
CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE CRA/LA, A DESIGNATED LOCAL AUTHORITY AND SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES

FROM: VARNER & BRANDT LLP

SUBJECT: TRANSMITTAL OF FEBRUARY 7, 2013 OVERSIGHT BOARD MEETING AGENDA ITEM #4

DATE: FEBRUARY 7, 2013

The following memorandum provides the seven (7) board members (“Board Members”) of the Oversight Board (“Oversight Board”) of the CRA/LA, a Designated Local Authority and Successor Agency to the Community Redevelopment Agency of the City of Los Angeles (“Successor Agency”) with pertinent information in order for each Board Member to make an informed decision on the matters before the Oversight Board.

Agenda Item No.: 4

Subject: Access Rights and Maintenance – San Julian Park. Request to approve Successor Agency granting the City of Los Angeles Department of Recreation and Parks (“RAP”) and/or SRO Housing Corporation the continued right to access and maintain (at no cost to Successor Agency) a public park located at 312 East 5th Street (the “Park”).

Recognized Obligation Payment Schedule Item No.: Not listed on ROPS.

Request by Successor Agency: The Successor Agency is seeking the approval from the Oversight Board for the issuance to RAP and/or SRO Housing Corporation of a right of entry permit (“Permit”) for the Park to allow access to the Park for continued maintenance, operations and improvements, at no cost to Successor Agency.

Legislative Authority of the Oversight Board:

1. California Health and Safety Code Section 34177.3(b): The Successor Agency may create enforceable obligations to conduct the winding down the redevelopment agency.
2. California Health and Safety Code Section 34180(h): The Oversight Board must approve a request by the Successor Agency to enter into an agreement with the city that formed the redevelopment agency that the Successor Agency is succeeding.

3. California Health and Safety Code Section 34171(d)(1)(F): An “enforceable obligation” includes contracts or agreements necessary for the administration of the Successor Agency, including the cost of maintaining assets prior to disposition.
4. California Health and Safety Code Section 34177(h): The Successor Agency must expeditiously wind down the affairs of the Former Agency in accordance with the direction of the Oversight Board.

Application: The Park was acquired by the former agency in 1980 and through a contract with SRO Housing Corporation, the organization provided management and maintenance services for the Park. With the cooperation of the City of Los Angeles, the former redevelopment agency funded mobile programming at the Park, including health services, case management and outreach. With the winding down of the former redevelopment agency, the Successor Agency did not have the resources or authority to renew the contract for park management and maintenance with SRO Housing Corporation.

The Park is appropriately characterized as governmental purpose asset under AB 26/AB 1484, and the Park provides critically needed open space and recreational amenities for the surrounding residents. Although AB 26/AB 1484 does not allow the Successor Agency to enter into new agreements after June 27, 2011, an agreement with RAP and/or SRO Housing Corporation for the right to enter the Park (i.e., the Permit) for preservation and maintenance purposes constitutes an authorized agreement under Section 34171(d)(1)(F). The Successor Agency intends to transfer ownership of the Park back to the City. Since the Successor Agency intends to execute a Permit for the RAP, a division of the City, the Successor Agency must obtain the approval of the Oversight Board pursuant to Section 34180(h).

The Successor Agency represents that the proposed Permit for RAP and/or SRO Housing Corporation will provide for the continued maintenance and operation of the Park solely by RAP and at RAP’s cost, with no cost or expense charged to the Successor Agency. Such Permit will ensure that the Park, a Successor Agency asset, does not fall into disrepair and that the property value to the public remains intact.

The Successor Agency has previously requested approval of similar right of entry permits for preservation and maintenance by RAP at other parks owned by the Successor Agency. In a letter dated January 25, 2013, the Department of Finance confirmed that the issuance of permits for the continued maintenance, operations and improvements of parks, at no cost to the Successor Agency, are permissible and consistent with Section 34171(d)(1)(F).

Based on the foregoing, the issuance of the Permit properly before the Oversight Board for approval.

