or, in the alternative, any amount owed by the Agency shall be withheld from future payments to the Agency for the respective project for which overpayment was made.

(c) Upon the written request of the Agency, the Auditor-Controller shall provide to the Agency the basis for distribution of the Tax Increment Revenues, as outlined in SECTION 8(a) herein, by October 1 of each year or thirty days following receipt of the request.

#### SECTION 9. Subordination.

(a) The indebtedness of the Agency under this Amended Agreement shall be subordinate solely to annual Agency bonded debt service requirements. The indebtedness of the Agency under this Amended Agreement shall be included in all calculations of the amounts of the other Agency indebtedness used in connection with the sale of bonds or any agreement for which a pledge of Tax Increment Revenues is necessary.

(b) Except as provided in SECTION 7 herein, the Agency shall not incur new debt, bonded or otherwise, other than self-liquidating debt that is not secured by tax increment, or, as otherwise approved by the County, until such time as the County Deferral is fully repaid.

(c) The order of priority to be given to distribution of Tax Increment Revenues for the Merger shall be as follows:

(1) Annual bonded debt service requirements and payment of the Fire District Share, which for the purposes of bonds previously sold shall be deemed to be subordinate to that debt service, and administrative fees to administer debt.

(2) Payment of the County Share.

(3) Repayment of the County Deferral as provided in SECTION 4 herein, and Agency administration/City loans on a 70/30 ratio (i.e., seventy percent (70%) to the County, thirty percent (30%) to the Agency).

(4) Other Agency purposes, including repayment of City debt.

SECTION 10. Covenant Not To Sue. The County and Fire District consent to and approve the proposed amendment to the Merger which has been reviewed by the County and Fire District.

The County and Fire District agree that neither will file or participate in any lawsuit or proceedings attacking or otherwise questioning the validity of the Plan or its adoption or approval, or any other findings or determinations previously made or to be made by the Agency or the City in connection with such Plan or their implementation.

SECTION 11. Miscellaneous.

(a) The Agency shall not spend Tax Increment Revenues within the Merger area for public improvements not integrally related to the Merger.

(b) Nothing in this Amended Agreement shall relieve the Agency from the obligation of filing a Statement of Indebtedness pursuant to California Health and Safety Code Section 33675.

(c) If this Amended Agreement is held invalid, in whole or in part, in order to carry out the purposes identified herein, the parties agree that each will take all necessary steps, including formal action and execution of documents, to accomplish the provisions of this Amended Agreement (including the distribution of Tax Increment Revenues in the manner and according to the allocation contemplated herein) by legal means.

(d) For audit purposes, the Agency shall have the right to review the County Auditor-Controller's calculations required in SECTION 8 herein.

SECTION 12. In-Lieu Payments. The Agency shall make in-lieu payments for any revenue losses resulting from property being taken off the tax rolls for extended periods of time by virtue of ownership by the Agency. These in-lieu payments shall only apply to property acquired by the Agency for the purpose of resale to private developers and held off the tax rolls for over a three year period.

SECTION 13. Protection of Agreement and Bonds. It is intended that this Amended Agreement and the bonds shall be protected by the provisions of California Health and Safety Code Section 33486 (b).

SECTION 14. Financial Commitment to Merger. The Agency shall commit all available sources of funding, including the Agency Share, the debt service override, unitary revenue and State property tax subvention revenue toward financial support of the Merger.

SECTION 15. Term. (a) The effective date of this Amended Agreement shall be the date of execution by the County Board of Supervisors, unless the Plan is not legally adopted by the

*2/13/18*

*3/1/18*

*3/6/18*

City and Agency, in which event, this Amended Agreement shall be null and void. If legally adopted, the effective date of the Project Merger shall be the day following the closing date of the bond issue(s) provided for in foregoing SECTION 8 herein. In the event bonds are not issued by the Agency or appropriate authority pursuant to this Amended Agreement within six (6) months from execution, as extended by any litigation, then this Amended Agreement shall be null and void. The County shall have the right to approve the bond sale herein. If the County objects, the bonds shall not be delivered. This Amended Agreement, if adopted, shall supersede any and all pre-existing Agency-County Agreements for the Plan, including but not limited to Agreement No. 43746 and Agreement No. 43747.

(b) Unless previously terminated by mutual agreement of the parties, all rights and obligations in this Amended Agreement shall terminate when the Agency's legal rights to claim and receive Tax Increment Revenues from the Merged Projects cease.

SECTION 16. Severability. If any portion of this Amended Agreement is held invalid, the remaining provisions shall maintain their full force and effect.

IN WITNESS THEREOF, the City of Huntington Park, the Huntington Park Redevelopment Agency, the Consolidated Fire Protection District of Los Angeles County, and the County of Los Angeles have caused this Amended Agreement to be executed on their behalf by their duly authorized representatives.



COUNTY OF LOS ANGELES

By: Pat E. Scharfman  
Chairman,  
Board of Supervisors

ATTEST TO:

LARRY J. MONTEILH,  
Executive Officer -  
Clerk of the  
Board of Supervisors

CONSOLIDATED FIRE PROTECTION  
DISTRICT OF LOS ANGELES COUNTY

By: Pat E. Scharfman

By: Janet Logan  
Deputy

Approved as to Form:

DE WITT W. CLINTON  
County Counsel

CITY OF HUNTINGTON PARK

By: William P. Lytle  
Mayor

By: Maxwell Blenau  
Deputy

Approved as to Form:

By: Michael B. Montgomery  
MICHAEL B. MONTGOMERY  
Agency Counsel

HUNTINGTON PARK REDEVELOPMENT  
AGENCY

By: Jack Parks  
Chairman

ATTEST:

By: Marilyn A. Boyette  
MARILYN A. BOYETTE, CMC  
City Clerk

ADOPTED  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18 08

JAN 30 1990

Larry J. Monteilh  
LARRY J. MONTEILH  
EXECUTIVE OFFICER

EXHIBIT I

<u>FID/</u> <u>AREA</u>	<u>Development</u> <u>Description</u>	<u>ID</u> <u>#</u>	<u>Creditor/</u> <u>Developer</u>	<u>Agency</u> <u>Debt.</u>
CBD	Daisy Victorian	72	Jim Watson	1,199,329
CBD	Plaza de la Fiesta	60	Jim Watson	2,320,962
				=====
				3,520,291
IND	Industrial Park	1	Bestway Recycl	230,000
IND	Robin Plaza	91	Jim Watson	236,486
				=====
				466,486
NRP	Alexander Plaza	63	RHA Partners	969,974
NRP	BOCL 164 SFD	93	Mus Co., Inc.	211,577
NRP	Christina Plaza	NA	Jim Watson	41,936
NRP	DDA Cancelled	47	Kent Roberts	348,702
NRP	Juliana Plaza	65	Sam & James	571,853
NRP	None	NA	Hawkins	15,000
NRP	Pacific Shop. Cntr.	16	PacificShopCntr Partners	5,209,361
NRP	Seville Gardens	84	Katina Assoc.	226,729
				=====
				7,595,132
			<b>Total Dev Debt</b>	<b>11,581,409</b>
				=====

NOTE: Amounts above are informational only as they are presently being confirmed and reconciled to developers records. Adjustments relating to these procedures borrowing between the date of agreement, and date of payoff and interest due on these, to date of payoff may result in these amounts changing.

ITEM NO. 13.4

WRECK AGE DEMOLITION PROPOSAL

**ITEM NO. 6**

**DESCRIPTION OF LOAN DEFERRAL BALANCE  
NOTICE OF DEMAND FOR PAYMENT  
HP TRUE UP CALCULATION**

Huntington Park Community Development Commission  
Notes to Financial Statements  
Year ended June 30, 2011

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
<u>Loans From the City - Principal</u>				
Merged Project Area	\$ 19,374,152	\$ -	-	\$ 19,374,152
Santa Fe Project Area	3,532,700	-	-	3,532,700
Total loans from the City - principal	22,906,852	-	-	22,906,852
<u>Loans From the City - Matured Interest</u>				
Merged Project Area	18,071,213	1,077,390	-	19,148,603
Santa Fe Project Area	4,816,496	240,629	-	5,057,125
Total loans from the City - matured interest	22,887,709	1,318,019	-	24,205,728
Total loans from the City \$	45,794,561	\$ 1,318,019	\$ -	\$ 47,112,580



**Pass-through Agreements with the County of Los Angeles - \$126,230,996**

On January 30, 1990, the Commission entered into an agreement with the County of Los Angeles (County) whereby the County agreed to annually loan to the Commission a portion of the County's share of Tax Increment Revenues. The County Deferral Loans bear interest at a rate of 7 percent per year, compounded annually. The Commission shall commence repayment of the principal and interest amounts of the County Deferral beginning in the fiscal year immediately following the year in which the total of the Commission's share of Tax Increment, debt service override, unitary revenue, and State property tax subvention revenue is sufficient to meet annual Commission bonded debt service requirement. The County deferral to the Commission shall terminate that year. As of June 30, 2011, these deferrals amounted to \$126,230,996.

**Advance Refunding**

As of June 30, 2011, the Commission has previously advance refunded several outstanding bond issues described below:

\$35,515,000 Huntington Park Redevelopment Commission Merged Redevelopment Project Junior Lien Tax Allocation and Sales and Use Tax Revenue Bonds, Issue of 1990.	\$ <u>35,515,000</u>
---	----------------------

The proceeds from the Commission's refunding have been placed in irrevocable escrow accounts overseen by independent bank fiscal agents. Such proceeds are generally invested in U.S. Treasury Securities, which, together with interest earned thereon, are intended to provide amounts sufficient for future payments of interest, principal, and redemption premium on the refunded bonds. These refunded bonds have not been included as Commission outstanding long-term debt since establishing the irrevocable trust thereon satisfied the Commission's obligation.

As of June 30, 2011, the total amount of defeased debt outstanding but removed from the Commission's Statement of Net Assets aggregated \$35,515,000.



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE  
AUDITOR-CONTROLLER

JUDI E. THOMAS  
CHIEF DEPUTY

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS  
JOHN NAIMO  
JAMES L. SCHNEIDERMAN

July 9, 2012

All Applicable Successor Agencies within Los Angeles County

**NOTICE OF DEMAND FOR PAYMENT PURSUANT TO  
HEALTH AND SAFETY CODE SECTION 34183.5(b)**

State Assembly Bill 1484 (AB 1484) became effective on June 27, 2012. It added Health and Safety Code Section 34183.5(b), which requires the Los Angeles County Auditor-Controller to calculate if amounts are owed by successor agencies to taxing entities pursuant to Health and Safety Code Section 34183(a)(4), for the period of January 1, 2012 through June 30, 2012.

The Attachment to this letter itemizes the applicable AB 1484 calculations made in determining the repayment amount due from your agency. To summarize, we compared the tax revenues distributed for Fiscal Year 2011-12 (indicated through January 31, 2012) to the Recognized Obligation Payment Schedule (ROPS) for the period from January 1, 2012 through June 30, 2012, as approved by the Department of Finance (DOF). Any excess revenues over the DOF-approved ROPS amounts are listed as Total Residual Amount Due. We then made adjustments for unpaid pass-through obligations to arrive at the final amount owed.

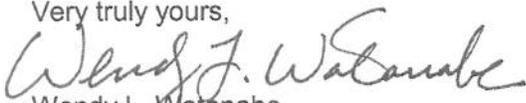
AB 1484 requires that we demand your agency to pay the amount indicated on the Attachment to the Los Angeles County Auditor-Controller. Please remit your payment to the following by **Thursday, July 12, 2012, no later than 5:00 p.m.:**

Los Angeles County, Department of Auditor-Controller  
Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 525  
Los Angeles, California 90012-3873

Please note that if the demanded remittance is **not received** by July 12, 2012, the successor agency and the city that created the redevelopment agency may be subject to civil penalties pursuant to Health and Safety Code Section 34183.5(b)(2)(C).

If you have any questions regarding this letter, please contact Arlene Barrera, Chief of Property Tax at [abarrera@auditor.lacounty.gov](mailto:abarrera@auditor.lacounty.gov) or (213) 974-8361, or Kristina Burns, Property Tax Manager at [kburns@auditor.lacounty.gov](mailto:kburns@auditor.lacounty.gov) or (213) 974-8362.

Very truly yours,

  
Wendy L. Watanabe  
Auditor-Controller

Attachment

**COUNTY OF LOS ANGELES  
AUDITOR-CONTROLLER  
PROPERTY TAX DIVISION**

**SCHEDULE OF DEMAND FOR PAYMENT PURSUANT TO H&S §34183.5(b)**

**SUCCESSOR AGENCY NAME:** HUNTINGTON PARK

**I. Residual Property Tax Revenue:**

Gross Tax Increment Revenue Collected (November 2011 through January 2012)	\$6,422,557.42	
AC Admin Fees & Pass Throughs	<u>(1,260,010.50)</u>	
Total RPTTF Deposits	\$5,162,546.92	
Less: Total Approved RPTTF ROPS Amount (DOF Exhibit #12 , Updated July 6, 2012 - 5:00 p.m.)	<u>(2,582,887.00)</u>	
Total Residual RPTTF Amount Due		<b>\$2,579,659.92</b>

**II. Outstanding Pass-Through (PT) Payments Listed on January 2012 to June 2012 ROPS:**

<u>Taxing Agencies</u>	<u>PT Type</u>	<u>Amount Due</u>
L.A. County Library	Statutory	\$2,386.00
L.A. County Fire Protection District & FFW	Statutory	19,225.00
L.A. County Flood Control District & Maint.	Statutory	1,130.00
Greater L.A. County Vector Control	Statutory	37.00
County Sanitation District No. 1	Statutory	1,560.00
City of Huntington Park	Statutory	33,928.00
Central Basin MWD 1114	Statutory	453.00
Water Replenishment District So. Cal.	Statutory	18.00
County School Services	Statutory	150.00
Children's Institutional Tuition Fund	Statutory	297.00
L.A. City Community College District	Statutory	3,187.00
L.A. Community College Children's Center Fund	Statutory	33.00
LA Unified School District	Statutory	23,464.00
County School Services Fund Los Angeles	Statutory	2.00
Development Center Handicapped Minor-L.A. Unified	Statutory	133.00
Los Angeles Children Center fund	Statutory	<u>385.00</u>
Total Pass Through Payment Amount Due		<u><b>\$86,388.00</b></u>
<b>Total Amount Due by July 12, 2012*</b>		<u><b>\$2,666,047.92</b></u>

**\* Please remit \$2,666,047.92**

**Check should be made payable to:**

**Los Angeles County Auditor-Controller and delivered to 500 West Temple Street, Room 525, Los Angeles, CA 90012 no later than Thursday, July 12, 2012.**

ITEM NO. 13.3  
L. ROGRIGUEZ  
CARMELITA



**RELOCATION FIELD  
DIARY**

<b>Project Name:</b>	6100-6114 Carmelita Ave., 6126 Bear Ave., and 3806- 3828 E. 61st Street
<b>Case Number:</b>	KPK-006-03824-000
<b>Displacee:</b>	Lorenzo Rodriguez
<b>Address:</b>	3824 E. 61st Street Huntington Park, CA 90255

**AGENT HANDLING CASE:**

Liset Corona

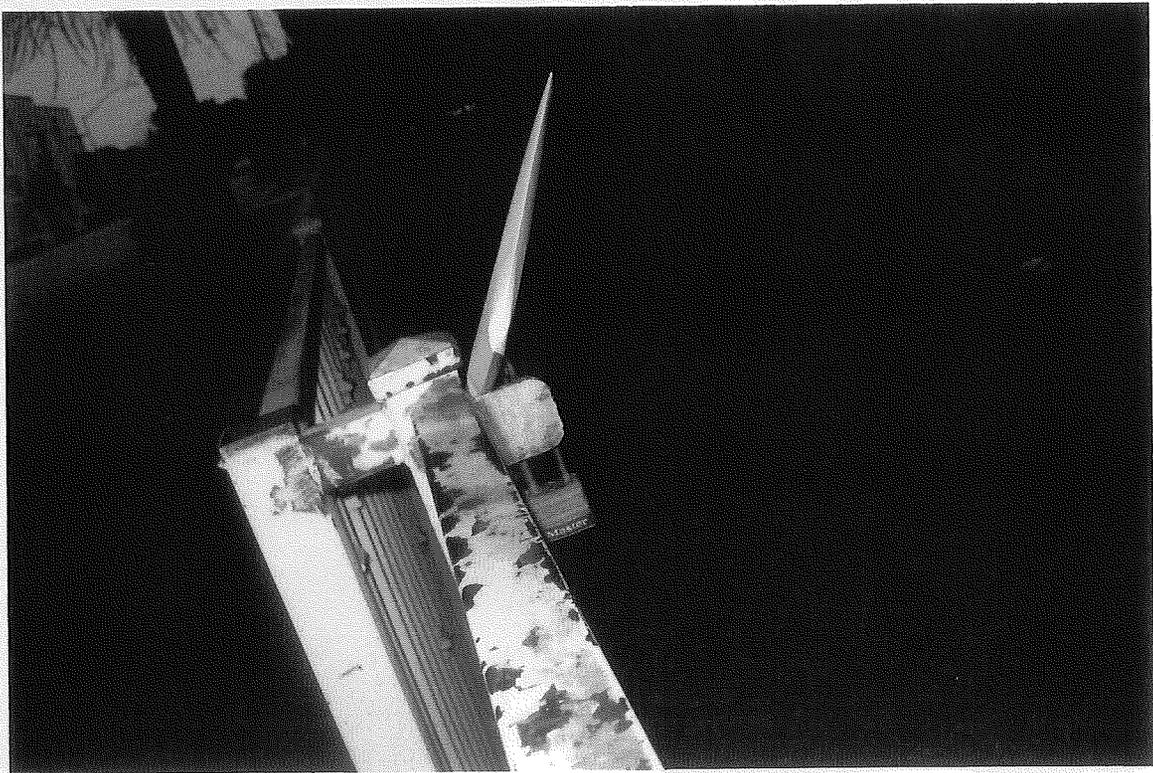
cell 323-867-8108  
email [armadainv153@yahoo.com](mailto:armadainv153@yahoo.com)

