

CRA/LA, A DESIGNATED LOCAL AUTHORITY
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

M E M O R A N D U M

9

DATE: JULY 19, 2012 VARIOUS

TO: GOVERNING BOARD

FROM: CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER

STAFF: STEVE VALENZUELA, CHIEF FINANCIAL OFFICER
DAISY PAN, ACTING SPECIAL PROJECTS OFFICER

SUBJECT: **RECOGNIZED OBLIGATION PAYMENT SCHEDULE – ACTIONS REGARDING THIRD-PARTY CLAIMS.** Recommended actions to approve and deny specified Third-Party Claims received as of July 6, 2012 and to add approved claims to the Draft Recognized Obligation Payment Schedule for the period covering January 1, 2013 to June 30, 2013 (ROPS 3).
(SDs 1, 2 and 3; CDs 1, 2, 3, 4, 6, 7, 8, 9, 10, 12, 13, 14 and 15;)

RECOMMENDATIONS

That the Governing Board take the following actions, subject to approval of the Oversight Board:

1. Approve the addition of specified Third-Party Claims to the ROPS 3;
2. Affirm the denial of specified Third-Party Claims and direct the Chief Executive Officer (CEO) or designee to notify claimants.

SUMMARY

As of July 6, 2012, CRA/LA staff has received 84 Third-Party Claims for payment. To-date, the Governing Board has taken action on 53 of these Third-Party Claims, subject to Oversight Board approval. Of the remaining 31 Third-Party Claims, CRA/LA staff recommends that certain Third-Party Claims be approved and added to ROPS 3.

PREVIOUS ACTIONS

March 29, 2012 – The CRA/LA, a Designated Local Authority, Recognized Obligation Payment Schedule – Actions regarding Third-Party Claims.

April 5, 2012 – The CRA/LA, a Designated Local Authority, Recognized Obligation Payment Schedule – Actions regarding Third-Party Claims.

April 19, 2012 - The CRA/LA, a Designated Local Authority, Recognized Obligation Payment Schedule – Actions regarding Third-Party Claims.

June 7, 2012 - The CRA/LA, a Designated Local Authority, Commercial Incentive and Facade Improvement Program Reimbursements.

DISCUSSION & BACKGROUND

Successor Agencies are required to make payments and perform other obligations due for “enforceable obligations” as defined in AB1x-26. To implement this process, a Successor Agency is required to prepare a ROPS for each six month period of each fiscal year. The Successor Agency is further required to submit its Draft ROPS to the Oversight Board (also established pursuant to AB1x-26) for its review and approval prior to being transmitted to the State Controller, California Department of Finance, and the Los Angeles County Auditor-Controller. Thereafter, the Successor Agency may pay only those payments listed on the approved ROPS and is required to prepare a new ROPS for each six month period for approval by the Oversight Board.

Third-Party Claim Review Process

The CRA/LA has received a number of claims from private third parties, requesting that specific items be added to the ROPS as enforceable obligations.

Since February 1, 2012, a Third-Party Claim Form has been posted on the CRA/LA website advising that third-parties may submit a claim to the CRA/LA for review if they believe there is an enforceable obligation that should appear on the ROPS.

All demand letters or claim forms received are recorded and assigned a log number for tracking purposes. The demand letter or claim form is forwarded to the appropriate CRA/LA staff person who is most knowledgeable about the claim. The staff member reviews the claim and, in consultation with legal counsel, prepares a recommendation for discussion with the Governing Board on disposition of the claim based on AB1x-26, and also AB1484, the budget trailer bill passed by the Legislature and signed by the Governor on June 27, 2012.

Of the 84 private third-party claims received as of July 6, 2012, the Governing Board has disposed of the claims as follows:

Status of Claim	Number
Approved/Added to ROPS	29
Recommended for consideration as an Equitable Approval	5
Denied	19
Pending	31
Total	84

SOURCE OF FUNDS

Redevelopment Property Tax Trust Fund, Low and Moderate Income Housing Funds, Taxable and Tax Exempt Bond Proceeds, General Revenue, and grants from various project areas.

ROPS AND ADMINISTRATIVE BUDGET IMPACT

The action is consistent with AB1x-26 which requires Successor Agencies to prepare a ROPS 3 for Oversight Board approval and transmittal to the DOF by September 1, 2012.

ENVIRONMENTAL REVIEW

The proposed action is not a “project” within the meaning of the California Environmental Quality Act (“CEQA”), as specifically provided in CEQA Guidelines section 15378(b)(4), and thus is not subject to CEQA pursuant to the CEQA Guidelines section 15060(c)(3).

Christine Essel
Chief Executive Officer

By:



David Riccitiello
Chief Operating Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

ATTACHMENT

Attachment A – List of Pending Claims

ATTACHMENT A

List of Pending Claims

Claim ID #	Claimant / Requestor	Project Name
21	Robertson Properties Group	Dome Entertainment Center
24	Payk Investment	Payk Investment
26	Trammell Crow	CTMC site: 2425-2455 E. Washington Blvd.
32	Keng Leung	Fuk Ying Herbs Store
33	Jose F. Kan	Woo's Gift Store
34	Chung King Road Assn.	Chinatown Commercial Facade Conditional Grant
35	Old Chinatown Merchant's Association	Restore Chinatown Central Plaza
40	Soo Hoo Leung Corp	New Dragon Restaurant
41	Jennie Fong	Li Yuen Imports
43	CASA 0101	CASA 0101
46	Public Counsel Law Center	Psomas & Associates
47	Bradley D. Pierce (Pierce Law Firm)	Natural Cardiac Health Center, LLC/Jermaine Wilson
48	Bradley D. Pierce (Pierce Law Firm)	Toni Walker dba South Figueroa Drugs
56	DSR Design, Inc.	Richard Wong and William Louie: 432-452 Gin Ling Way
60	Hosanna Baking Corporation	Wonder Bakery
62	Law Offices of Kenneth J. Freed	Creditors Adjustment Bureau, Inc. (Neopost USA)
66	Eloisa Torres	Eloisa's Plaza - 1245 E. 20th Street
68	Steven Appleton	Art work for the West Plaza of Chinatown
70	Los Angeles Chinatown Corporation	China Affection at 954 Mei Ling Way
71	Los Angeles Chinatown Corporation	Los Angeles Chinatown Corporation
74	Legal Aid Foundation of Los Angeles	Wiggins v. CRA/LA and City of Los Angeles
75	UHC 00014 Los Angeles, L.P.	29th Street Crossings - Phase A-2
76	UHC 00082 Los Angeles, L.P.	29th Street Crossings - Phase B
77	Odon Central Security, Inc.	Odon Central Security, Inc.
78	CIM Pico LP	Midtown Crossing
79	CIM Group, 5929 Sunset Hollywood, LLC	Sunset Gordon
80	The Source Group	The Source Group
81	Leighton Consulting, Inc.	Leighton Consulting, Inc.
82	LADWP	Angels Flight
83	Angels Flight Railway Foundation	Angels Flight
84	Mollenhauer Group	North Hollywood Streetscape Project
	TOTAL: 31 PENDING CLAIMS	