2015 LONG-RANGE PROPERTY MANAGEMENT PLAN

Prepared for the:

SUCCESSOR AGENCY
TO THE CUDAHY COMMUNITY
DEVELOPMENT COMMISSION OF
THE CITY OF CUDAHY
5220 Santa Ana Street
Cudahy, Ca 90201

www.cityofcudahy.com

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2015 LONG RANGE PROPERTY MANAGEMENT PLAN

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2015 LONG RANGE PROPERTY MANAGEMENT PLAN

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I. Introduction

The City of Cudahy (the "City") incorporated on November 10, 1960, is 1.23 square miles in size, and has one of the highest population densities of any incorporated city in the United States. The City is located in the southeastern portion of Los Angeles County and is bordered by the City of Bell on the north, the City of Bell Gardens on the east, the City of South Gate on the south and southwest, and City of Huntington Park on the west. As of January 1, 2015, the California Department of Finance (the "DOF") reports the City's population to be 24,270.

Former Redevelopment Agency

The former Redevelopment Agency was organized pursuant to § 33000 *et seq.* of the California Health and Safety Code (the "HSC") on September 25, 1975 with the adoption of Ordinance 208, and changed its name to the Cudahy Community Development Commission (also known as the "CDC" or the "former RDA" or the "Agency") in 1977.

The Redevelopment Plan for the Downtown Project was adopted on July 18, 1977 and amended in 1981, 1992, 1993, and 1994. With the exception of approximately 77 acres formerly in the City of Bell and annexed into the City, the entire City is in the Project Area, consisting of approximately 711 acres.

The Redevelopment Plan is summarized as follows:

Plan Chronology and Time Limits ***City-Wide Redevelopment Project Area***						
Plan Adoption		**Amendment No.**				
		1	**2**	**3**	**4**	**5**
Date of Adoption	Jul 18, 1977	Sep 8, 1981	Dec 14, 1992	Jul 13, 1993	Dec 5, 1994	Jul 19, 2002
Ordnance Number	220	275	465	475	449	580
Acreage		Added acreage	Added acreage	Added acreage	Total acreage: 276.5	Added 435 acres Total acreage: 711.5
Plan expiration date	07/18/2020	09/8/24		07/13/34		07/02/33
Last day to incur new debt	Eliminated	Eliminated		07/13/33		07/2/2022
Last day to repay debt with Tax Increment	07/18/2030	09/8/34		07/13/44		07/02/48
Cumulative Tax Increment Limit	$55 million (with CPI adjustment)	$55 million (with CPI adjustment)		$55 million (with CPI adjustment)		none
Limit on Total Tax Increment Bond Debt	$27 million	$27 million		$27 million		$51 million

Dissolution of Redevelopment Agencies

Trailer bills ABx1 26 and ABx1 27 were signed by the Governor of California on June 28, 2011, making certain changes to the HSC, including adding Part 1.8 (commencing with § 34161) ("Part 1.8") and Part 1.85 (commencing with § 34170) ("Part 1.85") to Division 24 of the HSC. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that ABx1 26 and ABx1 27 were unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case largely upholding ABx1 26, invalidating ABx1 27, and holding that ABx1 26 may be severed from ABx1 27 and enforced independently. The Supreme Court generally revised the effective dates and deadlines for performance of obligations under HSC Part 1.85 arising before May 1, 2012 to take effect four months later while leaving the effective dates or deadline for performance of obligations under HSC Part 1.8 unchanged. Consistent with the applicable provisions of the HSC, the City Council elected to serve in the capacity of the Successor Agency to the dissolved Cudahy Community Development Commission of the City of Cudahy, (the "Successor Agency").

Further, on June 27, 2012, the Governor signed budget trailer bill AB 1484 into law, resulting in further procedural and substantive changes to the duties of and procedures to be followed by successor agencies, oversight boards, county auditor-controllers and the California Department of Finance (the "DOF"). This includes, but is not limited to, the manner in which the Successor Agency disposes of real property assets.

Specifically, AB 1484 added HSC § 34191.5 that requires the Successor Agency to prepare a Long Range Property Management Plan (the "LRPMP") as a prerequisite to the disposition of real property assets.