Date	Agent (initials)	Comments
12/23/09	LC	Prepared and mailed the GIN to all tenants.
01/05/10	LC	On site visit. Tenant not available left contact card with my contact information to schedule a time to conduct the survey.
06/24/10	LC	Received a call from Mr. Rodriguez and was willing to be interviewed. The tenant was not willing to provide much information to me over the phone. He did say he is the onsite manager living rent free at 3824 61st Street. No written contract...it was a verbal contract with himself and the owner. He is friends with the owner and in exchange of rent he has cleaned up the property.
		Currently occupying the property is as his primary residence is Lorenzo Rodriguez. Mr. Rodriguez has a minor son, Lorenzo D. Rodriguez that does not occupy this property as his permanent residence but does stay over several times a week.
10/07/10	LC	Received the green light to go ahead and contact the tenants to conduct the relocation interviews.
10/08/10	LC	Prepared the Introductory letter and doc request and mailed to all tenants informing them that I will be conducting interviews the 12th of October.
10/12/10	LC	Mr. Lorenzo was not home at the time to meet with me to conduct the relocation interview.
10/26/10	LC	Went by the project site to attempt to speak with Mr. Rodriguez. He was not home left a contact card on the gate.
11/09/10	LC	Left Mr. Rodriguez a message to get in contact with me as soon as possible to schedule an appointment to conduct the relocation interview.
11/15/10	LC	Left another message on the phone number provided by Mr. Rodriguez on 6/24/10 to get in contact with me ASAP.
		Since I have not been able to get in contact with Mr. Rodriguez to conduct the relocation interview to get updated household information I will prepare a conditional NOE along with the 90 day Notice and deliver.
12/10/10	LC	Conditional NOE and 90 day notice was sent to claimant via certified and regular mail with an attached list of referrals.
12/15/10	LC	Went by the project site to deliver and explain the Notice of Conditional Entitlement (NOE) and 90 day Notice but Mr. Rodriguez was not home. The package has been posted at subject property and took a picture.
12/22/10	LC	I have emailed Mr. Rodriguez to contact me so we can schedule an appt. <i>(SEE attached email confirmation to recipient)</i>
01/13/11	LC	Field attempt: Mr. Rodriguez not home left a contact card and took a picture.
01/20/11	LC	Spoke with Mr. Rodriguez, he is aware that I have been trying to get a hold of him. He requested that I call him back because he is driving. I informed him its very important we speak regarding relocation benefits and the process, since we already provided everyone with a 90 day Notice and a NOE. He said he is a very busy guy and he will call me later today or tomorrow morning.
01/21/11	LC	Attempted to speak to Mr. Rodriguez, but he did not answer left him a message on his voicemail.
02/03/11	LC	Mailed a list of referrals via regular and certified mail to the tenant today.
02/10/11	LC	Went by the subject property but tenant not home left a contact card. And took a picture. <i>(SEE attached picture)</i>
02/14/11	LC	Searched for referrals, Prepared 30 day Notice and mailed via regular and certified mail to tenant.
02/16/10	LC	Attempted to meet with Mr. Rodriguez but no access, posted the 30 day Notice on subject property.
03/02/11	LC	Left Mr. Rodriguez a message on his cell phone. I am trying to schedule an appt for Friday the 4th of March around 10 am. I have requested that he call me to see if that date and time works for him.
03/02/11	LC	Searched for referrals and I have put them in the mail via regular and certified mail. Along with a Document Request and the lawful presence form.

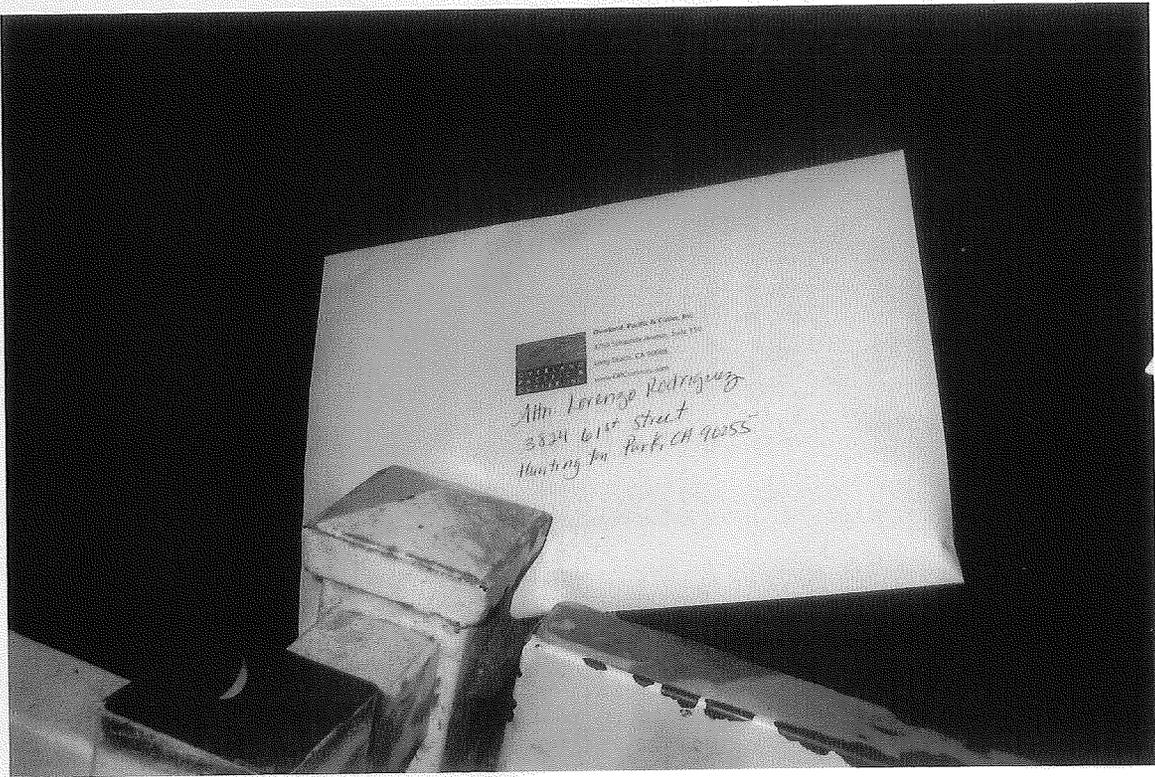
03/04/11	LC	Prepared and mailed a property manager notice informing the tenants that the city has taken possession of the property and they need to pay the rent from 1/2010 through 3/1/2010 ASAP.
03/15/11	LC	I was finally able to meet with Mr. Rodriguez, per his request we met at Subway a couple blocks from his residence. I have explained the conditional NOE, 90 day Notice and the informational brochure. I handed him a packet of all the notices for his file. He refused to sign the conditional NOE and 90 day Notice. He stated he will sign at a later time. During my meeting he had several documents for me and I will work on a NOE with his relocation benefit amount.
03/16/11	LC	Requested a copy of the water bill from Mr. Rodriguez.
03/21/11	LC	Searched for comparables, prepared several forms and NOE for managers review. Updated case management and file.
03/23/11	LC	NOE has been approved and mailed NOE to tenant via regular and certified mail today.
03/24/11	LC	Left Mr. Rodriguez a message on his cell phone to give me a call as soon as he has a minute.
03/28/11	LC	Left Mr. Rodriguez a message to see if he has any question for me on the NOE. Left a message.
03/29/11	LC	Phone contact with Mr. Rodriguez, want to confirm if Mr. Avalos has delivered the keys to him and requested a copy of the water bill once again. He is not sure if he will be ready for me to conduct the vacancy inspection on Monday, but will text me on Sunday evening to let me know. I offered to have a moving company move his personal property and he stated that he will not allow anyone move his items since they are valuable. I told him the moving company we hire will have insurance incase something is damaged. He said he will only trust a friend that lives in Lancaster, CA to help him move. We also talked about his NOE and what he needs to do to obtain those benefits. He has a place in mind and requested if he can move to that property. I will get back to him after I speak with my manager.
04/04/11	LC	Went by the site to see if Mr. Rodriguez had vacated during the weekend. He was outside still working on trying to vacate the property. He will push himself to be out by Monday of next week. I told him the importance of him being out ASAP, he understood and will work hard to be ready soon. Once again I offered the movers he said no he will have his friend help him.
04/06/11	LC	Received a text from Mr. Rodriguez stating he prefers I text him instead of calling him since he's busy trying to move out.
04/07/11	LC	Prepared and mailed the letter regarding Asbestos and Lead testing to the tenants today. Texted Mr. Rodriguez to inform him regarding the testing being conducted on Monday and Tuesday and he needs to be available.
04/11/11	LC	I have prepared an advance RAP claim and the FMP claim for Mr. Rodriguez to sign and I can submit to the city for processing. Called and left a message informing him that the claims are prepared when he has time we can meet to sign the claims and I can submit to the city.
04/12/11	LC	Contact with Mr. Rodriguez he is still working on moving out and will let me know as soon as he is done to schedule the exit inspection. Attempted to schedule a time to meet to have him sign the claims.... He will let me know later to see when he has time.
04/13/11	LC	Mailed via regular mail the advance and FMP claim for his signature.
04/19/11	LC	Drove by the site to see if Mr. Rodriguez was done moving out, It looks like he is still working on moving out. Will try to contact Mr. Rodriguez to set a date.
04/20/11	LC	Attempted to contact Mr. Rodriguez he did not answer left a voicemail.
04/27/11	LC	Once again I have attempted to contact Mr. Rodriguez but will not answer my phone calls.
05/03/11	LC	Attempted to contact Mr. Rodriguez but he has not answered or returned my calls to ask if he has finished moving out and if he has returned the claims to me for processing.
05/04/11	LC	Received a message from Mr. Rodriguez that he has been very sick the last few days and has not been able to advance on moving. He expects to be out in one week and he will give me a call when he is done.
05/16/11	LC	Received a call from Mr. Rodriguez to inform me that he is almost done moving out he still has about 20% of items to move out. He's currently moving all his items to his mothers house a few blocks away. He received the claims but has not had a chance to review and sign, will sign and mail to me ASAP.
05/18/11	LC	Received a text from Mr. Rodriguez asking I call him. He has several questions on his case.
06/08/11	LC	Texted Mr. Rodriguez for an update. Received a text at the end of the day from Mr. Rodriguez re-scheduling the vacancy inspection for next Tuesday the 14th of June.
06/13/11	LC	Send a text to Mr. Rodriguez to let him know I will be at this property to conduct the vacancy inspection on June 14th at 8:30am.
06/13/11	LC	I then received a text from Mr. Rodriguez apologizing for not being ready to hand over the keys. He had an injury to his left knee and has been set back. He is requesting for me to give him until Friday to see how much he can do.
06/14/11	LC	Mr. Rodriguez texted me to inform me he will not be ready for me to conduct the vacancy inspection and he will update me on Friday the 17th of June.
06/14/11	LC	I then texted him back and told him to be ready to hand over keys on Friday, June 17th.

06/16/11	LC	Texted Mr. Rodriguez to let him know I will be out at the subject property on Friday 5 pm to conduct the vacancy inspection.
06/17/11	LC	Attempted to confirm appt. at 5 pm today but Mr. Rodriguez will not be able to be there on time, rescheduled for Monday 8:30 am.
06/20/11	LC	Scheduled a vacancy inspection for today and showed up to see that Mr. Rodriguez is not ready to handover the keys. He is still not able to give me an exact date he will vacate the subject property. He has signed the advance RAP and the FMP claim.
06/21/11	LC	Emailed city regarding this case to see what would they like to do.
06/27/11	LC	We had a conference call with the City, Fernanda would like for me to offer Mr. Rodriguez an incentive to move out by this Friday. The city is ready to start demolishing the properties and want him out.
06/27/11	LC	Attempted to contact the tenant but his cell phone is not in service.
06/29/11	LC	Submitted the claims to Fernanda as a Rush... we will get in a few days.
06/29/11	LC	Went by the site to inform Mr. Rodriguez what the city is willing to offer him. I offered him the incentive and he did not seem very interested in the \$500 incentive. He requested for us to give him until the 8th of July to see if he can vacate the property. He has not been living on site but does have all of his personal items on site. I will check in with him on Wednesday to get an update on the status.
07/01/11	LC	Received a text from a (323) 867-8108, I am assuming this number belong to Mr. Rodriguez. Will wait for a response.
07/05/11	LC	Mr. Rodriguez has text me for an update on the status of the relocation checks. Texted him with an update letting him know the checks will not be ready this week.
07/08/11	LC	Texted Mr. Rodriguez for an updated. If he is ready to move out he will be entitled to the incentive the city is willing to provide him if he moves out by today.
07/11/11	LC	Received a text from Mr. Rodriguez days later stating his phone was not in working condition. That he has been suffering from heat stroke for the last few days and that his predictions of being done are no use and he will give me an update on Thursday the 14th of July.
07/15/11	LC	Did not receive a text with an update so I texted Mr. Rodriguez to see if I can stop by on Monday the 18th in the morning. He said yes.
07/18/11	LC	Received the checks for Mr. Rodriguez advance and FMP from the city today.
07/18/11	LC	Arrived to Mr. Rodriguez house but he was not home. Called him to his cell phone and he informed me that he was in bed and was not able to get up. I informed him that I have the checks in file and whenever he is ready to hand over the keys he will receive the check for his FMP and as soon as I can do a DS&S on his replacement property he will receive the advance RAP. Mr. Rodriguez stated he took pictures of the house and if I wanted to see them. I thanked him for taking pictures but I wanted to see for myself his process. He will email me the pics. (SEE attached email with pictures)
07/18/11	LC	Communicated the information to the city and we will wait to see what they would like for me to do.
07/26/11	LC	Send a text to Mr. Rodriguez to get an update on his move out date.
08/10/11	LC	Send a text to Mr. Rodriguez to get an update on his move out date.
08/11/11	LC	Contact with Mr. Rodriguez we scheduled a tentative appointment for the 16th of August. He will call to confirm if he was able to move out all his personal items a day before. I have informed him the checks are ready when he is ready to hand over keys to the property. I have requested a rental agreement from his replacement property to prepare the final claim.
08/15/11	LC	Send a text to Mr. Rodriguez to see if he is available on Tuesday, August 16 at 4:30pm
08/16/11	LC	Mr. Rodriguez has not contacted me or responded to my numerous texts to schedule an appt. to conduct the vacancy inspection.
08/25/11	LC	Site visit: Knocked on the door of subject property but no answer drove by his mothers residence but also no answer, left a contact card and a message on his voicemail. Send a text to Mr. Rodriguez for an update on his move out date.
08/24/11	LC	I have emailed the city an update and suggested they start the eviction process for this tenant... Mr. Rodriguez has stood me up several times and cancels our appointments almost every time we set one up.
08/26/11	LC	Received a text from Mr. Rodriguez promising to be out by September 7th. During the past few weeks he has not had much progress due to the severe flu he has been battling and having to provide extra care to his son. Emailed project manager to forward to the Agency.
09/07/11	LC	Went by the property to conduct the vacancy inspection and once again he has stood me up. Sent him a text letting him know I was outside of the property to conduct the vacancy inspection. I have not received a response from Mr. Rodriguez with an explanation to why he stood me up.
09/12/11	LC	Received a text from Mr. Rodriguez stating he has been out of town for the past 10 days, he also stated he will be working hard so I can do the vacancy inspection by the end of the week.
10/05/11	LC	Text Mr. Rodriguez in attempt to get an update on his progress.

10/06/11	LC	Received communication from the Project manager for the city that they will start the eviction process.
10/06/11	LC	Called Mr. Rodriguez to inform him the city will be starting the eviction process and if he is ready to hand over the keys they will not proceed with the eviction, but no answer and he has not called me back.
10/12/11	LC	Received a text from Mr. Rodriguez that it is very likely he will be out by this weekend. He makes progress in the evening and the city has turned off the power.
10/13/11	LC	We have been texting back and forth trying to set an appointment with Mr. Rodriguez to talk to him in person but he refuses to set a time with me and has different excuses for not being able to set a time.
10/14/11	LC	Received a text form Mr. Rodriguez stating that he will be done moving out by the middle of the week and we can meet then....



12-15-10, took picture of NOE &  
90 day pack notice package.



Package includes cond. NOE,  
90 day Notice & referrals. 7C

**Liset Corona**

---

**From:** Liset Corona  
**Sent:** Wednesday, December 22, 2010 10:12 AM  
**To:** 'armadainv153@yahoo.com'  
**Subject:** Relocation  
**Importance:** High

Hello Mr. Rodriguez,

Several days ago I mailed you a package which contained a Notice of Conditional Eligibility and a 90 day Notice, I also posted a package on your gate. It is very important I speak with you. Please give me a call or email me so we can schedule an appt.