RESOLUTION NO. OB _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE CRA/LA, A DESIGNATED LOCAL AUTHORITY AND SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, APPROVING TWO RIGHT OF ENTRY PERMITS FOR THE CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS FOR THE SAN JULIAN PARK

WHEREAS, the CRA/LA, a Designated Local Authority, was formed in accordance with California Health and Safety Code Section 34173(d)(3) as the Successor Agency to the Community Redevelopment Agency of the City of Los Angeles (“Successor Agency”); and

WHEREAS, the Oversight Board (“Oversight Board”) of the Successor Agency was established pursuant to California Health and Safety Code Section 34179; and

WHEREAS, the San Julian Park, located at 312 East 5th Street (the “Park”) is a government purpose asset held by the Successor Agency;

WHEREAS, SRO Housing Corporation has managed and maintained the Park; however, as a result of the winding down process the Successor Agency was not able to fund or enter into a renewal of the maintenance agreement with SRO Housing Corporation;

WHEREAS, the Recreation and Parks Department of the City of Los Angeles (“RAP”) and/or SRO Housing Corporation would like to take over the maintenance and operation of the Park, at no cost or expense to the Successor Agency;

WHEREAS, California Health and Safety Code Section 34177.3(b) authorizes the Successor Agency to create new enforceable obligations to conduct the winding down of the Community Redevelopment Agency of the City of Los Angeles (“Former Agency”) and California Health and Safety Code Section 34171(d)(1)(F) authorizes the execution of agreements or contracts for the maintenance and operation of Successor Agency assets prior to disposition;

WHEREAS, the Successor Agency must obtain the approval of the Oversight Board to enter into an agreement with the city that formed the Former Agency, pursuant to California Health and Safety Code Section 34180(h); and

WHEREAS, the Successor Agency has requested the Oversight Board approve a permit granting RAP and/or SRO Housing Corporation the right of entry into the Park for continued maintenance, operations and improvements, at no cost or expense to Successor Agency (the “Entry Permit”); and

WHEREAS, the Oversight Board has determined that the approval of the Entry Permit is consistent with the requirements of the Successor Agency to maintain Successor Agency assets and wind down the affairs of the Former Agency in accordance with California Health and Safety Code Sections 34171(d)(1)(F), 34177.3(b) and 34177(h); and

WHEREAS, California Health and Safety Code Section 34179(e) requires the Oversight Board to adopt resolutions for any action taken by the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

Section 1. **Approval of Entry Permit.** The Oversight Board hereby approves the Entry Permit to allow RAP and/or SRO Housing Corporation access to the Park for continued maintenance, operations and improvements, at no cost to Successor Agency.

Section 2. **Authorization of Successor Agency.** Upon approval of this resolution (“Resolution”) by the California Department of Finance, the Oversight Board authorizes and directs the Chief Executive Officer of the Successor Agency to negotiate, execute, deliver and/or acknowledge any other documents necessary to comply with the authority granted by this Resolution.

Section 3. **Delivery to the California Department of Finance.** The Oversight Board hereby authorizes and directs the Secretary of the Oversight Board to electronically deliver a copy of this Resolution to the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

Section 4. **Other Actions.** The Oversight Board hereby authorizes and directs the Chairman, Vice-Chairman and/or Secretary of the Oversight Board, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

Section 5. **Effect.** This Resolution shall take effect upon approval of the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

PASSED, APPROVED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on February 14, 2013, by the following vote:

Ayes: _____
Noes: _____
Absent: _____
Abstain: _____

By: _____
Michael Lawson, Chairman
Oversight Board of the CRA/LA,
A Designated Local Authority and Successor Agency to the
Community Redevelopment Agency of the City of Los Angeles

ATTEST:

David Riccitiello, Secretary
Oversight Board of the CRA/LA,
A Designated Local Authority and Successor Agency to the
Community Redevelopment Agency of the City of Los Angeles

* * * * *

I hereby certify that the foregoing is a true and correct copy of the Resolution duly adopted by the Oversight Board of the CRA/LA, a Designated Local Authority and Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, at a meeting of the Oversight Board duly called and held at ____ p.m. on the 14th day of February, 2013.