Long-Range Property Management Plan

Per the applicable provisions of the HSC, no later than six (6) months after a successor agency receives its Finding of Completion from the DOF (per HSC § 34179.7), the Successor Agency must submit its LRPMP to the Oversight Board and the DOF for approval. The LRPMP must include an inventory (with specified information) about each property, and address the use or disposition of each property. Permitted uses for the property pursuant to AB 1484 include:

1. Retention of the property for governmental use;
2. Retention of the property for future development;
3. Sale of the property; and
4. Use of the property to fulfill an enforceable obligation.

Upon DOF's approval of the LRPMP, the properties are to be placed in a Community Redevelopment Property Trust Fund administered by the Successor Agency in accordance with the approved LRPMP. If the LRPMP plan calls for use or liquidation (sale to obtain revenues) of a property for a project identified in an approved redevelopment plan, that property is to be transferred to the sponsoring community for that purpose. If the LRPMP calls for the liquidation of the property or use of revenues from the property for purposes other than a project identified in a redevelopment plan or other than to fulfill an enforceable obligation, the proceeds from the sale are to be distributed as property taxes to the taxing entities. A general outline of real property disposition procedure is included as Exhibit "A."

This LRPMP was prepared in compliance with those pertinent sections of the HSC that govern the LRPMP's prerequisites, content, and approval process. For ease of review, the pertinent sections of the HSC are included in Exhibit "B."

The Successor Agency received its Finding of Completion from the DOF on October 18, 2013 (Exhibit "C"). The LRPMP was approved by Resolution of the Successor Agency on November 9, 2015 (Exhibit "D") and by Resolution of the Oversight Board on November 12, 2015 (Exhibit "E").

II. Property Inventory per HSC § 34191.5. (c)(1)

The Successor Agency has control of 25 parcels located within the boundaries of the former RDA's Project Area and are subject to the provision of the former RDA's 1977 City-Wide Project Area and its subsequent five (5) amendments, the former RDA's Five-Year Implementation Plan 2004 – 2009, and the City's Zoning Ordinance, 2010 General Plan and 2013 Housing Element.

The parcels have been divided into six (6) sites as summarized in the table below:

Successor Agency: Cudahy City
County: Los Angeles

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

Principal Property Data							Property Value/Sale Info							Other Property Information									
		HSC § 34191.5 (c)(1)(C)		HSC § 34191.5 (c)(2)			HSC § 34191.5 (c)(1)(A)					SALE OF PROPERTY *(If applicable)*		HSC § 34191.5 (c)(1)(B)	HSC § 34191.5 (c)(1)(C)		HSC § 34191.5 (c)(1)(D)	HSC § 34191.5 (c)(1)(E)		HSC § 34191.5 (c)(1)(F)	HSC § 34191.5 (c)(1)(G)		HSC § 34191.5 (c)(1)H)
Site No.	Address	APN [1]	Prop Type [2]	Permissible Use	If Sale of Prop...Proceeds to be used for?	Permissible Use Detail	Acquisition Date	Value at Time of Acquisition	Est'd Current Value	Date of Est'd Current Value	Est'd Current Value Basis	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	Lot Size (acres)	Current Zoning [3]	Est'd of Current Parcel Value	Annual Estimate Income/Revenue	Contractual use of income / rev?	Historic environmental contamination / reports?	Potential as a TOD?	Advancements of SA objectives?	History of previous development proposals and activity?
1 Elizabeth Street Residential Property	5256 Elizabeth Street	6224-001-014	Other	FD	N/A	See LRPMP Text	April 2011	$792,961	$770,000	Nov 2014	Broker's Opinion	TBD		Alleviate blight	0.94	HDR-G	$770,000	$11,400	N/A	Yes	No	Yes	Yes
	5260 Elizabeth Street	6224-001-015																					
2 Atlantic Avenue / Santa Ana Street Commercial Property	4734 Santa Ana Street	6224-018-008	Commercial Buildings / Vacant Land / Other	FD	N/A	See LRPMP Text	Oct 2009	$2,850,875	$1,975,000	Oct & Nov 2014	Broker's Opinion	TBD		Alleviate blight	1.02	CC HDR-G	$1,975,000	$30,000	N/A	Yes	No	Yes	No
	8110 South Atlantic Avenue	6224-018-071					Feb 2008																
	8100 South Atlantic Avenue	6224-018-068					July 2006																
	Santa Ana Street	6224-018-070																					
	4720 Santa Ana Street	6224-018-069																					
3 Santa Ana Street Residential Property	4610 Santa Ana Street	6224-019-014	Vacant Land	FD	N/A	See LRPMP Text	April 2011	$1,044,679	$1,200,000	Oct 2014	Broker's Opinion	TBD		Alleviate blight	1.35	CC	$1,200,000	None	N/A	Yes	No	Yes	Yes

