

MEMORANDUM

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DATE: JANUARY 17, 2013 AD 2004

TO: GOVERNING BOARD

FROM: CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER

STAFF: NICHOLAS SAPONARA, ACTING SPECIAL ASSISTANT TO THE CFO
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 AND TO ADD APPROVED CLAIMS TO THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD COVERING JULY 1, 2013 TO DECEMBER 31, 2013 (ROPS 4). (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 4;
2. Affirm the denial of specified Third-Party Claims and direct the Chief Executive Officer (CEO) or designee to notify claimants.

SUMMARY

As of December 31, 2012, CRA/LA-DLA staff has received 93 Third-Party Claims for payment. To-date, the Governing Board has taken action on 86 of these Third-Party Claims, subject to Oversight Board approval. Of the remaining 9 Third-Party Claims, CRA/LA-DLA staff recommends that certain Third-Party Claims be approved and added to ROPS 4 (Attachment A – Pending Claims Recommended for Disposition).

PREVIOUS ACTIONS

March 29, April 5, April 19, June 7, and July 19, 2012 – Governing Board actions regarding Third-Party Claims.

DISCUSSION & BACKGROUND

Successor Agencies are required to make payments and perform other obligations due for “enforceable obligations” as defined in Assembly Bills 1x-26 and 1484. 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 ROPS to the Oversight Board (also

established pursuant to Assembly Bills 1x-26 and 1484) 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-DLA 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-DLA website advising that third-parties may submit a claim to the CRA/LA-DLA 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-DLA 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 AB1484.

Of the 95 private third-party claims received as of December 31, 2012, the claims have been disposed as follows:

Status of Claim	Number
Approved/Satisfied/Withdrawn	50
Denied/Duplicate	36
Pending	9
Total	95

SOURCE OF FUNDS

Redevelopment Property Tax Trust Fund.

ROPS AND ADMINISTRATIVE BUDGET IMPACT


The action is consistent with Assembly Bills 1x-26 and 1484 which requires Successor Agencies to prepare a ROPS 4 for Oversight Board approval and transmittal to the DOF by March 3, 2013.

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-DLA officer or employee concerning this action.

ATTACHMENT

Attachment A – Pending Claims Recommended for Disposition

ATTACHMENT A

Pending Claims Recommended for Disposition

Claim ID #	Claimant / Requestor	Project Name
10	MERCY HOUSING CALIFORNIA (from Kronick Moskowitz Tiedemann & Girard)	Washington and Santee mixed use affordable housing project: Phase I and II
33	JOSE F. KAN	Woo's Gift Store
89	Los Angeles Tourism & Convention Bureau / LA Inc.	Pow Wow 2012
94	Barrio Planners Inc.	Sylmar Beautification Project - Completion of Phase 2 B-Permit Plans
95	Barrio Planners Inc.	Sylmar Beautification Project - Close out of contract # 503454