David Riccitiello, Secretary
Oversight Board of the CRA/LA,
A Designated Local Authority and Successor Agency to the
Community Redevelopment Agency of the City of Los Angeles

CRA/LA-DLA, 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

4

CW6800

DATE: FEBRUARY 14, 2013
TO: OVERSIGHT BOARD
FROM: DAVID M. RICCIHELLO, CHIEF EXECUTIVE OFFICER
STAFF: JENNY SCANLIN, SENIOR OPERATIONS OFFICER
SUBJECT: **PERMIT TO ENTER - NON-MONETARY ACTION.** Approve a Permit to Enter with the Recreation and Parks Department of the City of Los Angeles and/or SRO Housing Corporation for interim maintenance and management of San Julian Park located at 312 East 5th Street (SD1 & CD14)

RECOMMENDATIONS

That the Oversight Board authorize the CEO, or designee, to execute a Permit to Enter with the Recreation and Parks Department of the City of Los Angeles and/or SRO Housing Corporation for interim maintenance and management of the property located at 312 East 5th Street prior to conveyance of the property to the City of Los Angeles.

SUMMARY

The City of Los Angeles has requested right of entry to manage and maintain San Julian Park while the disposition of the property as a government use asset is reviewed and determined by the Oversight Board and Department of Finance. This request is evidenced in a February 5, 2013 letter (see Attachment A) from John Mukri, the General Manager of the Recreation and Parks Department of the City of Los Angeles ("RAP"). San Julian Park is currently constructed and used as a public park and RAP has been identified as the most appropriate public steward for long-term ownership. Given the authority provided under AB1484, CRA/LA staff recommends that it is financially prudent and expedient to the unwinding of the Former Agency to authorize a Permit to Enter to the City of Los Angeles and/or SRO Housing Corporation.

San Julian Park (see Location Map, Attachment B) was purchased by the Former Agency in 1980 for the purpose of constructing a public park in the Central Business District Project Area. The recommended would allow the CRA/LA to enter into a temporary Permit to Enter with RAP and/or SRO Housing Corporation in order to initiate immediate maintenance and management of this property prior to DOF approval and effectuation of a real property transfer. General terms of the Permit to Enter will require the permittee to insure the properties, indemnify the CRA/LA, and will not include compensation for management and maintenance services.

PREVIOUS ACTIONS

December 12, 2012 – Oversight Board approval of permits to enter for two real property assets developed and used as public parks with the City of Los Angeles

DISCUSSION & BACKGROUND

In 1980, the Former Agency took actions in accordance with Section 33445 of the Health and Safety Code to purchase a 15,000 square foot property in the Central Business District Project Area at the corner of San Julian and 5th Street in order to develop a park-like setting for homeless individuals and families. This property at 312 East 5th Street, later to be known as San Julian Park, is located in the heart of Skid Row between two affordable single-room occupancy hotels and across the street from the James Wood Community Center. San Julian Park is improved with seating areas, chess tables, covered shelters, a bathroom, and green shaded areas. In 1985, under a cooperation agreement (C-47946) with the City of Los Angeles, the Former Agency received \$331,800 in federal block grant dollars to construct these improvements. The park was historically maintained and managed by the Former Agency through a contract with SRO Housing Corporation, a local nonprofit that services homeless in Downtown Los Angeles. The Former Agency and City of Los Angeles worked in cooperation to fund mobile programming at the park, which included health services, case management and outreach to Los Angeles' hardest to serve population. The park also provides a small area of respite for residents of this urban environment and is one of only two parks available to the thousands of residents living in the adjacent area. The Former Agency's contract with SRO Housing Corporation for park management expired in June 2012 and was not renewed as the CRA/LA had begun its process of unwinding and did not have the resources or authority to continue the contract. Since that time, the City of Los Angeles took actions to continue funding SRO Housing Corporation to keep the park open and available to residents and has taken an active role in ensuring this asset will continue to be open to the public until such time as the property can be deeded to the City for long-term stewardship (see Council Motion, Attachment C).

The Department of Finance reviewed and approved the December 12th actions of the Oversight Board to allow the CRA/LA to enter into permits to enter for two other public parks under CRA/LA ownership (see DOF Letter, Attachment D). Based on the positive response from the Department of Finance, staff believes that this action will also meet with the State's approval.