[1] See Exhibit "F" for Assessor Parcel Maps
[2] Real Property in Fee, unless otherwise noted
[3] See Exhibit "G" for zoning map
EOs – Enforceable Obligations
FD – Future Development
CC – Community Commercial
HDR-G – High Density Residential – Garden Overlay
N/A – Not Applicable
TBD – To Be Determined
TEs – Taxing Entities

Principal Property Data							Property Value/Sale Info							Other Property Information									
		HSC § 34191.5 (c)(1)(C)		HSC § 34191.5 (c)(2)			HSC § 34191.5 (c)(1)(A)					SALE OF PROPERTY *(If applicable)*		HSC § 34191.5 (c)(1)(B)	HSC § 34191.5 (c)(1)(C)		HSC § 34191.5 (c)(1)(D)	HSC § 34191.5 (c)(1)(E)		HSC § 34191.5 (c)(1)(F)	HSC § 34191.5 (c)(1)(G)		HSC § 34191.5 (c)(1)(H)
Site No.	Address	APN [1]	Prop Type [2]	Permissible Use	If Sale of Prop…Proceeds to be used for?	Permissible Use Detail	Acquisition Date	Value at Time of Acquisition	Est'd Current Value	Date of Est'd Current Value	Est'd Current Value Basis	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	Lot Size (acres)	Current Zoning [3]	Est'd of Current Parcel Value	Annual Estimate Income/Revenue	Contractual use of income / rev?	Historic environmental contamination / reports?	Potential as a TOD?	Advancements of SA objectives?	History of previous development proposals and activity?
4 Atlantic Avenue / Cecilia Street Commercial Property	8135 South Atlantic Avenue	6224-022-001	Commercial Buildings / Other	FD	N/A	See LRPMP Text	April 2011	$3,315,954	$2,560,000	Oct 2014	Broker's Opinion	TBD		Alleviate blight	2.47	CC	$2,560,000	$42,000	N/A	Yes	No	Yes	Yes
	4629 Cecilia Street	6224-022-004																					
	8201 South Atlantic Avenue	6224-022-002																					
	8221 South Atlantic Avenue	6224-022-012																					
	4633 Cecilia Street	6224-022-003																					
5 Atlantic Avenue / Patata Street Commercial Property	4819 Patata Street	6224-034-014	Commercial Building / Vacant Land	FD	N/A	See LRPMP Text	April 2011	$2,904,717	$1,960,000	Oct 2014	Broker's Opinion	TBD		Alleviate blight	2.1	CC	$1,960,000	None	N/A	Yes	No	Yes	Yes
	8420 South Atlantic Avenue	6224-034-032																					
		6224-034-040																					
	Patata Street	6224-034-041																					
6 Atlantic Avenue / Clara Street Commercial Property	4613 Clara Street	6226-022-002	Commercial Buildings / Vacant Land / Other	FD	N/A	See LRPMP Text	April 2011	$6,608,296	$5,710,000	Nov 2014	Broker's Opinion	TBD		Alleviate blight	1.66	CC	$5,710,000	$128,000	No	Yes	No	Yes	Yes
	7660 South Atlantic Avenue	6226-022-008																					
	7630 South Atlantic Avenue	6226-022-019																					
		6226-022-020																					
	7638 South Atlantic Avenue	6226-022-023					Nov 2009																
	7644 South Atlantic Avenue	6226-022-022																					
	No address	6226-022-021																					
		6226-022-024																					

[1] See Exhibit "F" for Assessor Parcel Maps
[2] Real Property in Fee, unless otherwise noted
[3] See Exhibit "G" for zoning map
EOs – Enforceable Obligations
FD – Future Development
CC – Community Commercial
HDR-G – High Density Residential – Garden Overlay
N/A – Not Applicable
TBD – To Be Determined
TEs – Taxing Entities

III. Property to be Transferred for Future Development

Site No. 1

(Site No. #7 on City's website @ http://www.cityofcudahy.com/economic-development.html)

Elizabeth Street Residential Property

APN:	*6224-001-014*
Address:	*5256 Elizabeth Street*
APN:	*6224-001-015*
Address:	*5260 Elizabeth Street*

A. Permissible Use (HSC § 34191.5 (c)(2)):

Site No. 1 is the Elizabeth Street Residential Property and is proposed to be transferred to the City of Cudahy for future development pursuant to HSC § 34191.5 (c)(2).