Thank you,

Liset

## Liset Corona

---

**From:** The Post Office  
**Sent:** Wednesday, December 22, 2010 10:12 AM  
**To:** Liset Corona  
**Subject:** Delivery Status Notification (Relay)

**Attachments:** ATT192872.txt; Relocation



ATT192872.txt  
(274 B)



Relocation

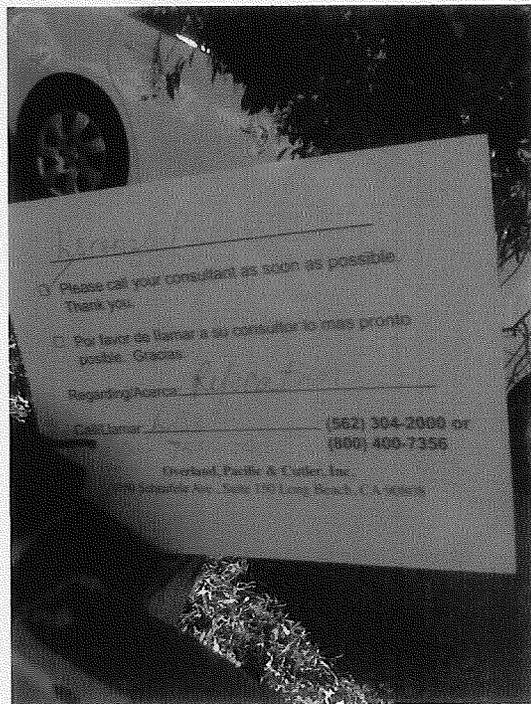
This is an automatically generated Delivery Status Notification.

Your message has been successfully relayed to the following recipients, but the requested delivery status notifications may not be generated by the destination.

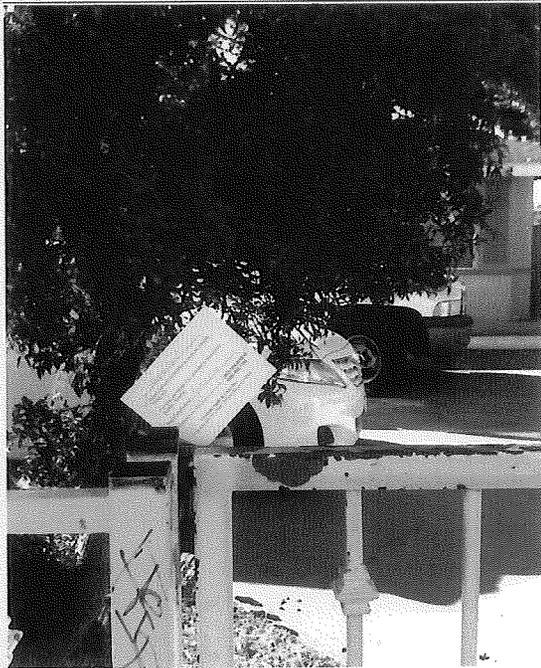
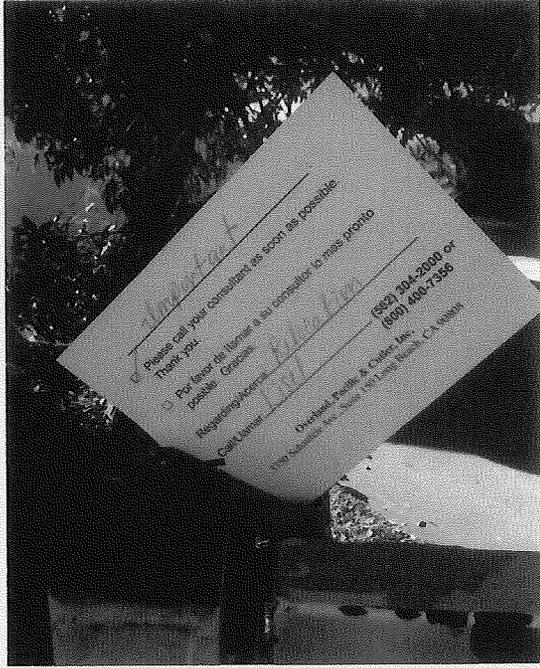
armadainv153@yahoo.com

*proof that email was received by the recipient.*

Lorenzo Rodriguez, 3824 E. 61<sup>st</sup> Street, Huntington Park, CA 90255  
Field Attempt: 1/13/11 at approximately 10 am.



Lorenzo Rodriguez  
Field attempt: 2/10/11 at approximately 9 am.  
3824 E. 61<sup>st</sup> Street, Huntington Park, CA





7-18-11



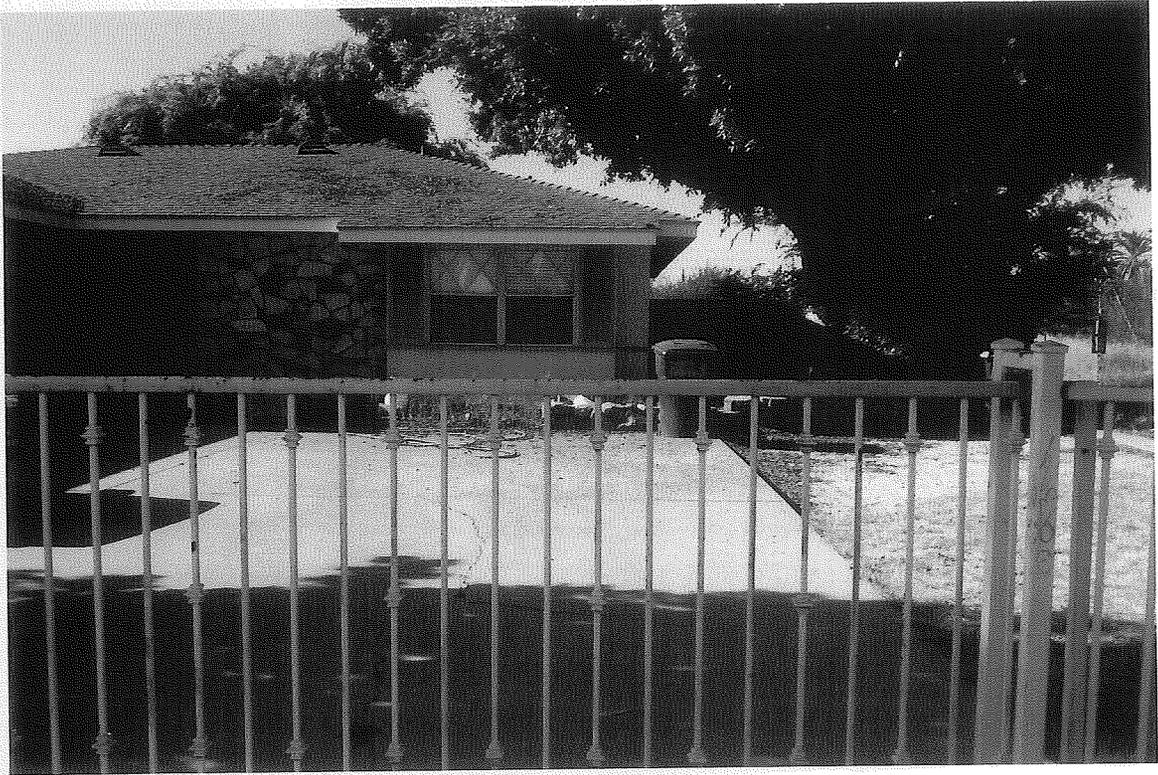
**Liset Corona**

---

**From:** Mason White [orionslite@gmail.com]  
**Sent:** Monday, July 18, 2011 9:06 AM  
**To:** Liset Corona  
**Subject:** Photos cont.  
**Attachments:** IMG\_20110718\_071940.jpg; IMG\_20110718\_072757.jpg



taken  
8-25-11.





3750 Schauffele Avenue, Suite 150  
Long Beach, CA 90808  
562.304.2000 ph | 562.304.2020 fax

March 11, 2011

Lorenzo Rodriguez  
3824 61st. Street  
Huntington Park, CA 90255

Dear Mr. Rodriguez:

There has been a change of legal possession for the property you are currently leasing. This letter is sent to notify you that the City of Huntington Park (Agency) has taken legal possession of the property at 3828 61st. Street.

Our company, Overland, Pacific & Cutler, Inc. has been retained by the Agency to oversee the property's day-to-day management activities on their behalf. You have been contacted by our relocation division concerning your move and possible relocation assistance. However, as long as you continue to lease the property it will be necessary to make all rent payments, and pay all utility bills for which you are responsible under your rental agreement with the prior owner.

Effective January 1, 2011, all rent payments of \$ 1,570.00 per month are to be made payable to the City of Huntington Park in the form of a personal check, money order or cashiers check. Cash payments will not be accepted. Rent payments received after a five day grace period from the 1<sup>st</sup> of each month will incur a \$50.00 late fee. There will be no exceptions to this. Please forward your rent payments to *Overland, Pacific & Cutler, Inc.* in the envelopes provided. Our mailing address is: 3750 Schauffele Ave., Suite 150, Long Beach, CA 90808 Attn: Liset Corona.

Our records indicate that rent has not been paid for January, February nor March 2011. Accordingly, please submit payment no later than March 15<sup>th</sup>, 2011 in the amount of \$4,710.00 as back owed rent made payable to the City of Huntington Park, and all penalties will be waived.

It is very important that your rental payments are received by us on or before the due date. Maintaining a history of on-time payments not only ensures that your credit history will not be impacted, but also ensures that your relocation benefits if offered will not be reduced.

Our goal is to deliver the best possible service while fulfilling our mission to build positive relationships even during times of transition. To assist us in this, please complete the enclosed Tenant Information Request Form, and return it with your initial rent payment.

Should you require emergency property repairs or have questions regarding property management issues, we may be reached at 562.304.2000.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Everett", written in a cursive style.

Brian Everett  
Vice President  
Overland, Pacific & Cutler, Inc.

ITEM NO. 14.2

Southland Steel Community Profile  
City of HP EPA Amendment Extension  
DTSC Raw Final Approval 07052012  
Southland ENG HP Community Notice  
05222012

Southland Steel Remedial Action Workplan

# COMMUNITY PROFILE

FOR

## Former Southland Steel Facility Removal Action Workplan

5959, 5969, 6011, 6161 & 6169 Alameda Street  
Huntington Park California

**May 2012**

**Approved by:**



Jacqueline Martinez  
Public Participation Specialist  
Department of Toxic Substances Control  
5796 Corporate Avenue  
Cypress, CA 90630

**Submitted by:**

City of Huntington Park  
6550 Miles Avenue  
Huntington Park, CA

**Prepared by:**

City of Huntington Park  
Community Development Department  
6550 Miles Avenue  
Huntington Park, CA

Eco & Associates  
1855 W. Katella Ave. Suite 340  
Orange, CA 92867

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### ATTACHMENTS

**ATTACHMENT A – SITE LOCATION MAP**

**ATTACHMENT B – COMMUNITY SURVEYS**

**ATTACHMENT C – INTERVIEW QUESTIONNAIRE**

## **1.0 INTRODUCTION**

### **1.1 Purpose of the community profile**

This Community Profile describes the community and identifies community concerns regarding the investigation for the Former Southland Steel Manufacturing Facility located at 5959, 5969, 6011, 6161 & 6169 Alameda Street, Huntington Park, California. The purpose of this Community Profile is to formally document community concerns about the Site with regards to the Removal Action Workplan (RAW) and to identify specific community outreach activities that will be implemented to help keep the surrounding community informed and involved throughout future investigations and the cleanup process at the Site. The Department of Toxic Substances Control (DTSC) and The Community Development Commission of the City of Huntington Park (CDC) entered into a California Land Reuse and Revitalization Act (CLRRRA) Agreement to facilitate the environmental assessment, cleanup and reuse of the subject site. This document will also assist DTSC in evaluating the current level of public interest and design future public outreach activities for this project.

### **1.2 Sources of Community Profile Information**

The following presents the sources used to compile the Community Profile:

- demographic information from census data
- community survey, interviews
- file review

### **1.3 DTSC oversight and agency involvement**

The DTSC is the state regulatory agency responsible for overseeing environmental reviews and corrective cleanup actions of contaminated soil and groundwater throughout the state. The DTSC ensures that environmental conditions are accurately and completely assessed, and that corrective actions are appropriate based on site-specific conditions. The DTSC is the lead regulatory agency overseeing investigation and clean-up activities at this site.

## **2.0 SITE DESCRIPTION**

### **2.1 Site Location and History**

The Site is located on Alameda Street, south of Randolph Street, in the City of Huntington Park, California. The parcels investigated consist of the former Southland Steel facility and include all of the property between the railroad spur from Randolph Street and Alameda Street to the east. These properties include the following addresses: 5959, 5969, 6011, 6161, and 6169 Alameda Street (hereafter, "Site"; see Site Location Map, Attachment "A").

Assessco, Inc. (Assessco) and All Phase Environmental, Inc. (APEI) have performed a Phase I Assessment of this Site. Prior work is described in the documents referenced in the Draft Removal Action Workplan. The Site was initially developed for the manufacture of fertilizers prior to 1923. Since 1928, the fertilizer use was removed and a steel manufacturing facility was operational. This operation has continued through different ownership, most recently that of Southland Steel since the early 1970s. These investigations have also identified the presence of 6 underground storage tanks (USTs) at the Site. The USTs were placed into operation by 1966 and were used for storage of fuels and waste oils. No data was found concerning their registration or their disposition. Since 2005, the Site has been owned by the City of Huntington Park Redevelopment Commission. All of

the buildings for the Southland Steel facility have been demolished and removed from the Site. Asphalt pavement or concrete flooring from the previous facility remain and serve the parking needs of a dealership.

The property has approximately 960 feet of frontage on Alameda Avenue south from Randolph Street and consists of four parcels between the railroad spur and Alameda Avenue. The four parcels and their Assessor Parcel Numbers (APNs) are as follows:

- 5959 South Alameda – APN 6009-034-901 (approx. 0.12 acre)
- 5969 South Alameda – APN 6009-034-900 (approx. 0.81 acre)
- 6011 South Alameda – APN 6009-033-901 (approx. 2.51 acres)
- 6169 South Alameda – APN 6009-033-900 (approx. 1.39 acres)

These parcels, which cover a total of approximately 4.8 acres, may have had different street addresses in the past such as 5961, 5975, 5985, 6001, and 6161 South Alameda.

## **2.2 Surrounding Land Use**

The land use surrounding the Site is primarily commercial and industrial. The southern-most parcel is currently used as an automobile service facility (Nick Alexander Imports), and the remaining parcels are used for parking cars belonging to the dealership. Manufacturing and light industrial facilities surround the Site. The Site is bordered by Randolph Street to the North and Alameda Street to the West. The property has approximately 960 feet of frontage on Alameda Avenue south from Randolph Street and consists of four parcels between the railroad right-of-way and Alameda Avenue.

## **2.3 Site location map**

A Site Location Map is located in Attachment "A".

## **2.4 Summary of Site Investigations**

The following Site investigations have been performed at the Site beginning in 2004:

- Preliminary Investigation performed by *All Phase* in 2004. Soil samples were obtained at borings completed at 22 locations.
- Soil Vapor Survey and additional Site Characterization Report performed by *All Phase* in 2005. Samples of soil or soil vapor were obtained at borings and/or vapor probes at 58 locations.
- Supplemental Site Investigation (SSI) in 2007 reported by *Pacific Edge*, underground storage tank removal reported by *All Phase* in 2007, and a second SSI in 2008 reported by *Pacific Edge*. During this phase, samples of soil or soil vapor were obtained at borings and/or vapor probes at 80 locations. In addition, at four locations the borings were completed as monitoring wells for groundwater sampling and analysis.
- Additional SSI performed by *All Phase* in 2009. Samples of soil, or soil vapor, were obtained at borings and/or vapor probes at 9 locations.

Soil and soil vapor samples collected during Site investigations were analyzed for volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs)/polynuclear aromatic hydrocarbons (PAHs), polychlorinated biphenyls (PCBs), pesticides, metals, and petroleum hydrocarbons (TPH). Presence of VOCs, PAHs, and metals in the soil and VOCs in the soil vapor were determined to represent the main concerns at the Site.

The Removal Action Workplan will serve to remediate the site to a condition that will allow the surface use of the property by making improvements and/or redevelopment. Deeper soil vapor and groundwater conditions that have been identified in a Site Characterization Report (SCR) will be addressed separately.

## 2.5 Proposed Removal Action Workplan

The Removal Action Workplan will focus on the removal, excavation and off-Site disposal of all contaminated soil as described in the RAW (See 8-17). This is the presumptive remedy for this Site for the shallow contaminated soil and to mitigate human health risk as described in the SCR. The removal action through excavation has been identified as the most protective removal action that will reduce the human health risks, protect groundwater, and allow for full development on the remediated areas. As soil removal and off-Site disposal is presented as a presumptive remedy based on experience at similar sites no consideration of alternatives is necessary for this action. The Draft RAW will be available during the 30-day public comment period. For further information, please contact DTSC representatives as outlined in the Key Contact List, in Section 5.0.

## 3.0 COMMUNITY BACKGROUND

### 3.1 History of Community Involvement

During the course of the voluntary Site investigation and evaluation, the local community was not in contact with the DTSC, or the CDC. To date, there has been no media coverage regarding the proposed RAW. The CDC has participated in hoc committees and community meetings with the organization, Communities for a Better Environment with regard to ongoing environmental activities at the Site. CDC has briefed its local city council with regard to the Site investigations. Community surveys were mailed in 2008 and interviews were conducted in April of 2012. A total of 20 responses were received from the surveys and five community members were interviewed. A summary of the comments and concerns received is presented in Sections 3.3 and 3.4 of this report.

### 3.2 Demographic Profile

The following table provides the 2010 census data for the City of Huntington Park, California.