SOURCE OF FUNDS

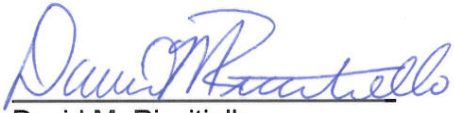
No funds are committed as a result of this action.

ROPS AND ADMINISTRATIVE BUDGET IMPACT

CRA/LA-DLA currently has authority under ROPS 3 to engage title and escrow companies as well as appropriate legal counsel to prepare and record a grant deed and any other relevant documents necessary to dispose of property. There are not sufficient funds available under ROPS 3 to insure, maintain and manage the property during this ROPS period although if a Permit to Enter is executed the City of Los Angeles would absorb these costs.

ENVIRONMENTAL REVIEW

The transfer of the park to the City is exempt from CEQA because it can be seen with certainty that there is no possibility that the transfer of the park from the CRA/LA to the City may have a significant effect on the environment. No changes in use or physical improvements are planned or intended as a result of the proposed transfer; rather, the ownership will simply be transferred from one public agency to another, which intends to operate the park for its existing use. (CEQA Guidelines Section 15061(b)(3).



David M. Riccitiello
Chief Executive Officer

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

ATTACHMENTS

- Attachment A: February 5, 2013 Letter from John Mukri
- Attachment B: Location Map, 312 East 5th Street
- Attachment C: Council Motion
- Attachment D: DOF Letter

**BOARD OF RECREATION AND
PARK COMMISSIONERS**

BARRY A. SANDERS
PRESIDENT

LYNN ALVAREZ
VICE PRESIDENT

W. JEROME STANLEY
JILL T. WERNER
JOHNATHAN WILLIAMS

CITY OF LOS ANGELES
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

ATTACHMENT A
DEPARTMENT OF
RECREATION AND PARKS

221 N. FIGUEROA STREET
SUITE 1550
LOS ANGELES, CA 90012

(213) 202-2633
FAX: (213) 202-2614

JON KIRK MUKRI
GENERAL MANAGER

February 5, 2013

Christine Essel, Chief Executive Officer
CRA/LA, A Designated Local Authority
1200 West 7th Street
Los Angeles, CA 90017

**MAINTENANCE AND OPERATION OF SAN JULIAN PARK BY THE DEPARTMENT OF
RECREATION AND PARKS**

Dear Ms. Essel,

It is our understanding that San Julian Park, a public park located at 511-513 San Julian Street and 312 5th Street (Assessor Parcel Numbers: 5148-014-904, -905, -906) that is owned and operated by CRA/LA, a Designated Local Authority, (CRA/LA-DLA), may soon be closed to the public due to a lack of long-term funding for the operation and maintenance of the park. Furthermore, we understand that SRO Housing Corporation, the non-profit entity currently responsible for the operation and maintenance of San Julian Park, only has sufficient funding to operate the park for another six months.

San Julian Park provides critically needed open space and recreational amenities in an area of the City where youth and families lack sufficient access to parkland, open space, and recreational amenities. The closure of this park would significantly reduce available options and opportunities for local residents to interact, exercise, socialize, and recreate.

First and foremost it should be stated that the City of Los Angeles Department of Recreation and Parks (RAP) supports the continuation of outside funding to SRO Housing Corporation to enable them to continue to operate and maintain San Julian Park and keep the park open to the public.

However, if resources cannot be identified to fund SRO Housing Corporation's continued operation and maintenance of San Julian Park, RAP would like to work with CRA/LA-DLA to effectuate the transfer of ownership of this public park to RAP in order to ensure the park continues to remain open and available to the public. If San Julian Park is successfully transferred, RAP will work with the Mayor and Council to acquire the additional funding and resources needed for the successful long-term operation and maintenance of this park.