B. Acquisition of Property (HSC § 34191.5 (c)(1)(A) and 34191.5 (c)(1)(B)):

The Elizabeth Street Residential Property was acquired in accordance with the April 1, 2011, Project Funding Agreement between the Cudahy Community Development Commission (the "CDC") and the Cudahy Economic Development Corporation (the "CEDC") and the April 1, 2011, Reimbursement and Project Implementation Agreement between the City of Cudahy and the CEDC. The Elizabeth Street Residential Property was acquired with tax-exempt bond proceeds and has a total book value of $792,961. The Property was acquired in order to meet the revitalization goals of the City and the former RDA to alleviate the existence and spread of physical and economic blight by assembling land and preparing property for future development.

Pursuant to the April 15, 2014, Asset Transfer Review ("ATR") prepared by the California State Controller's Office ("SCO"), on February 3, 2015, the Successor Agency approved an Asset Transfer Agreement with the CEDC. The purpose of the Asset Transfer Agreement, is to enable

the Successor Agency to comply with the SCO's order included within the ATR by recovering the redevelopment assets previously transferred to the CEDC ("Recovery Assets"). In addition, on March 12, 2015, the Oversight Board to the Successor Agency to the Former Cudahy Community Development Commission/Redevelopment Agency ("Oversight Board") approved its Resolution No. OB15-07, which approved the Asset Transfer Agreement. On October 19, 2015 a quitclaim deed was recorded with the office of the County of Los Angeles Registrar-Recorder/County Clerk transferring the affected real property to the Successor Agency, thereby effectuating the transfer of the Recovery Assets.

The estimated current value (the "ECV") of the Elizabeth Street Residential Property is approximately $770,000.

C. ***Site Information (HSC § 34191.5 (c)(1)(C)):***

The Elizabeth Street Residential Property consists of two (2) parcels that total approximately 0.94 acres (APNs: 6224-001-014 and -015), is located at 5256 and 5260 Elizabeth Street, and is in close proximity to the Park Avenue elementary School. The following table describes the improvements located on the Elizabeth Street Residential Property.

Elizabeth Street Residential Property				
APN	**Address**	**Type of Structure**	**Year Constructed**	**Square Footage**
6224-001-014	5256 Elizabeth Street	SFR	1959	1,122
6224-001-015	5260 Elizabeth Street	SFR	1959	936

The Property is zoned High Density Residential Garden Overlay (HDR-G) in the City's Zoning Ordinance, 2010 General Plan, and 2013 Housing Element. The HDR-G designation permits land uses for one-family dwelling units, multiple dwelling units, churches, and private schools. The higher densities are intended to encourage the recycling of existing developments, as well as to encourage developers to construct more creative housing.

D. ***Estimated Current Value (HSC § 34191.5 (c)(1)(D)):***

In November 2014, the ECV for the Elizabeth Street Residential Property was determined by a Broker's Opinion of Value prepared by John Olivas, ACORE Realty, Inc. Mr. Olivas concluded that the ECV of the Elizabeth Street Residential Property is approximately $770,000.

Local and environmental factors were not taken into consideration in determining the ECV of the Elizabeth Street Residential Property. Therefore, the actual value of the property may vary significantly from the ECV. The ECV is only a planning number and should not be relied upon as a basis for actual value. It was not possible to include environmental issues or any other special or unique factors into the ECV calculations, as such data was not readily available to Mr. Olivas. As noted in the LRPMP, the real value of the property cannot be determined without an appraisal.

The Successor Agency notes that in the environment of AB 1484, it may not be possible to achieve appraised values. The City will ultimately be responsible for seeking to achieve successful marketing of properties, and will act with reasonable diligence. However, the constraints and environment of AB 1484 militate against maximizing prices. The actual sales prices to be realized will be a function of what a willing buyer is willing to pay under circumstances where there will be no seller financing. Therefore, there is no reason to think that book values will be realized.