2010 census data for City of Huntington Park, CA	
2010 Census population	58,114
Male	28,999
Female	29,115
Age	
Median Age	28.6
Population 18 years and over	39,692
Households	
Total housing units	15,151
Average household size	4.30
Population by race:	
White	929
Hispanic or Latino	56,429
Black or African American	2,324
American Indian and Alaska Native	0

Asian	3,486
<b>Economic Characteristics</b>	
Median household income	37,224
Per Capita Income	12,263
Median value of owner-occupied housing units	397,700

### 3.3 Community survey results (20 responses received)

### 3.4 Community Concerns

		Yes	No	No Response		Total
Q.1	Prior to receiving this survey, were you aware of the environmental investigation being conducted at this site?	1	19			20
Q.2	Do you have any concerns about the contamination at this site?	15	4	1		20
	If so, would you like more information?	19		1		20
		Fact Sheet	Community Meeting	No Response	Both	
Q.3	Information should be provided by:	11		1	8	20
		Yes	No	No Response		
Q.4	Does your community have regularly scheduled meetings? (i.e. neighborhood watch, community council, etc)	3	15	2		20
	If so, when are they scheduled?	Don't know				
	Who can we contact to find out about these meetings? (name and phone number)?					
Q.5	Who else might be interested in the proposed work at this site? (name and address)	6 Responses Listed				
Q.6	Any other concerns or comments about this environmental investigation?	See responses listed below chart.				
<b>Mailing Coupon</b>						
Requests to be added to the Mailing List:				1		
Requests to be deleted from the Mailing List:				1		
Requests for address corrections on the Mailing List:						
Address completed, no request marked:						
Request marked, no name/address provided:				1		
Correction requested, no information provided:						

### Community Surveys

The CDC in conjunction with DTSC mailed a Community Survey in September 2008 for community input. Twenty community surveys (2.2%) were received out of an approximate total of 879 that

were mailed to local residents and interested stakeholders. The surveys were mailed to identify concerns regarding the contamination found at the site. Fourteen survey respondents indicated concerns regarding contamination at the Site. The three most commonly expressed concerns related to the contamination of groundwater, air quality, and protection of public health. One survey respondent specifically described concern regarding the PCE compounds found at the site. The same survey respondent also indicated the concern regarding the protection of harmful air or chemicals to humans. Another survey respondent indicated that the contamination poses a liability to the City and that the City needs to expedite the clean-up process in order to make the site productive. The following presents a summary of concerns and comments expressed by survey respondents:

***Environmental Issues:***

- Please help clean up the waste as soon as possible.

***Health Concerns:***

- Why is it that people in the community did not know about this? This poses health risks for our community.
- Prompt mitigation to the present contamination is crucial to ensure residents and workers in the area well being, considering the seriousness of the PCE compound (see attached). As a company we will keep a copy of this material on file.

***Other:***

- No comments.
- Is EPA involved or will they be involved if Site is to be cleaned up?
- What is the purpose of this questionnaire?
- The old public scale on the property is not properly barricaded and poses a major liability to the City of Huntington Park. The City needs to expedite cleaning of these sites for Alexander Imports/Sapp Ford so that these properties are productive and not eye sores any longer.
- If there is contamination on the site, shall identify who is responsible for contamination. We just want the current owner of the property to take responsibility.

Fact sheets and public meetings were the preferred communication tools for receiving future information about the Site.

**Interview Survey**

On April 26, and April 30 2012, DTSC and CDC contacted community members that responded to the survey via telephone to gather additional information for the Community Profile. CDC and DTSC conducted community interviews with an area resident (City Mayor), a car dealership owner adjacent to the site, a business owner, Communities for Better Environment (non-profit community based organization) and the City of Huntington Park Planning Manager.

**Based on community interviews conducted, the following key community concerns were identified:**

***Timely information:***

Community members often request information about potential contamination in their community. They also often ask about potential health risks and if they are currently being exposed. Respondents requested that residents within the area receive adequate and timely information about the cleanup process. In this community, the information would likely be requested in Spanish as well as English.

***Outreach Activities:***

Respondents indicated that residents should be properly informed about the cleanup process before it begins. They suggested community meetings and mailing fact sheet as effective ways to inform the community. One community member also requested that the schools in proximity to the Site be informed about the cleanup. Additionally, one respondent suggested that the City should take advantage to inform the community about the cleanup through community workshops held by an environmental local non-profit organization (Communities for a Better Environment)

***Dust:***

If excavation work will be done, respondents asked what will be done to control dust from leaving the Site and traveling into the community

***Noise and work hours:***

If excavation work will be done, will there be a lot of noise, and what will the work hours be?

***Traffic - Truck Routes:***

What routes will trucks take? Community members often request that trucks take a route that is least disruptive to the community, including away from residential areas whenever possible.

***Disposal of soil:***

How is the contaminated soil disposed? Ensure that the soil removed from the site be properly disposed.

***Future Environmental Liability Issues:***

One respondent inquired if the CDC could hold harmless future users or property owners from any potential environmental liability issues once soil remediation is completed. One respondent also wanted to know the types of restrictions placed on the property.

***Timing of Cleanup:***

One respondent was concerned about the timing of the cleanup for both the soil and groundwater and inquired if both could be done at the same time.

***Revitalization:***

One respondent expressed the importance of cleaning up the site in order to revitalize the area and market it for commercial development.

### **3.4 Recommended and required public participation activities**

Future public participation activities associated with the Removal Action Workplan (as required by

law) will include:

- A 30-day public comment period
- A fact sheet in English and Spanish mailed to all interested local residents and stakeholders.
- A public notice will be placed in a local newspaper at the start date of the public comment period.
- Face-to-face briefing meetings to key stakeholders may also take place as requested.
- Technical documents related to the Removal Action Workplan will be placed in the information repositories and available on the DTSC EnviroStor Web site – address information is located in Section 4.0.
- Once the official 30-day public comment period has ended, DTSC will respond in writing to all public comments in a Response to Comments document that will be mailed to all individuals who submit comments.
- DTSC staff will be available to respond to community phone calls and email communication as needed – staff contact information is located in Section 5.0.

#### **4.0 INFORMATION REPOSITORIES**

**Site related documents are located at the following locations:**

Department of Toxic Substances Control  
9211 Oakdale Avenue  
Chatsworth, CA 91311  
Contact: Ms. Vivien Tutaan for an appointment  
(818) 717-6521  
Open 8 a.m. to 5 p.m. Monday through Friday

City of Huntington Park Library  
6518 Miles Avenue  
Huntington Park, CA 90255  
Contact: Reference Librarian  
Phone: (323) 583-1461  
Hours: Tuesday, Wednesday, Thursday 10:00 a.m.-8:00 p.m.  
Saturday 8:00 a.m.- 6:00 p.m.  
Monday, Friday and Sunday -Closed

Contact Person: Reference Librarian

City of Huntington Park City Hall  
6518 Miles Avenue  
Huntington Park, CA 90255  
Contact: Ms. Fernanda Palacios  
Phone: (323) 584-6210  
Hours: 8:00 a.m.-5:00 p.m. Monday to Friday

**For more information about DTSC, please visit our Web site at: [www.dtsc.ca.gov](http://www.dtsc.ca.gov)**  
Department of Toxic Substances Control EnviroStor Website:  
[http://www.envirostor.dtsc.ca.gov/public/profile\\_report.asp?global\\_id=60001214](http://www.envirostor.dtsc.ca.gov/public/profile_report.asp?global_id=60001214)

## 5.0 KEY CONTACT LIST

### Department of Toxic Substances Control Contacts:

Manjul Bose  
Hazardous Substances Scientist  
Department of Toxic Substances Control  
Brownfields and Environmental Restoration Program  
9211 Oakdale Avenue  
Chatsworth, CA 91311  
Phone: (818) 717-6560  
E-mail: [MBose@dtsc.ca.gov](mailto:MBose@dtsc.ca.gov)

Jacqueline Martinez  
Public Participation Specialist  
Department of Toxic Substances Control  
5796 Corporate Avenue  
Cypress CA., 90630  
Phone: (714) 484-5487  
E-mail: [JMartine@dtsc.ca.gov](mailto:JMartine@dtsc.ca.gov)

### Local Mailing List

A mailing list of approximately 1,600 local business, residences and interested stakeholders is kept on file and updated by the DTSC. The size of the mailing list may vary over time depending on the level of public interest.

### LOS ANGELES COUNTY

Honorable Andy Molina, Mayor  
City of Huntington Park  
Huntington Park City Hall  
6550 Miles Avenue  
Huntington Park, CA 90255

Honorable Ofelia Hernandez  
Councilmember  
City of Huntington Park  
Huntington Park City Hall  
6550 Miles Avenue  
Huntington Park, CA 90255

Honorable Gloria Molina  
Los Angeles County Supervisor  
866 Kenneth Hahn Hall of Admin  
500 West Temple Street, #856  
Los Angeles, CA 90012

Honorable Mario Gomez,  
Councilmember  
City of Huntington Park  
Huntington Park City Hall  
6550 Miles Avenue  
Huntington Park, CA 90255

Honorable Rosa Perez, Councilmember  
City of Huntington Park  
Huntington Park City Hall  
6550 Miles Avenue  
Huntington Park, CA 90255

Honorable Yvonne B. Burke  
Los Angeles County Supervisor  
866 Kenneth Hahn Hall of Admin  
500 West Temple Street, #856  
Los Angeles, CA 90012

Honorable John Perez  
Assembly Member  
46<sup>th</sup> District  
320 West 4<sup>th</sup> Street, #1050  
Los Angeles, CA 90013

Honorable Lucille Roybal-Allard  
U.S. Congress, 34<sup>th</sup> District  
255 E. Temple Street, #1860  
Los Angeles, CA 90012

Mr. Robert Cabrales  
Communities For a Better Environment  
6325 Pacific Blvd. Suite 300  
6550 Miles Avenue  
Huntington Park, CA 90255

Mr. Baram Fazelli  
Communities For a Better Environment  
6325 Pacific Blvd. Suite 300  
6550 Miles Avenue  
Huntington Park, CA 90255

Honorable Elba Guerrero  
Councilmember  
City of Huntington Park  
Huntington Park City Hall  
6550 Miles Avenue  
Huntington Park, CA 90255

Mr. Nicolas Alexander  
Alexander BMW  
6333 Alameda Street  
Los Angeles, CA 90001

Mr. Jack Wong, Interim Director  
Community Development  
City of Huntington Park  
Huntington Park City Hall  
6550 Miles Avenue  
Huntington Park, CA 90255

Mr. Eric Garcia, Planning Manager  
City of Huntington Park  
Huntington Park City Hall  
6550 Miles Avenue  
Huntington Park, CA 90255

Honorable Ron Calderon, Senator  
30<sup>th</sup> District  
400 North Montebello Boulevard, 1<sup>st</sup> Fl  
Montebello, CA 90640

## DTSC's Mandatory Mailing List

### Community EJ Statewide Mandatory List

Robina Suwol  
Executive Director  
California Safe Schools  
Box 2756  
Toluca Lake, California 91610

Gerald D. Secundy  
CA Council for Environmental  
and Economic Balance  
100 Spear Street Ste 805  
San Francisco CA 94105

Francisco DaCosta  
Director  
Environmental Justice  
Advocacy  
4909 Third Street  
San Francisco, CA 94124

Liz Allen  
Sierra Club  
394 Blaisdell  
Claremont CA 91711

Chuck White  
Waste Management Inc.  
915 L Street Ste 1430  
Sacramento CA 95814

Kelly Moran  
TDC Environmental  
4020 Bayview Ave  
San Mateo CA 94403

### Statewide Email List

Dr. Joseph K. Lyou  
[joe@coalitionforcleanair.org](mailto:joe@coalitionforcleanair.org)

Dan Jacobson  
[djacobson@environmentcalifornia.org](mailto:djacobson@environmentcalifornia.org)

Jane Williams  
[dcapiane@aol.com](mailto:dcapiane@aol.com)

### DTSC's Mandatory E-Mail List

Maya Akula  
[MAkula@dtsc.ca.gov](mailto:MAkula@dtsc.ca.gov)

Thomas Cota  
[TCota@dtsc.ca.gov](mailto:TCota@dtsc.ca.gov)

John Scandura  
[JScandur@dtsc.ca.gov](mailto:JScandur@dtsc.ca.gov)

Jeanne Garcia  
[JGarcia1@dtsc.ca.gov](mailto:JGarcia1@dtsc.ca.gov)

Yolanda Garza  
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Rita Kamat  
[RKamat@dtsc.ca.gov](mailto:RKamat@dtsc.ca.gov)

Mona Arteaga Bontty  
[mbontty@dtsc.ca.gov](mailto:mbontty@dtsc.ca.gov)

Randi Jorgensen  
[RJorgens@dtsc.ca.gov](mailto:RJorgens@dtsc.ca.gov)

Javier Hinojosa  
[JHinojos@dtsc.ca.gov](mailto:JHinojos@dtsc.ca.gov)

Patrice Bowen  
[PBowen@dtsc.ca.gov](mailto:PBowen@dtsc.ca.gov)

Gloria Conti  
[GConti@dtsc.ca.gov](mailto:GConti@dtsc.ca.gov)

Julie Propes  
[JPropes@dtsc.ca.gov](mailto:JPropes@dtsc.ca.gov)

Steve Lavinger  
[SLavinge@dtsc.ca.gov](mailto:SLavinge@dtsc.ca.gov)

Shahir Haddad  
[SHaddad@dtsc.ca.gov](mailto:SHaddad@dtsc.ca.gov)

**ATTACHMENT A**  
**SITE LOCATION MAP**



**ATTACHMENT B**  
**COMMUNITY SURVEY**

## ATTACHMENT C INTERVIEW QUESTIONS

1. How long have you lived or worked in this area?
2. Prior to this interview were you aware that an environmental investigation is being conducted?
3. If so, how and when did you first become aware of this environmental process?
4. Do you or your (group members/faculty) have any concerns about the environmental investigation that will be conducted?
5. What level of interest do you believe your (group/constituents) would have regarding the environmental investigation, if any? None/Low/Moderate High
6. If there are concerns, which of those concerns are the most important to you or your group?
7. Have you been actively involved with this project in anyway?
8. Have you had any contact with local, state or other officials regarding this site? If so, what was the nature of the contact?
9. Do you feel you have been kept adequately informed about the environmental investigation on this project?
10. What is the best way for us to provide information to the people in this neighborhood? (Fact sheets, community meetings, workshops, advisory committee, e-mail, web site, etc.)
11. Are you aware of any translation or interpretation needs in this community? If so, what languages?
12. Do you have any other comments?
13. Which newspapers do the people in this neighborhood read, and which is one primary one for local news?



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION IX  
75 Hawthorne Street  
San Francisco, CA 94105

Assistance Agreement or Amendment

Enclosed is a signed Assistance Agreement or Amendment from the U.S. Environmental Protection Agency Region 9. Please review the entire document, including the terms and conditions, which set forth your legal responsibilities to EPA. For further information concerning administrative requirements, please refer to the Code of Federal Regulations and OMB Cost Circulars.

Within 21 days of receipt, please sign and date the FIRST page of the Agreement and send a scanned version of the first page to: [GrantsRegion9@epa.gov](mailto:GrantsRegion9@epa.gov). If you do not have access to a scanner, make a copy for your own records and mail the FIRST page to the following address:

U.S. EPA, Region 9  
Grants Management Office, MTS-7  
75 Hawthorne Street  
San Francisco, CA 94105

As another option, you may fax the FIRST page to (415) 947-3556 with a cover page addressed to: Grants Management Office, MTS-7

We suggest that you make additional copies for your Project Manager, Finance/Fiscal Officer and any other personnel in your organization requiring information about the award.

If you or your staff have any questions of a programmatic nature, please contact your EPA Project Officer. Questions relating to administrative or fiscal matters should be directed to your EPA Grants Specialist. Both contacts are shown on page 1 of the award. You may also access our Region 9 website for additional information to help you manage your grant at:

<http://www.epa.gov/Region9/funding>

For information regarding payments and financial reports, please refer to the following website for the Las Vegas Finance Center:

<http://www.epa.gov/ocfo/finservices/payinfo.htm>

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Assistance Amendment</b>	<b>GRANT NUMBER (FAIN):</b> 00T30201 <b>MODIFICATION NUMBER:</b> 1 <b>PROGRAM CODE:</b> BF	<b>DATE OF AWARD</b> 05/22/2012
		<b>TYPE OF ACTION</b> No Cost Amendment	<b>MAILING DATE</b> 05/22/2012
		<b>PAYMENT METHOD:</b> Advance	<b>ACH#</b> PEND
		<b>Send Payment Request to:</b> Las Vegas Finance Center, Fax (702) 798-2423	

<b>RECIPIENT TYPE:</b> Municipal	<b>Send Payment Request to:</b> Las Vegas Finance Center, Fax (702) 798-2423
<b>RECIPIENT:</b>  City of Huntington Park 6550 Miles Avenue Huntington Park, CA 90255 EIN: 95-6000724	<b>PAYEE:</b>  City of Huntington Park 6550 Miles Avenue Huntington Park, CA 90255

<b>PROJECT MANAGER</b> Fernanda Palacios 6550 Miles Avenue Huntington Park, CA 90255 E-Mail: fpalacios@huntingtonpark.org Phone: 323-584-6266	<b>EPA PROJECT OFFICER</b> Sara Russell 75 Hawthorne Street, SFD-6 San Francisco, CA 94105 E-Mail: Russell.Sara@epa.gov Phone: 414-972-3218	<b>EPA GRANT SPECIALIST</b> Danielle Carr Grants Management Office, MTS-7 E-Mail: Carr.Danielle@epa.gov Phone: 415-972-3871
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**PROJECT TITLE AND EXPLANATION OF CHANGES**  
**BROWNFIELDS CLEANUP COOPERATIVE AGREEMENTS**

This cooperative agreement supports the clean up of hazardous substances on four contiguous sites, formerly occupied by a fertilizer manufacturing facility, a steel manufacturing facility and now an auto storage facility. Community outreach meetings will be held to keep the public informed and to receive input from the community regarding the project.