Christine Essel, Chief Executive Officer
February 5, 2013
Page 2

Until such time that CRA/LA-DLA is able to determine the final disposition of San Julian Park, RAP would be open to assisting SRO Housing Corporation in their maintenance of the park. RAP would provide maintenance assistance to SRO Housing Corporation only if needed, and only if funding can be identified. In order to allow RAP to access San Julian Park and assist SRO Housing Corporation, RAP would need a right of entry permit from the CRA/LA-DLA that permits RAP to access the park and maintain the existing recreational facilities and improvements. RAP maintenance activities at the park could potentially include, at a minimum, maintenance of the turf, landscaping, hardscape, and irrigation systems; removal of trash, litter, and graffiti; and, inspection and maintenance of the existing shade structures.

RAP looks forward to working with the CRA/LA-DLA to ensure the continued safe operation and maintenance of San Julian Park. If you have any questions, please feel free to contact Michael Shull or Darryl Ford, of my staff, at (213) 202-2655 or (213)202-2682 respectively, at your convenience.

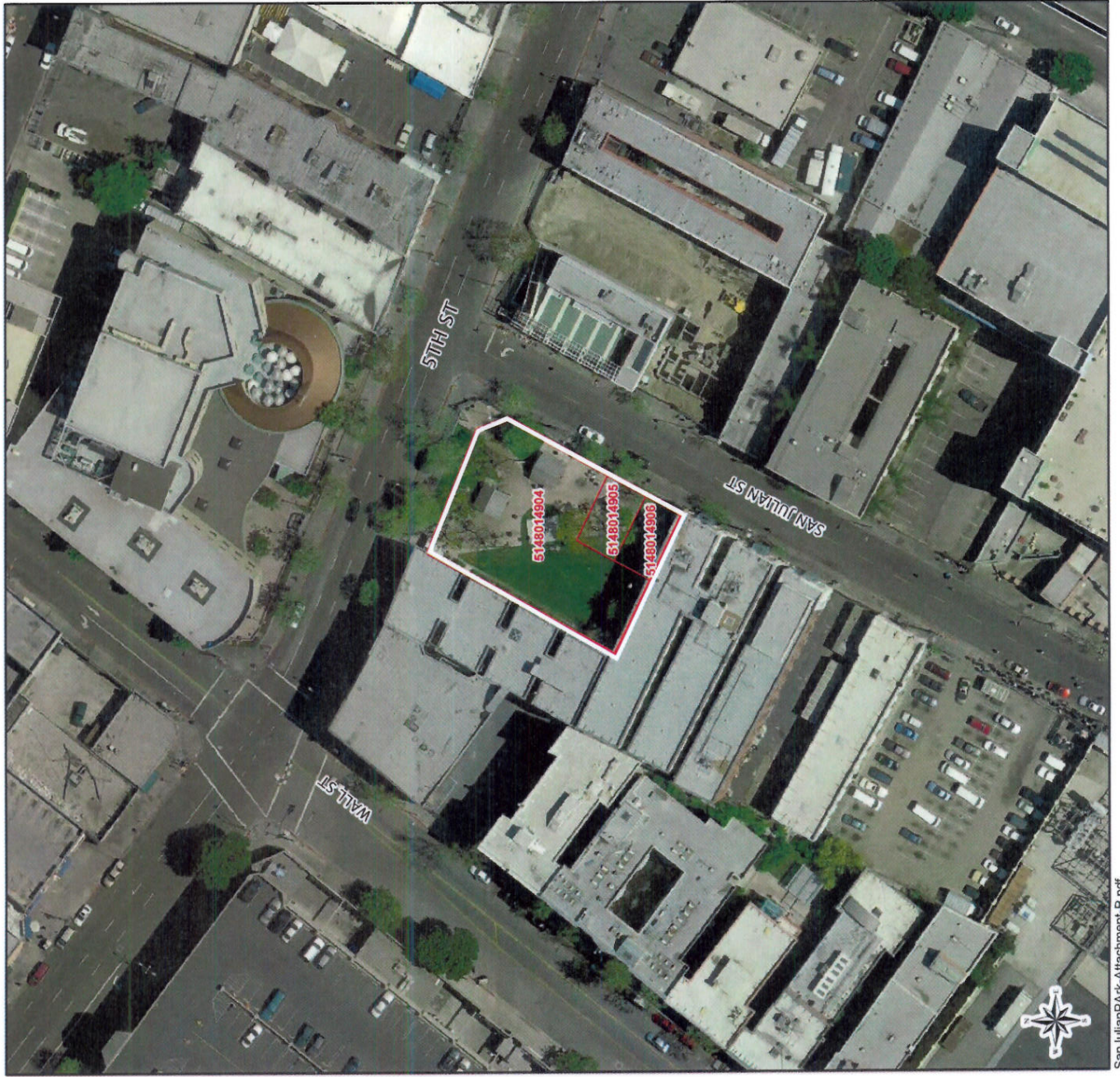
Sincerely,



JON KIRK MUKRI
General Manager

JKM/RA:df

cc David Riccitiello, CRA/LA
Jenny Scanlin, CRA/LA
Thomas Webber, CRA/LA
Anita U. Nelson, SRO Housing Corporation
Steve Andrews, Mayor's Office
Jennie Carreon De Lacey, Mayor's Office
Paul Habib, Council District 14
Regina Adams, RAP
Michael Shull, RAP
Cathie Santo Domingo, RAP
Cid Macaraeg, RAP
Darryl Ford, RAP



Project Area: CBD Amended

Address: 312 E 5Th St

Parcel SqFt: 12,751

Zoning: OS-4D

**Site Description: Community Park -
San Julian Park.**



TO CITY CLERK FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED

#51

JAN 29 2013

12-0862

CD 14

MOTION

The Central Los Angeles Recycling and Transfer Station (CLARTS) Community Amenities Trust Fund provides funding for community amenities within Council District 14.

The SRO Housing Corporation is assisting in the operation of San Julian Park which provides the skid row community with much needed recreational and social services.

This effort is of special benefit for the residents of the City and for CD 14 and deserves financial assistance from the City.

Sufficient funds are available in the CLARTS Community Amenities Trust Fund for this purpose.