E. Site Revenues (HSC § 34191.5 (c)(1)(E)):

Annual revenue received is $11,400 on a month-to-month basis from 5256 Elizabeth Street (APN 6224-001-014). There are no contractual obligations for the use of the collected revenues. Site revenues are used for property maintenance.

F. History of Environmental Contamination (HSC § 34191.5 (c)(1)(F)):

- ***2003 California Department of Toxic Substance Control Report***

The Elizabeth Street Residential Property's history shows that a portion of the backyard of the property may have been used for landfill operations during the 1930's to 1960's. In 2003, the California Department of Toxic Substance Control (the "DTSC") conducted soil sampling to determine if the property was impacted by hazardous substances released from past landfill operation. Results of DTSC's sampling showed that soil was contaminated with metals and semi-volatile hydrocarbon compounds. Lead was detected ranging from 26 to 8,500 mg/kg. Most of the contamination was determined to be located in the backyard area of the property. Removal action was implemented in 2005, and on April 27, 2007, the DTSC recorded land use covenants on the property in Los Angeles County.[1, 2]

On July 30, 2007, the DTSC executed a Removal Action Certification Form certifying that "the Department has determined that all appropriate removal/remedial actions have been completed and that all acceptable engineering practices were implemented; however, the site requires ongoing operation and maintenance (O&M) and monitoring efforts. The site will be deleted from the 'active' site list following (1) a trial operation and maintenance period and (2) execution of a formal written settlement between the Department and the responsible parties, if appropriate. However, the site will be placed on the Department's list of sites undergoing O&M to ensure proper monitoring of long-term cleanup efforts."[3]

Contaminants in inaccessible areas, such as underneath the buildings and fence lines, driveway, and sidewalk were not remediated. While these areas are capped to preclude exposure risk, development of the Elizabeth Street Residential Property will require adherence to the April 2007 recorded land use covenants:

"(a) No activities (e.g., planting, utility line installation, excavation, grading removal, trenching and filling) that disturb soil shall be allowed below a depth of 18 inches below ground surface in the exposed lawn or soil areas in front or along the sides of the two structures without the prior written approval of a soil management plan by the Department.

(b) No activities (e.g., planting, utility line installation, excavation, grading removal, trenching and filling) that could disturb soils under improvements on the property serving as cover material shall be allowed without the prior written approval of a soil management plan by the Department. Improvements serving as cover material include the structures (including open

[1] http://www.envirostor.dtsc.ca.gov/public/profile_report.asp?global_id=19000019, accessed October 2014
[2] http://www.envirostor.dtsc.ca.gov/regulators/deliverable_documents/6637013077/Recorded%20LUC%205-15-07.pdf, accessed October 2014
[3] http://www.envirostor.dtsc.ca.gov/regulators/deliverable_documents/9468366861/Certification.pdf, accessed October 2014

areas under structures), driveways, fences, and other areas covered by either asphalt or concrete.

(c) Owner shall maintain the cover material identified in subsection (b) above as necessary to ensure that no deterioration occurs that could create an exposure pathway to the contaminants that may exist beneath the cover material.

(d) The Owner shall provide the Department written notice at least fourteen (14) days prior to any activity prohibited by this Covenant being conducted on the Property."[4]

- ***2015 Phase-I Report -*** Andersen Environmental, an EFI Global Company

In August 2015, Andersen Environmental, an EFI Global Company, conducted a Phase I Environmental Site Assessment Report (the "Phase-I Report"). The Phase-I Report concluded and recommended that:

CONCLUSIONS:

"Controlled Recognized Environmental Condition (CREC)
Based on the enforcement of a covenant to restrict use of the subject property, the residual soil contamination (lead, arsenic, and zinc) impacting the eastern, western, and southern property lines and northern sidewall of residences from former landfill operations is considered a CREC."