This assistance amendment extends the project and budget period ending dates to 10/31/2013. There is no change to the federal assistance amount of \$ 200,000.

<b>BUDGET PERIOD</b> 10/01/2009 - 10/31/2013	<b>PROJECT PERIOD</b> 10/01/2009 - 10/31/2013	<b>TOTAL BUDGET PERIOD COST</b> \$240,000.00	<b>TOTAL PROJECT PERIOD COST</b> \$240,000.00
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**NOTICE OF AWARD**

Based on your application dated 07/27/2009, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards \$0. EPA agrees to cost-share 83.33% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$200,000. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.

<b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>	<b>AWARD APPROVAL OFFICE</b>
<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 9 Grants Management Office, MTS-7 75 Hawthorne Street San Francisco, CA 94105	<b>ORGANIZATION / ADDRESS</b> U.S. EPA, Region 9 Superfund Division, SFD-1 75 Hawthorne Street San Francisco, CA 94105

**THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY**

Digital signature applied by EPA Award Official for Denise Zvanovec - Grants Management Officer Danielle Carr - Award Official delegate	<b>DATE</b> 05/22/2012
--	---------------------------

**AFFIRMATION OF AWARD**

**BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION**

<b>SIGNATURE</b> 	<b>TYPED NAME AND TITLE</b> Gregory Kerduner, Executive Director Mary Stream	<b>DATE</b> 6/12/12
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## Budget Summary Page

Table A - Object Class Category (Non-construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$3,000
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$237,000
7. Construction	\$0
8. Other	\$0
9. Total Direct Charges	\$240,000
10. Indirect Costs: % Base	\$0
11. Total (Share: Recipient <u>16.67</u> % Federal <u>83.33</u> %.)	\$240,000
12. Total Approved Assistance Amount	\$200,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$0
15. Total EPA Amount Awarded To Date	\$200,000



**Matthew Rodriguez**  
Secretary for  
Environmental Protection



## Department of Toxic Substances Control

Deborah O. Raphael, Director  
9211 Oakdale Avenue  
Chatsworth, California 91311



**Edmund G. Brown Jr.**  
Governor

July 5, 2012

Ms. Fernanda Palacios  
Redevelopment Project Manager  
City of Huntington Park  
6550 Miles Avenue  
Huntington Park, California 90255

### **APPROVAL OF RAW, FORMER SOUTHLAND STEEL FACILITY – 5959 – 6161 ALAMEDA AVENUE, HUNTINGTON PARK, CALIFORNIA**

Dear Ms. Palacios:

The Department of Toxic Substances Control (DTSC) has reviewed the *Revised Draft Final Removal Action Workplan* (RAW) (Eco & Associates, May 4, 2012) for the Former Southland Steel™ (Site) located at 5959-6161 Alameda Ave, Huntington Park, California 90246. The RAW was available for public comment from May 31, 2012 through June 29, 2012. DTSC has reviewed, responded to, and considered all comments received and determined that no changes were necessary to the RAW.

The RAW details procedures that will be employed to remove soil contaminated with hazardous metals and Volatile Organic Compounds (VOC) at the Site. The objective of the RAW is to mitigate potential risk to human health and the environment through excavation and disposal of soil.

DTSC hereby approves the RAW for implementation and concurs with the methodology for removal activities presented. DTSC also prepared a California Environmental Quality Act (CEQA) – Notice of Exemption (NOE). The enclosed NOE demonstrates the removal action measures presented will not have a significant effect on the environment.

Ms. Fernanda Palacios

July 5, 2012

Page 2

Please notify DTSC a minimum of 7 days prior to start of field work or any schedule changes. If you have any questions, please contact me at 818-717-6560 or [mbose@dtsc.ca.gov](mailto:mbose@dtsc.ca.gov).

Sincerely,



Manjul Bose  
Project Manager  
Brownfields & Environmental Restoration Program  
Chatsworth Office

Enclosure(s)

cc: Opjit Ghuman  
Project Engineer  
Eco & Associates  
1855 West Katella Avenue, Suite 340  
Orange, California 92867

Jacqueline Martinez (electronic)  
Public Participation Specialist  
Cypress Office

Pete Cooke, P.G., C.H.G (electronic)  
Engineering Geologist  
Chatsworth Office

Dr. Vivek Mathrani, Ph.D (electronic)  
Staff Toxicologist  
Berkeley Office



**Matthew Rodriguez**  
Secretary for  
Environmental Protection



## Department of Toxic Substances Control

Deborah O. Raphael, Director  
9211 Oakdale Avenue  
Chatsworth, California 91311



**Edmund G. Brown Jr.**  
Governor

July 5, 2012

### RESPONSE TO COMMENTS ON REVISED DRAFT FINAL REMOVAL ACTION WORKPLAN FOR THE FORMER SOUTHLAND STEEL FACILITY LOCATED AT 5959 – 6161 ALAMEDA AVENUE, HUNTINGTON PARK, CALIFORNIA

Dear Community Member:

The Department of Toxic Substances Control (DTSC) invited community members to provide comments regarding a proposed plan of excavation and removal of contaminated soil at the Former Southland Steel Facility, Huntington Park, California during the comment period of May 31, 2012 to June 29, 2012.

The enclosed Response to Comments document provides a written response to all of the written comments DTSC received during the comment period for the Revised Draft Final Removal Action Workplan. Based on these comments, no changes were necessary to the initial draft plan. The Removal Action Workplan has now been finalized and approved by DTSC for implementation. Field activities associated with the removal of soil are expected to begin at the end of July 2012.

The approved Removal Action Workplan is available electronically at [https://www.envirostor.dtsc.ca.gov/public/profile\\_report.asp?global\\_id=60000434](https://www.envirostor.dtsc.ca.gov/public/profile_report.asp?global_id=60000434). If you have any questions regarding the Response to Comments or Revised Draft Final Removal Action Workplan please contact Jacqueline Martinez, DTSC Public Participation Specialist at 1-866-495-5651, or myself at (818) 717-6560.

Sincerely,

Manjul Bose  
Project Manager  
Brownfields & Environmental Restoration Program  
Chatsworth Office

Enclosure

RESPONSE TO PUBLIC COMMENTS  
FORMER SOUTHLAND STEEL FACILITY  
HUNTINGTON PARK, CALIFORNIA

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Comment 1: I am the Owner of Rawlins Public Scales, located at 1925 E. Randolph Street, Los Angeles, Calif. 90001. The subject property is almost adjacent to my property. My concern is there may be hazardous materials that may have affected my property by way of groundwater or other means. With this in mind I would like to request the City of Huntington Park test my property by way of way of core sampling accordingly. This matter could have serious adverse effects on my property. Please call or email with any questions.

Response: Thank you for your comment. Your property is located north of the subject property. DTSC does not believe your property is a source for contamination nor is it impacted by the contamination found at the Former Southland Steel facility. The contamination found at the property is localized to the central portion of the site and are not motile and thus would have not affected your property. Groundwater, though contaminated is located at 130+ feet below surface and currently flows to the south east. Mitigation efforts in place during excavation and removal will limit the general public to the exposure of contaminated soil. DTSC believes that sampling at your property is not warranted at this time.

CALIFORNIA ENVIRONMENTAL QUALITY ACT  
NOTICE OF EXEMPTION

To: Office of Planning and Research  
State Clearinghouse  
P.O. Box 3044, 1400 Tenth Street, Room 212  
Sacramento, CA 95812-3044

From: Department of Toxic Substances Control  
Brownfields & Environmental Restoration Program  
9211 Oakdale Avenue  
Chatsworth, CA 91311

Project Title: Approval of the Removal Action Workplan for the Former Southland Steel Facility

Project Location: 5959, 5969, 6011, 6161 & 6169 Alameda Street, Huntington Park, CA 90255

County: Los Angeles

Project Description:

This project involves DTSC's approval of a Removal Action Workplan (RAW) which describes response actions to address site soil impacted with Polycyclic Aromatic Hydrocarbons (PAH's), Arsenic, and Lead at the former Southland Steel facility (Site). The proposed response action consists of the excavation and offsite disposal of up to 2,500 cubic yards (3,750 tons) of contaminated soil to achieve commercial/industrial cleanup goals. The expected excavation depth is between the top two and five feet. The removal action project proposes excavation and transport of impacted soil from the former Southland Steel facility to an offsite facility for treatment and disposal. The proposed removal of contaminated soil will be conducted in accordance with the methods and procedures presented in the document entitled "Removal Action Workplan (RAW)". The Site is vacant dirt lot therefore no clearing or grubbing activities will be required prior to soil excavation.

Background:

The property was developed as a fertilizer manufacturing facility (American Agricultural Chemical Company) sometime before 1923. Between 1928 and 1934, the fertilizer facility was removed and a new steel manufacturing facility, occupied by Rawlins Bros. Steel Supplies (Rawlins), was reported to operate at the site. The Site has been used for steel manufacturing or foundry operations since then. Southland Steel occupied the subject property from sometime between 1972 and 1988 until approximately 2002 when their operations ceased. Site buildings were removed in 2008 except for an automotive storage area in the south of the site and the new office building built in 2000. The subject property is currently leased by the City of Huntington Park for vehicle parking and storage by an automobile dealership.

Project Activities:

Approximately 2,500 cubic yards (3,750 tons) of contaminated soil that is found in the upper five feet will be excavated and transported to a state approved treatment facility to achieve commercial/industrial cleanup goals. Cleanup goals are 0.21 mg/kg for PAH's measured as Benzo(a)Pyrene equivalents, arsenic 12.0 mg/kg, cadmium 7.5 mg/kg, and lead 320 mg/kg.

Contaminants of concern at the site include Polycyclic Aromatic Hydrocarbons (PAH's), Arsenic, Cadmium, and Lead. PAHs were all Benzo(a)Pyrene (BaP) and related compounds. BaP equivalent concentrations ranged from below detection limits to 22.9 milligram per kilogram (mg/kg). Arsenic concentrations in soil ranged from below detection limits to 154 mg/kg; cadmium ranged from non-detect to 10 mg/kg; and, lead concentrations ranged from non-detect to 3,245 mg/kg. Regional screening values for commercial/industrial settings were used as cleanup goals for this project.

The project activities will consist of:

1. Soil Excavation to achieve the Site's residential cleanup goals using a front-end loader and backhoe. The anticipated depth of excavation is between three and ten feet.
2. Following successful completion of the removal action, excavated areas will be backfilled with like volume of clean soil.
3. In addition, an area of possible concern for Polychlorinated Biphenyls (PCBs) will be investigated near the site of former transformers that have been removed. If these soils are found to be contaminated, they will be excavated separately and segregated in a unique stockpile for separate shipment to an appropriate site for PCB contaminated soil disposal, based upon their contaminant concentration. While it is uncertain if this contamination is present, if it is found

up to 150 cubic yards of such soil may be handled in this manner to achieve commercial/industrial cleanup levels. If additional PCB contamination is found, a separate work plan and CEQA document will be prepared for its removal.

4. A Land Use Covenant will limit the site to Commercial/Industrial use based on the cleanup standards applied.

Removal activities will begin following all agency approvals and issuance of permits by the City of Huntington Park. The anticipated start date of the removal action is July 2012. It is expected that the removal can be completed in approximately 10 weeks. During these activities, the Site will be secured and shielded from public view. Fieldwork will take place Monday through Friday during daylight hours. As may be permitted by the City, occasional, light fieldwork activities may take place on Saturdays.

The removal action will reduce concentrations of chemicals of potential concern in soil to minimize future exposure to humans and potential ecological receptors and reduce their potential for impact to the groundwater beneath the Site.

Groundwater is located at approximately 136 feet below ground surface (bgs) and is impacted by volatile organic compounds. Groundwater and the soil vapor conditions at the site are continuing to be investigated and will be further addressed by the City and DTSC at a later date.

Name of Public Agency Approving Project: Department of Toxic Substances Control

Name of Person or Agency Carrying Out Project: The City of Huntington Park

Exemption Status: (check one)

- Ministerial [PRC, Sec. 21080(b)(1); CCR, Sec. 15268]  
 Declared Emergency [PRC, Sec. 21080(b)(3); CCR, Sec. 15269(a)]  
 Emergency Project [PRC, Sec. 21080(b)(4); CCR, Sec. 15269(b)(c)]  
 Categorical Exemption: Class 30 [Cal. Code Regs. Tit. 14, §15330]  
 Statutory Exemptions: [State code section number]  
 General Rule [CCR, Sec. 15061(b)(3)]

Exemption Title: With Certainty, No Possibility of Significant Environmental Effect

Reasons Why Project is Exempt:

The proposed project will have no significant effect on the environment because the excavation is limited in size (2,500 cubic yards). The groundwater is located at 136 feet below ground surface (bgs). It is impacted and there is possible regional contamination that the Department is pursuing. Groundwater conditions at the site will be further investigated as a subsequent project phase. Removal of the contamination will mitigate threat to the groundwater by removing major part of the sources at this site.

The project Site is located in an industrial area and access to it secured by fencing and a gate. Controls will be in place to protect the health and safety of employees, workers, and the public from on-site activities. Among these include:

- A Storm Water Pollution Prevention Plan will be in place to control runoff from the site during the excavation and backfill activities.
- Stockpiles will be tarped for dust control. Site soils will be sprayed with water to control dust and particulates as needed.
- Monitoring for Volatile Organic Compounds will occur during excavation. If they are detected at substantial levels, additional control measures, including foam, may be used to control emissions.
- Trucks will be inspected and if needed, decontaminated on site, prior to leaving the site.
- Ingress and egress from the site will be controlled by flagmen. Trucks will not enter or leave the site at less than 15 minute intervals. Trucks will be staged on site to limit stacking or traffic congestion on public streets.

The site is in a previously disturbed industrial area. The Site is not designated as an area of critical habitat for sensitive, threatened, or endangered species. No species of significance were found during a review of the Department of Fish and Game Natural Diversity Database (Rarefind), April 2012. No cultural resources were found to be present in response to a request for review of the Native American Heritage Commission's database in April 2012. There are no known historical or cultural features located at the Site. Arrangements will be made to protect or preserve any such resources that are found. If human remains are discovered at the Site, no further disturbance will occur in the location

where the remains are found, and the County Coroner will be notified pursuant to Health and Safety Code section 7050.5. The Coroner will determine disposition within 48-hours (Public Resources Code, section 5097.98).

There will be no impact from project activities to surface water bodies or groundwater.

The project site does not appear on the Cortese list. The project will not be located on a site which is included on any list compiled pursuant to Cal. Gov. Code § 65962.5 (<http://calepa.ca.gov/sitecleanup/corteselist/default.htm>)

The project will not result in significant air quality impacts or greenhouse gas emissions based given its limited size, the duration of the project and the best management practices that will be in place to control emissions. The South Coast Air Quality Management CalEEMod model was run to assist in developing this determination in May 2012.

The project is consistent with applicable state and local environmental permitting requirements including, but not limited to, off-site disposal, air quality rules such as those governing volatile organic compounds and water quality standards, and approved by the regulatory body with jurisdiction over the site.

Evidence to support the above reasons is documented in the project file record, available for inspection at the Department of Toxic Substances Control, Brownfields and Environmental Restoration Program, 9211 Oakdale Avenue, Chatsworth, California 91311. Attn: Manjul Bose, Project Manager.

<u>Manjul Bose</u> Project Manager Name	<u>Hazardous Substances Scientist</u> Project Manager Title	<u>818-717-6560</u> Phone #
 Branch Chief Signature		<u>7/6/12</u> Date
<u>Steve Lavinger</u> Branch Chief Name	<u>Supervising Hazardous Substances Scientist II</u> Branch Chief Title	<u>818-717-6528</u> Phone #

<p>TO BE COMPLETED BY OPR ONLY</p> <p>Date Received For Filing and Posting at OPR:</p>
--

Community Notice, May 2012

## Cleanup Plan Available For Review: Former Southland Steel Facility, Huntington Park, California.

A draft plan to remove soil contaminated with lead, arsenic, cadmium, and Poly Aromatic Hydrocarbons (PAHs) at the Former Southland Steel Facility is open for a 30-day public review and comment period. The draft plan, called a Removal Action Workplan or RAW, was submitted by the City of Huntington Park, California. The site is located in a commercial/industrial area that includes the street addresses 5959, 5969, 6011, 6161, and 6169 at South Alameda Street, in the City of Huntington, California.



### Why Cleanup Is Necessary?

There is **no** immediate health risk because the public is not exposed to the contaminated soil. However, because exposure to elevated levels of these contaminants can cause adverse health effects, the Department of Toxic Substances Control (DTSC) recommends that a cleanup plan be prepared to remove and dispose the contaminated soil to protect future occupants of the property. DTSC will oversee the removal action and ensure that it is performed in a manner that does not harm people or the environment.