I THEREFORE MOVE that the Council Action of June 26, 2012 allocating operational funding for the San Julian Park skid row community recreational and social services provided by the SRO Housing Corporation (CF 12-0862), BE AMENDED to transfer / appropriate an additional amount of \$50,000 from the Central Los Angeles Recycling and Transfer Station (CLARTS) Community Amenities Trust Fund No. 47S, Department 14 to the Affordable Housing Trust Fund No. 44G, Department 43, Account No. 43H363 (Gladys and San Julian Parks) to fund any aspect of the activities of the SRO Housing Corporation relative to the operation of San Julian Park, inasmuch as funding is urgently needed to continue park operations which are set to expire on January 31, 2013.

I FURTHER MOVE that the Housing Department be authorized to make any technical corrections or clarifications to the above instructions in order to effectuate the intent of this Motion.

PRESENTED BY:

Jose Huizar
JOSE HUIZAR
Councilmember, 14th District

ak

SECONDED BY:

E. Gomez

GR

JAN 29 2013

ORIGINAL



EDMUND G. BROWN JR. ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

January 25, 2013

Ms. Sharron Hasley, Senior Executive Assistant
CRA/LA – A Designated Local Authority
1200 West 7th Street, Suite 500
Los Angeles, CA 90017

Dear Ms. Hasley:

Subject: Approval of Oversight Board Action

The City of Los Angeles, a Designated Local Authority and Successor Agency to the Community Redevelopment Agency of the City of Los Angeles (Agency) notified the California Department of Finance (Finance) of its December 13, 2012 Oversight Board (OB) resolution taken on December 14, 2012. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB resolution, which may have included obtaining clarification for various items.

Based on our review and application of the law, OB resolution 12-41 approving the Agency's execution of two separate right-of-entry permits for Heritage Park and Watts Park is approved. It is our understanding these permits will allow the Recreation and Parks Department of the City of Los Angeles access to the parks for continued maintenance, operations and improvements, at no cost to the Agency. Pursuant to HSC section 34171 (d) (1) (F), contracts or agreements are permissible in maintaining assets prior to disposition.

Please direct inquiries to Kylie Le, Supervisor, or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Program Budget Manager

cc: Mr. Thomas Webber, Legal Counsel, CRA/LA – Designated Local Authority
Ms. Kristina Burns, Manager, Los Angeles County Auditor-Controller's Office
California State Controller's Office