RECOMMENDATIONS:

"Adherence to DTSC directives as stated in the land use covenant is recommended. This includes notifying and obtaining approval from the DTSC prior to implementing any activities which may include disturbing soil below a depth of 18 inches below ground surface in the exposed lawn or soil areas in front of or along the sides of the two structures or disturbing soils under improvements on the property serving as cover materials (i.e. the structures, open areas under structures, driveways, fences, other areas covered with asphalt or concrete). In addition, the property owner shall maintain the cover material so no deterioration occurs, shall provide 14 day notice to the DTSC prior to conducting the aforementioned activities, and shall notify the DTSC after change of property owner and prior to subsurface work."

G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC § 34191.5 (c)(1)(G)):
There is no potential for a TOD in conjunction with The Elizabeth Street Residential Property.

[4] http://www.envirostor.dtsc.ca.gov/regulators/deliverable_documents/6637013077/Recorded%20LUC%205-15-07.pdf, accessed October 2014

The transfer of the Elizabeth Street Residential Property for future development advances the planning objectives of the City and the Successor Agency in accordance with the Five-Year implementation Plan 2004-2009 (the "Plan") goals to actively address the elimination of economic/physical blight as it pertains to property that (i) exhibits continued hazardous substances (i.e., contaminants in inaccessible areas, such as underneath the buildings and fence lines, driveway, and sidewalk that were not remediated); (ii) requires continued O&M to monitor the presence of hazardous substances; (iii) requires adherence to recorded land use covenants that address the presence of hazardous substances. In addition, the transfer of the Property for future development will maximize development opportunities to (i) reduce blight through new construction and improved infrastructure; (ii) capture appropriate commercial, industrial, and/or housing demand; (iii) compliment other land uses; (iv) assure high aesthetic and environmental quality and compatibility of development; (v) stimulate the economy through job creation and an increase in the City's tax base; and (vi) encourage private investment in the City.

H. History of Previous Development Proposals and Activity (HSC § 34191.5 (c)(1)(H)):

The Property's history shows that a portion of the backyard of the property may have been used for landfill operations during the 1930's to 1960's. Google Earth® indicates that the Property has contained two single family residences since at least 1994.

I. Implementation of the Long-Range Property Management Plan:

Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP. For property to be transferred to the City of Cudahy for future development, implementation will include securing an HSC § 34180 (f)(1) compensation agreement (the "Compensation Agreement") with the affected taxing entities prior to the transfer of the property to the City. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. The compensation due the affected taxing entities shall be governed by the Compensation Agreement and where applicable take into consideration the other funding source restrictions noted below.

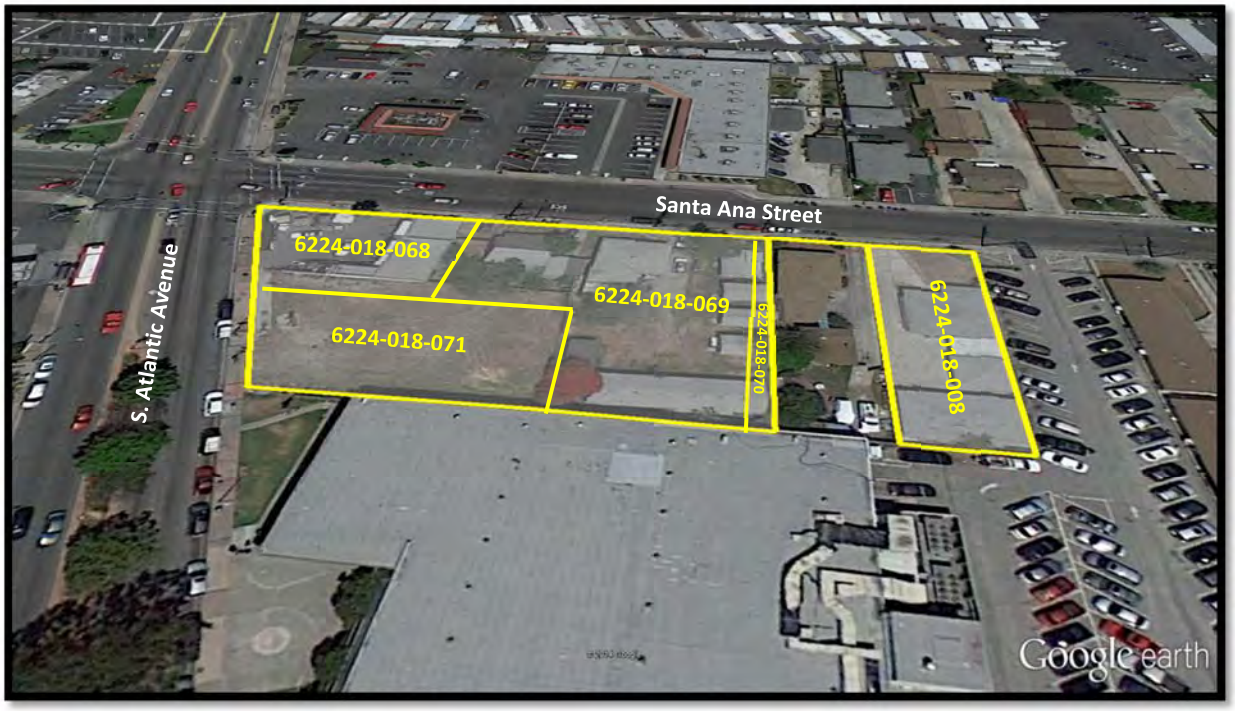
For properties that are to be held for future development that are an asset of a tax-exempt bond issue and/or LMIHF, the Compensation Agreement with the taxing entities will include provisions for the re-use of land sale proceeds that are attributable to a tax-exempt bond issue and/or LMIHF consistent with the restrictions, conditions and covenants related thereto. In addition, the use/distribution of any residual land sales proceeds will be governed by the provisions therefor within the Compensation Agreement.