### 30-DAY PUBLIC COMMENT PERIOD May 31 to June 29, 2012

Your participation is encouraged. The draft RAW and other related project documents for this site are available for review and public comment at the locations listed on page 3. We will make a final decision after all public comment has been reviewed and considered. **All public comments must be postmarked or by June 29, 2012** or emailed no later than 5 p.m. to:

Ms. Jacqueline Martinez,  
DTSC Public Participation Specialist  
5796 Corporate Avenue  
Cypress, CA 90630  
[JMartine@dtsc.ca.gov](mailto:JMartine@dtsc.ca.gov).



DEPARTMENT OF  
TOXIC SUBSTANCES  
CONTROL

*The mission of the  
Department of Toxic  
Substances Control is  
to provide the  
highest level of safety,  
and to protect public  
health and the  
environment from  
toxic harm.*



State of California



## **Environmental Investigations**

The Site is zoned commercial/industrial and has been used since the early 1900's first as fertilizer manufacturing facility and more recently for steel manufacturing by Southland Steel. The property is currently used for automotive storage and as parking space.

## **Contaminants**

On November 2004, soil testing was conducted. Contaminants found are identified as volatile organic compounds (VOCs), poly aromatic hydrocarbons (PAHs), and heavy metals (arsenic, cadmium and lead).

## **Proposed Cleanup Options**

The following two Cleanup Options will be considered for this site:

Alternative 1 – No Further Action

Alternative 2 – Removal and Off-Site Disposal

Based on careful analysis of the options, Alternative 2 - excavation and removal is recommended because it protects human health and the environment, is permanent and has a reasonable cost.

If Alternative 2 is selected, the contaminated soil will be dug out using a backhoe, bulldozer, shovels or other types of earth moving equipment, as necessary. The soil will be stockpiled or loaded onto trucks and taken off-site to be disposed at a licensed facility.

## **Safety & Dust Control During Cleanup**

The following actions will be implemented during this process to ensure public safety and minimize dust:

- Prepare and secure the work area with fencing
- Driving all vehicles at slow speeds while on the property
- Spraying of work areas with clean water to control dust
- Securing trucks with covers before they leave the site
- Trucks entering and exiting the site will be brushed to remove soils and debris
- Minimize soil drop height into transport trucks

- Backfill excavated area with clean soil and restore the surface with asphalt

## **Proposed Transportation Route**

About 2,500 cubic yards of contaminated soil will be removed and taken off-site for disposal. It will take about 150 truckloads to remove the contaminated soil from the site. The soil will be taken to a state licensed and approved disposal facility. This work is limited to the hours between 7:00 a.m. to 4:00 p.m. daily.

## **California Environmental Quality Act**

In compliance with the California Environmental Quality Act (CEQA), DTSC has prepared a draft Notice of Exemption (NOE) for this project. The NOE states that the proposed cleanup will **not** have a significant negative effect on human health and the environment because of short duration, relatively small amount of contaminated soil to be removed, and the controlled way in which the contaminated soils will be dug out, loaded onto trucks and taken away to an approved/permitted facility for lawful disposal.

## **Next Steps**

At the close of the Public Comment Period, DTSC will review and consider any public comments and make any necessary revisions to the draft RAW prior to final approval. Also, a Response to Comments document will be mailed to everyone who makes a comment and provides their name and address.

Site cleanup activities are projected to take about six weeks and will be conducted in late summer or early fall of 2012. Work days and hours for Site activities are Monday through Friday from 7:00 am to 4:00 pm with occasional work on weekends. No street or road closures are expected to occur.

After the cleanup process is completed, soil testing will be done to confirm cleanup goals have been reached and the City of Huntington Park will submit a Removal Action Completion Report to the DTSC for review and approval.

### **Where to Find the Documents**

The Draft RAW and other related documents for Former Southland Steel Facility are available for review at the following locations:

#### **Huntington Park Library**

6518 Miles Avenue  
City of Huntington Park, CA 90255  
Phone: (323) 583-1461  
Hours of Operation: Tuesday, Wednesday,  
Thursday 10:00 a.m.-8:00 p.m.  
Saturday 8:00 a.m.-6:00 p.m.  
Contact: Reference Librarian

#### **City of Huntington Park, City Hall**

6550 Miles Avenue  
City of Huntington Park, CA 90255  
Phone: (323) 584-6266  
Hours: 8:00 a.m.-5:00 p.m. Monday to Friday  
Contact: Ms. Fernanda Palacios

#### **Department of Toxic Substances Control**

Regional Records Office  
9211 Oakdale Avenue  
Chatsworth, CA 91311  
Contact: Ms. Vivien Tutaan  
Phone: (818) 717-6521  
Hours: 8 a.m. – 5 p.m. Monday – Friday

Site documents are also available at:  
[www.envirostor.dtsc.ca.gov](http://www.envirostor.dtsc.ca.gov) for your review.  
A computer is available in the DTSC file room for your use.

### **Who to Contact for Information**

If you have any questions about the project or cleanup activities, please contact:

Mr. Manjul Bose  
DTSC Project Manager  
9211 Oakdale Avenue  
Chatsworth, CA 91311  
Phone: (818) 717-6560  
Email: [MBose@dtsc.ca.gov](mailto:MBose@dtsc.ca.gov)

Ms. Jacqueline Martinez  
DTSC Public Participation Specialist  
5796 Corporate Avenue  
Cypress, CA 90630  
Phone: (714) 484-5338  
Email: [JMartine@dtsc.ca.gov](mailto:JMartine@dtsc.ca.gov)

#### **Media Inquiries**

Ms. Jeanne Garcia  
DTSC Public Information Officer  
9211 Oakdale Avenue  
Chatsworth, CA 91311  
Phone: (818) 717-6573  
Email: [JGarcia@dtsc.ca.gov](mailto:JGarcia@dtsc.ca.gov)

#### **Notice to Hearing-Impaired Individuals**

You can obtain additional information about the site by using the California State Relay Service at 1 (888) 877-5378 (TDD). Ask them to contact Jacqueline Martinez at (714) 484-5338 regarding the Former Southland Steel Facility.

All documents made available to the public by DTSC can be made available in an alternative format (i.e. Braille, large print, etc.) or in another language as appropriate, in accordance with state and federal law.



# REMOVAL ACTION WORKPLAN

•REVISED DRAFT FINAL•

**Former Southland Steel Facility  
5959, 5969, 6011, 6161, & 6169 Alameda Street  
Huntington Park, CA 90255**

**Prepared for:  
Community Development Department  
City of Huntington Park  
Huntington Park, California**

**Prepared by:  
Eco & Associates, Inc.  
1855 W. Katella Avenue, Suite 340  
Orange, California 92867  
Phone: (714) 289-0995  
Fax: (714) 289-0965**



# REMOVAL ACTION WORKPLAN

•REVISED DRAFT FINAL•

Former Southland Steel Facility  
5959, 5969, 6011, 6161, & 6169 Alameda Street  
Huntington Park, CA 90255

*Prepared for:*

Community Development Department  
City of Huntington Park  
Huntington Park, California

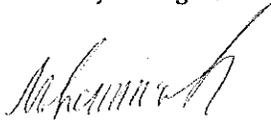
*Prepared by:*

Eco & Associates, Inc.  
1855 W. Katella Avenue, Suite 340  
Orange, California 92867



---

Opjit Ghuman, P.E.  
Project Engineer



---

Mohammad Estiri, Ph.D.  
Project Director

May 4, 2012

Project No. Eco-10-418

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### ABBREVIATIONS, ACRONYMS, & SYMBOLS

µg/kg	micrograms per kilogram
AET	Applied Environmental Technologies, Inc.
AETL	American Environmental Testing Laboratory, Inc.
APEI	All Phase Environmental, Inc.
APN	Assessor Parcel Number
AQMD	Air Quality Management District
Assessco	Assessco, Inc.
BaP	benzo(a)pyrene
bgs	below ground surface
CalEPA	California Environmental Protection Agency
Caltrans	California Department of Transportation
CEQA	California Environmental Quality Act
COC	contaminant of concern
DHS	Department of Health Services
DTSC	Department of Toxic Substances Control
EPA	Environmental Protection Agency
HSC	California Health and Safety Code
ILCR	Incremental Lifetime Cancer Risk
LAUSD	Los Angeles Unified School District
Lufkin	Lufkin Foundry
mg/kg	milligrams per kilogram
MiniRAE	RAE Systems, Inc.
msl	mean sea level
OSHA	Occupational Safety and Health Administration
PAH	polynuclear aromatic hydrocarbon
PCB	polychlorinated biphenyl
PID	photoionization detector
RAO	removal action objective
RAP	Removal Action Plan
RAW	Removal Action Workplan
Rawlins	Rawlins Bros. Steel Supplies
RSL	Regional Screening Level
SCR	Site Characterization Report
SSI	Supplemental Site Investigation
SVOC	semi-volatile organic compound
TPH	total petroleum hydrocarbons
USGS	United States Geological Survey
UST	underground storage tank
VOC	volatile organic compound
WB1	warehouse building #1
WB2	warehouse building #2
WB3	warehouse building #3

# REMOVAL ACTION WORKPLAN

•REVISED DRAFT FINAL•

**Former Southland Steel Facility**  
**5959, 5969, 6011, 6161, & 6169 Alameda Street**  
**Huntington Park, CA 90255**

## 1.0 INTRODUCTION

This Removal Action Workplan (RAW), a revised draft final document, has been prepared for the removal of the shallow surface soil at the subject property based on the Site investigation results and the approval of the Site Characterization Report (SCR). A plan for Contaminated Soil Removal dated January 18, 2010 was previously prepared for the City of Huntington Park (hereafter, "City"). However, at that time the California Environmental Protection Agency (CalEPA) – Department of Toxic Substances Control (DTSC) required the preparation of the SCR prior to consideration of the removal action for shallow soil. The SCR looked again at the Site data and presented the findings in one document; whereas, previously, the same information had been contained in numerous submittals to DTSC. The SCR included a Baseline Human Health Risk Assessment. This RAW is prepared and submitted to the DTSC for review and approval under the Voluntary Cleanup Program agreement between the City and DTSC.

## 2.0 REMOVAL ACTION PROCESS

### 2.1 REGULATORY BASIS FOR THE RAW

Under California Health and Safety Code (HSC) § 25323.1, "Removal Action Workplan" or RAW means a workplan prepared or approved by the department (DTSC) or a California regional water quality control board that is developed to carry out a removal action, in an effective manner, that is protective of the public health and safety and the environment. The removal action workplan is required to include an engineering plan for conducting the removal action, a description of the on-Site contamination, and the goals to be achieved by the removal action.

It is understood that the RAW is an acceptable document for such removal action provided the total cost of the project is below \$2,000,000. If the capital cost of the project is greater than this amount, a Removal Action Plan (RAP) is required. The estimated cost of the selected removal action described in this RAW is estimated to be less than **\$1,500,000**.

### 2.2 OBJECTIVES OF THE RAW

The objectives of this RAW are as follows:

- Present findings of the existing Site conditions by summarizing the results previously presented in the SCR.

- Describe the appropriate removal action objectives (RAOs) for protection of human health and the environment.
- Describe the presumptive remedy consisting of the removal action at the Site that is protective of human health and the environment.

Regulators have found, and the Environmental Protection Agency (EPA) has guidance, that certain categories of sites have similar characteristics, such as: types of contaminants present, types of disposal practices, or how environmental media are affected. Based on information acquired from evaluating and cleaning up such sites, this process provides presumptive remedies to accelerate cleanups. Presumptive remedies are preferred technologies for common categories of sites, based on historical patterns of remedy selection and regulatory scientific and engineering evaluation of performance data on technology implementation. Based on this information, it is evaluated that a particular remedy, or set of remedies, is presumptively the most appropriate for addressing specific types of sites. This approach will be further discussed when presenting the description of the removal action.

### **2.3 RAW ELEMENTS**

To accomplish the objectives stated in the preceding section, and satisfy DTSC requirements, this RAW includes the following elements:

- A description of the nature and extent of the contaminants of concern (COCs) at the site
- Goals to be achieved by the removal action
- Description of the presumptive remedy: shallow soil removal
- Description of the removal action and an implementation plan
- Listing of reference documents on the project

This plan will serve to remediate the site to a condition that will allow the surface use of the property by making improvements and/or re-development. Deeper soil vapor and groundwater conditions that have been identified in the SCR will be addressed separately.

### **3.0 SITE DESCRIPTION AND BACKGROUND**

The following sub-sections present the location and description of the site and a historical background.

#### **3.1 SITE LOCATION**

The subject site is located on Alameda Street, south of Randolph Street, in the community of Huntington Park, California. The parcels investigated consist of the former Southland Steel facility and include all of the property between the railroad spur from Randolph Street and Alameda Street to the east. These properties are addressed as 5959, 5969, 6011, 6161, and 6169 Alameda Street (hereafter, "Site"; see Site Location Map, Figure 1).

#### **3.2 SITE DESCRIPTION**

The southern-most parcel is currently used as an automobile service facility (Nick Alexander Imports), and the remaining parcels are used for parking cars belonging to the dealership. All of the buildings for the Southland Steel facility have been demolished and removed from the

Site. Asphalt pavement or concrete flooring from the previous facility remain and serve the parking needs of the dealership. Manufacturing and light industrial facilities surround the Site.

The Site is located within the South Gate topographic quadrangle 7.5 minutes (United States Geological Survey [USGS])). This map shows the topographic elevation at the Site to be about 170 feet above mean sea level (msl). The slope across the Site is generally flat. Drainage is either towards the Alameda Street or towards the railroad track at the rear of the property. The regional topographic slope is generally towards the south.

The property has approximately 960 feet of frontage on Alameda Avenue south from Randolph Street and consists of four parcels between the railroad spur and Alameda Avenue. The four parcels and their Assessor Parcel Numbers (APNs) are as follows:

- 5959 South Alameda – APN 6009-034-901 (approx. 0.12 acre)
- 5969 South Alameda – APN 6009-034-900 (approx. 0.81 acre)
- 6011 South Alameda – APN 6009-033-901 (approx. 2.51 acres)
- 6169 South Alameda – APN 6009-033-900 (approx. 1.39 acres)

These parcels, which cover a total of approximately 4.8 acres, may have had different street addresses in the past such as 5961, 5975, 5985, 6001, and 6161 South Alameda. At roughly mid-property, the Site has coordinates of Latitude: 33.984964N, Longitude: 118.237385W.

Parcel maps of the Site are provided in Appendix A.

### **3.3 SITE BACKGROUND**

Assessco, Inc. (Assessco) and All Phase Environmental, Inc. (APEI) have performed a Phase I Assessment of this Site. Others have also performed investigations at the Site. Prior work is described in the documents referenced in Section 4.1.

As reported in these documents, the Site was initially developed for the manufacture of fertilizers sometime prior to 1923. Since 1928, the fertilizer use was removed and a steel manufacturing facility was operational. This operation has continued through different ownership, most recently that of Southland Steel from the early 1970s.

These reports have also identified the presence of 6 underground storage tanks (USTs) at the Site. These were placed into operation by 1966 and were used for storage of fuels and waste oils. No data were found concerning their registration or their disposition.

### **3.4 OWNERSHIP**

Since 2005, the Site has been owned by the City of Huntington Park Redevelopment Commission.

### **3.5 LAND USE**

The Site occupies approximately 4.8 acres of real property. The Site is in a commercial / industrial zoned area. The immediately surrounding land is similarly zoned. Figure 1 depicts the Site Location Map and Figure 2 provides an overview of the adjacent land use around the Site.

### **3.6 HISTORICAL USES**

The property was apparently developed as a fertilizer manufacturing facility (American Agricultural Chemical Company) sometime before 1923. This earliest information is from a 1923 Sanborn map. In this map, a fertilizer factory is reported to be located on the southwestern corner of the property. A Southern Pacific Railroad spur trending north-south was described to run through the middle of the Site. A dwelling and garage are located near the intersection of the railroad spur and Alameda Street in the northern portion of the Site. A laboratory and office are shown on the eastern side of the railroad spur on the southern portion of the Site. The property adjacent to the south of the Site includes the remainder of the fertilizer factory, an acid storage facility, two 16-foot diameter above-ground acid storage tanks, one steel 20,000-gallon above ground tank, and an additional 53,000-gallon concrete cistern located approximately 250 feet southeast of the Site. An oil house or storage shed is located approximately 100 feet south of the Site. A transformer house is located adjacent to the southern boundary of the Site.

Between 1928 and 1934, the fertilizer facility was removed and a new steel manufacturing facility, occupied by Rawlins Bros. Steel Supplies (Rawlins), was reported to operate at the Site. By 1947, Site improvement included two warehouses (warehouse building #2 [WB2] and warehouse building #3 [WB3]), one warehouse access building, one machine shop, and one office building associated with the steel manufacturing facility (see Figure 3 for a description of the facilities). Foster and Kleiser shared ownership of the subject property with Rawlins from approximately 1951 until approximately 1958. Rawlins occupied the subject property until sometime between 1958 and 1964, when Lufkin Foundry (Lufkin) occupied the subject Site. Lufkin operated the subject Site as a steel manufacturing facility. Capitol Metals shared ownership with Lufkin from 1968 until sometime before 1988. By 1971, two new buildings were developed at the subject property, including an office building and a warehouse building (warehouse building #1 [WB1]). Southland Steel occupied the subject property from sometime between 1972 and 1988 until approximately 2002. A new office building was constructed at the subject property in approximately 2000.

The Site buildings were removed in 2008 except for an automotive storage area in the south of the Site and the new office building built in 2000. The subject property is currently used for automotive storage and for employee parking for an automobile dealership.

A Site Plot Plan showing the different Site facilities is shown on Figure 3.

## **4.0 SITE CHARACTERIZATION**

This section includes descriptions of Site physiography, geology, hydrogeology, assessments, and a discussion of the results of Site investigations by All Phase and Pacific Edge.

### **4.1 PHASE I ENVIRONMENTAL ASSESSMENTS**

Three Phase I Environmental Site Assessments have been performed for the Site by Applied Environmental Technologies, Inc. (AET [in July 2, 1999 and an update September 10, 2004]) and by Assessco, dated October 1, 2004. The Site history described in Section 3.6 was based on these reports, and they have provided background for Site investigations that have been completed at the Site.

## 4.2 PHYSIOGRAPHY

The Site is located within the northerly portion of the Peninsular Ranges geomorphic province of California. The Peninsular Ranges extend from the Los Angeles Basin south of the Santa Monica Mountains to the tip of Baja California. Holocene alluvial deposits of the regional coastal basin, also known as the Downey Plain, cover the region near the Site. These deposits overlie an erosional surface of late Pleistocene age.

The main drainage courses within the quadrangle are the Los Angeles River, the Rio Hondo, and Compton Creek. All of these are distant from the Site (greater than 2 miles) and there are no nearby water bodies.

## 4.3 SITE GEOLOGY

The Site is located in the northwesterly portion of the Peninsular Ranges Geomorphic Providence; and in the Central Basin of the Southern California Coastal Plain. The ground surface of the Site is approximately 170 feet msl. The Site is immediately underlain with Recent age, alluvial deposits (consisting of interbedded sands, silty sands, and silts) to 125 feet below ground surface (bgs). The Pleistocene aged, Lakewood Formation (containing clay, silt, and sands) underlies the Recent alluvium; materials of this unit are found between 125 and 260 feet bgs. Sediments (stratified/interbedded gravel, sand, and silty sand) of the lower Pleistocene- to Pliocene-aged San Pedro Formation underlie the Lakewood Formation and extend to 1,050 bgs.

## 4.4 SITE HYDROGEOLOGY

Assessco (2004) reports that the Younger Alluvium in this portion of the Los Angeles Basin contains the Gaspur Aquifer that occurs beneath the Site at an estimated depth of 60-65 feet below grade. The Lakewood Formation underlies this alluvium to a depth of approximately 350 feet bgs and is composed of continental and marine deposits of late Pleistocene age. The Lakewood Formation includes the Exposition and Gage Aquifers that occur beneath the Site at depth intervals between 125 to 210 feet and 350 to 425 feet, respectively.

In 2008, groundwater was encountered within four on-Site wells (MW-CY23, MW-CY25, MW-SY23, and MW-WB2-26) at a depth of approximately 136 feet. The groundwater flow direction beneath the Site is anticipated to be toward the south and is coincident with the topographic expression of the Site vicinity (USGS 1981).

The location of the four wells is shown on Figure 4.

## 4.5 SITE INVESTIGATIONS

The following Site investigations have been performed at the Site beginning in 2004:

- Preliminary Investigation performed by All Phase in 2004. Soil samples were obtained at borings completed at 22 locations.
- Soil Vapor Survey and additional Site Characterization Report performed by All Phase in 2005. Samples of soil or soil vapor were obtained at borings and/or vapor probes at 58 locations.
- Supplemental Site Investigation (SSI) in 2007 reported by Pacific Edge, underground storage tank removal reported by All Phase in 2007, and a second SSI in 2008 reported by Pacific Edge. During this phase, samples of soil or soil vapor were obtained at borings and/or vapor probes at 80 locations. In

addition, at four locations the borings were completed as monitoring wells for groundwater sampling and analysis.

- Additional SSI performed by All Phase in 2009. Samples of soil, or soil vapor, were obtained at borings and/or vapor probes at 9 locations.

References for these investigations are provided in Section 8.0. These reports have been discussed and analyzed in the SCR. The results are summarized herein preparatory to description of the removal action.

#### **4.6 SITE CHARACTERIZATION RESULTS**

Soil and soil vapor samples collected during Site investigations were analyzed for volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs)/polynuclear aromatic hydrocarbons (PAHs), polychlorinated biphenyls (PCBs), pesticides, metals, and total petroleum hydrocarbons (TPH). Presence of VOCs, PAHs, and metals in the soil and VOCs in the soil vapor were determined to represent the main concerns at the Site.

Figure 4 shows all of the investigated locations at the Site.

The following conditions summarize the Site conditions as assessment from the investigations:

- VOCs in the soil appear present in the WB2 area around its mid-area near boring WB2-40. Other relatively high concentrations are located near the railroad line along the western Site boundary. The most prevalent compound, PCE, at its highest concentration of 264 micrograms per kilogram ( $\mu\text{g}/\text{kg}$ ) is a small fraction of the industrial Regional Screening Level (RSL) of 2,600  $\mu\text{g}/\text{kg}$  for the compound. The observed conditions do not present a classic "hot spot" at the Site or a condition that might represent a release of product. Release from a machine shop type operation may explain some of the soil findings.
- PAHs consisting of benzo(a)pyrene (BaP) and related compounds are present in higher than RSL concentrations in the shallow soil at several isolated locations on the Site including at borings B3, CY4, CY6, WB2-9, and WB2-14. Where the BaP-equivalent exceeds the industrial screening concentration of 0.16 milligrams per kilogram ( $\text{mg}/\text{kg}$ ), a "hot spot" was identified for remediation. The isopach map for BaP concentrations across the Site is presented as Figure 5; the summary results for BaP analyses are presented on Table 1.
- Metals that exceed their respective RSLs include arsenic, cadmium, and lead. Except for arsenic, which has been found in higher than the RSL concentration at 5 feet, all RSL exceedances were at a 2-foot depth or less. The isopach map for arsenic and lead concentrations across the Site are presented as Figures 6 and 7. Cadmium is exceeded in only one location: SY19. The summary results for metal analyses are presented on Table 2.
- VOCs in the soil vapor were widespread across the Site. The soil vapor VOC condition was deemed linked to a deeper Site condition; and it was felt that the soil vapor VOC condition would be further considered when the deeper conditions (including the groundwater) are investigated.

A screening level human health risk assessment was performed to evaluate the possible impacts on a hypothetical resident and a hypothetical on-Site commercial/industrial worker. The risk assessment used conservative assumptions dictated by the guidance for such calculations. This assessment was reported in the SCR.

The risk assessment results for commercial/industrial Site use are presented in Table 3. The Incremental Lifetime Cancer Risk (ILCR) is calculated to be  $1.0 \times 10^{-3}$ . The Hazard Index (HI) is 4.0. The main contributors to the cancer risk are arsenic and BaP. For non-cancer risk, the main contributors are metals (arsenic, copper, and nickel).

The risk estimated for the investigated Site conditions is in the manageable range. Removal and proper off-Site disposal of the metal and PAH-impacted soil to a depth of between 2 and 5 feet below existing grade in areas where these are reported in higher than RSL concentrations will mitigate the estimated risk.

Eco estimates the depth of contaminated soil excavation to be 2 feet or more based on the sampling results from past investigations. However, extent of soil contamination, both vertically and laterally, will dictate the amount of excavation. Figure 8 depicts the planned areas for excavation and the respective depths. These have been based on sampling results and areas where greater than removal action level concentrations have been identified.

The following is our estimate of quantity of contaminated soil to be excavated.

**ESTIMATE OF EXCAVATION VOLUME**

LOCATION/ BORING LOCALE	EXCAVATION DIMENSIONS	VOLUME OF SOIL REMOVAL (CUBIC YARDS)
Near NY-4	10' x 10' x 2'	7.5
Central Yard Area	50'x 65'x2'	241
Around WB2-25	Irregular x 2'	302
Around WB2-6	Irregular x 2'	546
Around WB2-19 (deeper)	10' x 10' x 3'	11
Around WB1-5	10' x 10' x 2'	7.5
Around RR-2	10' x 10' x 2'	7.5
<b>TOTAL:</b>		<b>1,122.5 cubic yards</b>

The above calculation does not include provisions for sidewall sloping for safety and contingency for additional investigation. It is estimated that the actual volume of soil to be removed for off-Site disposal will be 2 to 2½ times the quantity estimated above. This provides a median estimate of removal of about 2,500 cubic yards.

## 5.0 REMOVAL ACTION GOALS AND OBJECTIVES

### 5.1 REMOVAL ACTION OBJECTIVES

The shallow soil at the Site is contaminated by the above-RSL concentrations of PAHs and metals (arsenic, cadmium, and lead). In addition, risk calculations show that copper and nickel concentrations also contribute to calculated non-cancer risk. Based on these findings, the removal action objectives are identified as follows:

- Select Site soil excavation locations based on investigation results for PAHs and metals (arsenic, cadmium, and lead).
- In selected areas, excavate soil to 5 feet for removal and off-Site disposal.
- Conduct confirmation sampling to meet removal goals for PAHs and selected metals. The removal goal is to meet industrial soil screening concentrations. This concentration is also called the action level. All soil concentrations for confirmation samples will meet the following goals:

**BaP:** 0.21 mg/kg

**Arsenic:** 12 mg/kg

**Cadmium:** 7.5 mg/kg

**Lead:** 320 mg/kg

- Should confirmation sampling show that the soil concentration is greater than the remediation goal, further excavation and removal will be made and confirmation samples taken again. This process will be repeated to meet the goals for BaP and metals concentrations as identified above.
- Excavated areas will be backfilled and compacted to adjacent grade. Clean imported soil will be used for backfill. The clean soil will be analyzed free of contaminants prior to import to the Site. All soil will be compacted to at least 90 percent relative compaction.

### 5.2 REMOVAL ACTION DESCRIPTION

The removal action is to excavate and remove for off-Site disposal all contaminated soil at the Site that is in excess of removal goal concentrations as described in Section 5.1 above. This is the presumptive remedy for this Site for the shallow impacted soil and to mitigate human health risk as described in the SCR. This removal action through excavation has been identified as the most assured removal action that will reduce the human health risks and protect groundwater, and allow full development on the remediated areas.

As soil removal and off-Site disposal is presented as a presumptive remedy based on experience at similar sites, no consideration of alternatives is necessary for this action.

## 6.0 REMOVAL ACTION IMPLEMENTATION

The following sub-sections discuss locations, mobilization, control measures, air-monitoring, and field variances during the periods of removal excavation and treatment.

### 6.1 PROJECT MOBILIZATION

Project mobilization consists of those tasks which will precede soil excavation and treatment activities. The general sequence of preliminary work is outlined below:

1. A permit from the South Coast Air Quality Management District (Various Locations, Rule 1166, Contaminated Soil Mitigation Plan) will be secured prior to any on-Site excavation activities. The California Department of Transportation (Caltrans) and the City of Huntington Park may require permits, or specified routes, to transport the contaminated soils to a transfer facility; these needs would be researched, and permits and/or approved routes, obtained. The Occupational Safety and Health Administration (OSHA)-certified contractors with approved excavation and transport equipment will be engaged.
2. A grading permit will be obtained prior to the start of excavation activities.
3. Underground Service Alert will be contacted to identify all known underground utilities within and beneath the Site. Each utility, if any, will be conspicuously marked.
4. The contractor will mobilize equipment and supplies to the Site and prepare for excavation activities.
5. A temporary chain link fence will be placed around the excavation area in the southwest part of the Central Yard. A vehicle gate will be located within the eastern portion of the fence. Limited access (i.e. temporary chain link fence) to each isolated occurrence of elevated level of contamination needs to be provided as these areas are being excavated and/or backfilled.
6. Temporary facilities, including a portable toilet and hand-washing station, will be installed onsite.
7. The limits of the impacted soil will be clearly demarcated onsite, as depicted on Figure 6. This area will be marked with wooden stakes and paint immediately prior to excavation activities.
8. A decontamination area will be identified and equipped as needed to decontaminate personnel, equipment, and vehicles as they exit the excavation area. The personnel decontamination area will be maintained immediately adjacent to the planned excavation areas.
9. Equipment staging will be identified adjacent to and/or within the Site.
10. All health and safety equipment and supplies will be obtained and positioned for use adjacent to the work area.

## **6.2 LOCATION OF PROPOSED EXCAVATION AND TREATMENT AREAS**

The proposed excavation areas are shown on Figure 8. As noted on this figure, the excavations will be located at least 3 feet from any of the property lines. Excavations will be to a depth of between 2 and 5 feet. Confirmation sampling of excavation base and sidewalls will be used to assess concentration levels for arsenic, cadmium, lead, and BaP in the soil exposed in the excavation. Should confirmation sampling reveal remaining impacted soil, then the excavations will be deepened or extended for additional soil removal. This process will be repeated till all impacted soil above cleanup levels has been demonstrated to be removed.

Excavated soil will be placed to a temporary stockpile located in the north-central part of WB2. Plastic sheeting (10 millimeters or thicker) shall be set at the base of the stockpile prior to any placement of soil. Possible wastewater runoff from this stockpile will be collected,

drummed, classified, and transported off-Site for disposal. Additional temporary stockpiles can be placed on top of the engineered backfill of the excavated area in the Central Yard, if needed.

### **6.3 SOIL EXCAVATION**

Prior to the start of excavation activities, all of the elements discussed within Section 6.1 will be completed. The excavation procedures onsite will be conducted in the following general sequence:

1. Develop staging and access pathways for equipment to be used during removal activities.
2. Identify locations of perimeter air, dust, and noise monitoring stations and begin monitoring, as necessary.
3. Subsurface features (although not anticipated) will be removed and relocated.
4. Excavate areas for soil removal to at least 2 feet bgs, and as shown on Figure 8. Excavation will generally be conducted in stages of 2 feet or more to allow for the visual observation of the excavation area.
5. The cessation of removal/excavation activities will occur when laboratory analysis of wall and bottom confirmation samples indicate the contamination remaining with the in-place soils is no greater than the industrial RSL of the compound(s) or the removal action goals described herein.
6. Placement of excavated soil onto temporary stockpiles (see Figure 8).
7. Place plastic sheeting over the soil stockpiles when completed.
8. Flag excavation area between shifts and at night.

The excavation equipment will be maintained and stored within the Site during the time of soil excavation. The types of excavation equipment to be used may include the following:

- Front-end loaders for loading, hauling
- Excavators and/or backhoes for excavation and loading
- A water truck for dust suppression and soil moisturizing
- Other equipment will be added onsite as required by the contractor. Such equipment may include, but not be limited to, mixing equipment, generators, sump pumps, forklifts, and maintenance trucks.

### **6.4 CONTROL MEASURES**

Control measures at the Site will include the following:

- During the period of the removal action, the Site will be secured and access limited. All access to the Site will be controlled by managed ingress and egress. The excavation contractor will be responsible for the Site and the equipment that he will leave at the Site.
- The contractor will be required to present a Storm Pollution Prevention Plan that he will maintain for implementation at the Site should it rain during the removal action. Best management practices will be utilized to manage storm water flow and to assure that sediments are not transported from the Site.

- Engineering controls will be implemented to reduce the noise level during the excavation activities onsite. It will be the contractor's responsibility to bring properly maintained equipment to the Site. Such equipment will be required to meet standards for commonly used and permissible construction equipment. Noise monitoring will not, however, be conducted during construction activities.
- The contractor will manage fugitive dust during Site excavation activities. A water truck will be present at all times and he will be required to have sufficient personnel to spray water to manage the dust, should that be necessary.
- Truck traffic used to remove soil from the Site will be scheduled to limit truck traffic to ingress/egress the Site at least 15 minutes apart. This will mitigate the truck traffic in the area of the Site. A staging area for truck parking offsite may be necessary to manage truck flow when soil is being exported or clean soil is being brought to the Site. Flagmen will be used to assist equipment ingress or egress to city streets.

Temporary, chain link fencing will be used to control the access to the on-Site areas of excavation, stockpile(s), and equipment storage/parking, if necessary. Alexander Imports occupies a portion of the Site. When working in the Alexander Import area of the Site, the contractor will need to coordinate his work schedule with that company.

Other control measures will be implemented as may be necessary or required by the excavation permit.

#### **6.5 AIR MONITORING DURING EXCAVATION**

Air monitoring during excavation will be in accordance with Air Quality Management District (AQMD) permit requirements for the excavation.

Soil excavation monitoring will be conducted during all on-Site excavation activities. Trained personnel in the excavation area will continuously monitor for the possible presence of VOCs. A photoionization detector (PID; RAE Systems, Inc. [MiniRAE]) will be used for health and safety monitoring and soil screening during excavation activities.

PID measurements will be recorded periodically while excavating is being conducted. PID measurements will be recorded upwind, downwind, and at 3 inches from freshly excavated soil. The PID measurements will be recorded on a PID summary sheet.

Emissions when observed will be controlled through use of misting system or the application of foam, as necessary. All excavated soil stockpiles will be covered as quickly as practical with plastic and it will be the goal to backfill excavation as soon as the laboratory confirmation results show that the excavation is complete.

Excavation will be stopped, and the excavated area covered by plastic, if the permit limits on volatiles are exceeded. The condition will be evaluated and reviewed with DTSC. Excavation will be re-started only when either the condition has abated to allow excavation to proceed or alternative and approved method is available to proceed.

#### **6.6 FIELD VARIANCES**

It will be the responsibility of the City representative at the Site to discuss field variances from the work plan with DTSC prior to any action being taken except in the case of a Site

emergency (when an immediate response is required). The DTSC will be notified if an emergency response is implemented. The field variances will be documented in the Removal Action Completion Report prepared for the project

## 7.0 SAMPLING AND ANALYSIS PLAN

Confirmation sampling is necessary to assure compliance with action levels described Section 5.1. Where such sampling shows that the metal or PAH concentrations remain high (greater than their removal action levels), additional excavation may be necessary. Confirmation sampling will need to be performed prior to backfilling of excavations. The number of samples to be collected and the laboratory analyses to be performed is described below.

All sampling equipment will be decontaminated prior to the collection of each sample. Prior to confirmation sampling, any loose material or soil will be gently brushed off the surface of the excavation and care will be taken to collect the sample from an area unaffected by the excavation.

Soil samples from the base of the excavations will be collected by the direct insertion of a stainless steel tube or a laboratory-supplied, 4-ounce glass sample jar into the soil.

Sidewall confirmation soil samples will be collected from the excavation's outside walls at lateral intervals of approximately 20 feet or one on each side, if the excavation is less than 20 feet. Sidewall soil samples will be collected approximately halfway down the wall. For example, if the excavation is 3.0 feet deep at the sidewall sample location, then the sample will be collected at a depth of approximately 1½ feet. Sidewall soil samples will be collected by scraping the excavation face into sampling jars or by driving a sleeve into the face at each prescribed depth.

The number of soil samples from the base of the excavation will be based on the size of the excavations. One sample will be collected for each 750 square feet of excavated area or a minimum of one.

All sampling will conform to DTSC requirements. If additional sampling locations are necessary because required by DTSC staff, such additional sampling will be performed.

Field duplicates of all confirmation samples will be collected at a rate of 10 percent of the primary samples collected. Duplicate samples will be collected randomly. The location of the duplicate samples will be determined at the time of removal activities.

All jars or tubes will be filled fully with soil and sealed with Teflon®-lined lids for both primary and duplicate confirmation samples. The samples will be appropriately labeled, placed in re-sealable plastic bags, and stored on ice in a cooler until delivered under a chain of custody to the analytical laboratory (Section 7.4).

All confirmation samples need to be analyzed for the following:

- Arsenic using EPA Method 6020
- Cadmium and Lead using EPA Method 6010
- PAHs using EPA Method 8270

### **7.1 SOIL STOCKPILES OR WASTE DISPOSAL CLASSIFICATION SAMPLING**

As noted above, the excavated soil may be temporarily stockpiled onsite. Such stockpiling is for the convenience of the Contractor for loading of trucks for off-Site disposal. Stockpiled soils will require sampling and analysis at the laboratory for the same compounds as the confirmation samples to provide a profile for their transfer to an off-Site disposal.

Stockpiled soil will be sampled at the rate of one sample every 200 cubic yards. Soil samples will be analyzed for the following for disposal purposes:

- VOCs using EPA Method 8260
- PAHs using EPA Method 8270
- Metals using EPA Method 6010, and
- TPH (gas and diesel) using EPA Method 8015M.

Sampling results will be used to properly designate the stockpiled soil for disposal.

### **7.2 SOIL IMPORT FOR BACKFILL**

All soil that is imported by the contractor will be evaluated prior to start of import by reviewing the analytical results of the soil. It will be deemed clean if it meets the criteria for clean as specified in Los Angeles Unified School District (LAUSD) Specification 01440. This specification identified the frequency of sampling as well as the analytical methods necessary for evaluation of soil characteristics.

### **7.3 CHAIN OF CUSTODY RECORDS**

Chain-of-custody records are used to document sample collection and shipment to the laboratory for analysis. A chain-of-custody record will accompany all samples shipped for analysis. These records will be completed and sent with the samples to the laboratory upon completion of sampling. After completing the chain-of-custody form, it will be placed into a sealed waterproof bag and taped to the underside of the cooler's lid. If multiple coolers are sent to a single laboratory on a single day, forms will be completed and sent with each cooler.

The chain-of-custody record will identify the contents of each shipment and maintain the custodial integrity of the samples. Generally, a sample is considered to be in someone's custody if it is either in someone's physical possession, in someone's view, locked up, or kept in a secured area that is restricted to authorized personnel. Until the samples are shipped or delivered, the custody of the samples will be the responsibility of Eco & Associates. The project manager or designee will sign the chain-of-custody record. The signer will sign the "relinquished by" box and note date and time.

The shipping containers in which samples are stored (usually sturdy picnic cooler or ice chest) will be sealed before shipping.

### **7.4 SOIL CHEMICAL ANALYSES**

American Environmental Testing Laboratory, Inc. (AETL), located in Burbank, California, will perform chemical analyses of the soil samples collected during excavation activities. AETL is certified by the California Department of Health Services (DHS) Environmental Accreditation Laboratory Program. Each soil sample collected from the stockpiles will be analyzed for arsenic, cadmium, lead, and PAH.

The analytical results will be used to classify and assess the stockpiled soils for their transfer to appropriate treatment/disposal facilities.

## **7.5 REMEDIATION RECORD-KEEPING AND DOCUMENTATION**

Field logbooks will be used to document where, when, how, and from whom any vital information was obtained during all remediation-related activities. Logbook entries will be complete and accurate enough to permit reconstruction of all field removal and associated sampling activities. A new logbook will be dedicated to this project. Logbooks will be bound with consecutively numbered pages. Each page will be dated and the time of entry noted in military time. All entries will be legible, written in black ink, and signed by the individual making the entries as well as a California registered geologist, engineer, or project scientist. Language will be factual, objective, and free of personal opinions or other terminology that might prove inappropriate.

The following information will be recorded during the collection of each sample:

- Site name and address
- Recorder's name
- Team members and their responsibilities
- Time of Site arrival/entry onsite and time of Site departure
- Other personnel onsite
- A summary of any on-Site meetings
- Deviations for the sampling plans and Site safety plans
- Changes in personnel and responsibilities as well as reasons for the changes
- Levels of safety protection
- Calibration readings for any equipment used and equipment model and serial number
- Sample location and description
- Site sketch showing sample location and measured distances
- Sampler's name(s)
- Date and time of sample collection
- Weather conditions
- Type of sampling equipment used
- Field observations and details important to analysis or integrity of samples (e.g., heavy rains, odors, colors, etc.)
- Preliminary sample descriptions
- Field instrument readings
- Type(s) of preservation used (if any)
- Sample numbers and chain-of-custody records,

- Sample transport arrangements
- Recipient laboratory

In addition to the sampling information, the following information will also be recorded as appropriate in the field logbook for each day of sampling.

- Daily log of Site activities
- Deviations from sampling plan or Site safety plan
- Changes in personnel and responsibilities as well as reasons for the changes
- Levels of safety protection
- Calibration readings for any equipment used
- Equipment model and serial number

## **8.0 INVESTIGATION FOR PCB IN SOIL**

DTSC has requested that sampling and analysis for PCBs be conducted along the southern boundary of the Site at a location where a transformer house is indicated on the 1923 Sanborn Map. This investigation is included as part of the removal action workplan to rule out the presence of PCB-impacted soil along the southern boundary of the Site in an area to be determined with DTSC.

Four locations will be determined at the Site with DTSC to define the limits of the transformer house identified in a Phase I report for the Site (AET 1999). At these four locations, soil samples will be collected near the surface (upper 12 inches) and at depths of 2 feet and 6 feet. The soil samples will be collected by excavating test pits at the selected locations and sampling the soil from the backhoe bucket. Soil samples will be collected in 4-ounce glass jars.

The surface soil samples at the four locations will be analyzed for PCB using EPA Method 8082A. If any of the soil samples are analyzed to be in excess of Laboratory Reporting Limits for PCB, the deeper samples of soil will also be analyzed using the same test method.

Based on the laboratory analyses, a technical field memorandum will be prepared to describe the investigation and the sampling results. An action plan for removal of impact-soil will be included in the memorandum, if necessary. Removal action that may be necessary for PCB-impacted soil will be completed concurrent with the other activities described in this plan. Such action, if necessary, will be handled as a field change to the proposed actions described and will be undertaken after DTSC approval of the investigation findings.

## **9.0 HEALTH AND SAFETY PLAN**

The excavation sub-contractor will be required to present a Health and Safety Plan prior to start of excavation activities. This plan will be reviewed by the City and DTSC, and will be approved prior to start of excavation activities.

The City representative at the Site will be responsible to make sure that the contents of the Health and Safety Plan are being implemented by the contractor.

## 10.0 DECONTAMINATION PROCEDURES

In order to prevent transfer of contaminated materials offsite, the following decontamination procedures will be implemented:

1. Trucks used for the off-Site transportation of heavy equipment will remain on clean areas at all times in order to minimize the need to decontaminate the truck tires. If truck wheels are exposed to impacted soil, they will be fully cleaned prior to leaving the impacted area. Soil will be scraped and brushed (with a stiff bristled broom) from the tires on a cleaned metal grate. Afterwards, any removed soil will be placed into the treatment stockpiles. The exterior surfaces of trucks leaving the Site will be visibly free of soil.
2. Track-hoe buckets and/or loader buckets used to excavate and/or move potentially impacted soil will be cleaned after use in areas containing potentially hazardous materials. The soil on the buckets will initially be scraped, collected, and placed onto the stockpiles for treatment. After scraping, the buckets will be steam cleaned or cleaned with a detergent solution and a stiff-bristled brush over plastic sheeting, followed by rinsing with clean water. The wash and rinse water will be collected and temporarily placed into 55-gallon drums.
3. In order to decontaminate reusable items such as work boots, a two-stage decontamination process will be used. It will include washing in a detergent solution with a stiff-bristled brush and rinsing with clean water. The wash and rinse water will be collected and temporarily placed into 55-gallon drums.
4. The drummed wash and rinse water will be sampled, the sample analyzed at the laboratory, classified, and transported to an appropriate facility for treatment/disposal.

All sampling equipment that is exposed to potentially contaminated soil or water will be decontaminated consistently to assure the quality of soil and groundwater samples collected and reduce or prevent the spread of potential on-Site contaminants. Decontamination will occur prior to and after each use of a piece of equipment. All sampling devices used will be decontaminated using the following procedures:

1. Non-phosphate detergent and tap water wash, using a brush if necessary
2. Tap water rinse
3. Initial deionized/distilled water rinse
4. Final deionized/distilled water rinse

The soil sampling tubes used to collect the soil samples will be provided by the laboratory or an environmental supply store, and will be new and unused. Disposable equipment intended for one-time use will not be decontaminated, but will be packaged for appropriate disposal.

## 11.0 COMMUNITY AND WORKER PROTECTION PROCEDURES

A brief description of on-Site activities designed to reduce the chemical threat to the community and on-Site workers is provided in the sections below.

### **11.1 PROTECTION OF COMMUNITY**

Based on the relatively low contaminant concentrations expected during on-Site construction activities, the threat to the community because of on-Site excavation activities is considered very low. The hazardous materials expected to be encountered onsite are lead, arsenic, and PAH's; PCE's will also be encountered, but at levels of contamination below their industrial RSLs. Dust suppression measures would include wetting of impacted soil (as needed), the covering of excavated soil with plastic sheeting, and halting the excavation operations during periods of high wind activity. For the purposes of this project, high wind activity will be defined as that which is sufficiently high enough to thwart all dust suppression measures.

### **11.2 PROTECTION OF ON-SITE WORKERS**

On-Site workers could be exposed to soil contamination during excavation and loading operations. The routes of potential exposure would include inhalation, dermal absorption, and ingestion. Appropriate protective equipment, such as Tyvek® coveralls, gloves, and respirators must be used by all remediation workers that may be exposed to contaminated materials. Proper use of this equipment should substantially reduce exposure risk. Air monitoring will be conducted during construction activities to assess the potential for impacted soil. Protection of the on-Site workers will be addressed in the Health and Safety Plan that will be submitted by the contractor.

### **12.0 FINAL SOIL DISPOSITION**

Once soil remediation has been successful, as evidenced by laboratory results from analysis of the confirmation samples, the areas of excavation can be backfilled with clean, imported soils. Soil for backfilling, and prior to its placement onsite, must be approved by the project engineer or engineering geologist. Backfill soils will be placed in 6-inch lifts through the excavated area, and then compacted with mechanical equipment to a level of 90 percent relative to ASTM Standard D1557. The densification of soil will be assured with testing results that are signed by a Geotechnical Engineer. This report will be required of the contractor and he will be responsible for the testing of the soil during compaction.

Backfilled excavations in paved areas of the Site will be capped with asphalt or similar material.

Equipment used for transporting, placing, and compacting backfill soils should be different than, or thoroughly decontaminated, equipment used at the excavation of the contaminated soils.

After the successful completion of the specified removal activities, the City of Huntington Park Community Development Commission will request that DTSC issue the following:

- A written determination that No Further Action is required at this Site.
- A written determination pursuant to the Polanco Redevelopment Act, Health and Safety Code Section 33459.3 (b), the immunities provided by that act applied to the Commission and any person who enters into an agreement with the Commission for the future redevelopment of the real property.

### 13.0 POST REMEDIATION SITE CONDITION

After completion of removal action, and approval of the completion report by DTSC, the Site will be deemed suitably remediated for shallow soil contamination and it may be released for commercial/industrial usage. DTSC may require review of improvement plans and oversight of such a project. The soil vapor and groundwater conditions at the Site will be investigated, as required, separately.

### 14.0 PUBLIC PARTICIPATION

Public participation is an integral part of the removal process. The public is encouraged to review the RAW and the SCR. The RAW will be available for public review in the following three information locations:

Department of Toxic Substances  
Control  
9211 Oakdale Avenue  
Chatsworth, CA 91311-6505  
Phone: (818) 717-6500

**Contact: Mr. Manjul Bose**

Huntington Park Library  
6518 Miles Avenue  
City of Huntington Park, CA 90255-4388  
Phone: (323) 583-1461

**Contact: Reference Librarian**

City of Huntington Park, City Hall  
6550 Miles Avenue  
City of Huntington Park, CA 90255  
Phone (323) 584-6266

**Contact: Ms. Fernanda Palacios**

A public comment period will be set for a one-month period to provide an opportunity for public participation. A public meeting will be scheduled during the comment period, if necessary.

Comments received on the RAW will be integrated into a final document.

The following actions will take place to initiate the public comment period on the RAW.

- A notice will be published in a local newspaper(s) of general circulation in the area affected by the RAW. The notice will indicate that DTSC is seeking public input on the RAW and on the California Environmental Quality Act (CEQA) documents. It will provide notification of the public meeting, the dates defining the 30-day public comment period, a brief description of the removal/remedial action, and that the RAW can be reviewed at one of the three repository locations.
- A draft fact sheet will be prepared for DTSC's review and approval. The fact sheet will provide the major details on the contents of the RAW, will include the notice of public meeting, and indicates the dates defining the 30-day public

comment period. Once the fact sheet is approved by DTSC, copies will be mailed to local and state agencies, owners of property contiguous to the Site, other known interested parties, and the Site mailing list.

A responsiveness summary will be developed based on oral and written public comments received during the public comment period. The summary will be incorporated as an appendix to the final RAW. The RAW will be finalized to reflect changes that DTSC determines appropriate in response to the public comments. Copies of the responsiveness summary will be provided to parties commenting during the public comment period, and a copy of the final RAW with responsiveness summary included will be placed on file at the two repositories. The RAW will be finalized following completion of a final RAW Approval Record.

## 15.0 CEQA DOCUMENTATION

It is understood that DTSC will submit a Draft Notice of Exemption for this project. A draft of this document has been prepared on the basis of DTSC guidance. This document is included in Appendix B for DTSC's use. It presents DTSC's determination that the planned removal action mitigates site conditions and that the action can be completed without impact to worker's and public's health and the environment.

## 16.0 REFERENCES

- All Phase Environmental, Inc. (APEI), 2005. *Preliminary Investigation and Limited Further Site Assessment Report, prepared for the City of Huntington Park*, dated December 23, 2004.
- \_\_\_\_\_, 2005. *Soil Vapor Survey and Additional Site Characterization Report, prepared for the City of Huntington Park*, dated February 24, 2005.
- \_\_\_\_\_, 2007. *Underground Fuel Storage Tank Removal Report, prepared for the City of Huntington Park*, dated September 11, 2007.
- \_\_\_\_\_, 2009. *Supplemental Site Investigation of Former Southland Steel Facility, 5959, 5969, 6011, 6161 & 6169 Alameda Street, Huntington Park, California, 90255, prepared for City Of Huntington Park, 6550 Miles Avenue, Huntington Park, CA 90255*, dated October 30, 2009.
- Applied Environmental Technologies, Inc. (AET), 1999. *Preliminary (Phase I) Environmental Site Assessment Report, prepared for Southland Steel*, dated July 2, 1999.
- \_\_\_\_\_, 2004. *Phase I Environmental Site Assessment Update Report, prepared for Southland Steel*, dated September 10, 2004.
- Assesco, Inc., 2004. *Phase I Environmental Site Assessment Report, prepared for The City of Huntington Park*, dated October 1, 2004.
- Department of Toxic Substances Control (DTSC), 2008. *Letter providing comments on Draft Second Supplemental Site Investigation Scope of Work*, dated September 24, 2008.
- \_\_\_\_\_, 2009. *Use of Northern and Southern California Polynuclear Aromatic Hydrocarbons (PAH) Studies in the Manufactured Gas Plant Site Cleanup Process*, dated July 1, 2009
- Pacific Edge Engineering, 2007. *Memorandum on Supplemental Site Investigation Scope of Work*, dated October 7, 2007.

\_\_\_\_\_, 2006. *Work Plan for Site Investigation, prepared for the City of Huntington Park*, dated November 28, 2006.

\_\_\_\_\_, 2008. *Memorandum on Second Supplemental Site Investigation Scope of Work*, dated August 12, 2008.

U.S. Environmental Protection Agency (EPA), Region 9, 2009. *Regional Screening Levels (RSL) for Chemical Contaminants at Superfund Sites. RSL Table Update*. April 2009