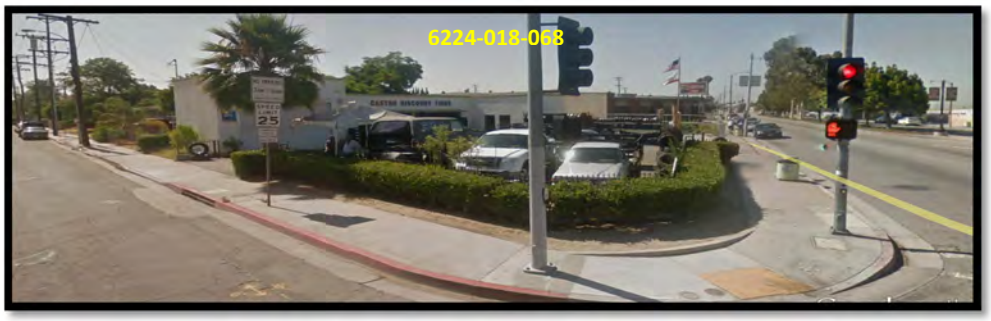
Site No. 2

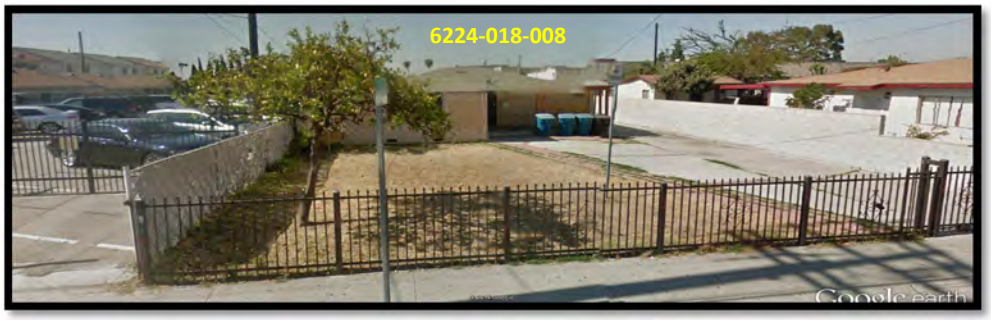
(Site No. #4 on City's website @ http://www.cityofcudahy.com/economic-development.html)

Atlantic Avenue / Santa Ana Street Commercial Property

APN:	*6224-018-008*	*APN:*	*6224-018-070*
Address:	*4734 Santa Ana Street*	*Address:*	*Santa Ana Street*
APN:	*6224-018-068*	*APN:*	*6224-018-071*
Address:	*8100 South Atlantic Avenue*	*Address:*	*8110 South Atlantic Avenue*
APNs:	*6224-018-069*		
Address:	*4720 Santa Ana Street*		







A. Permissible Use (HSC § 34191.5 (c)(2)):

Site No. 2 is the Atlantic Avenue / Santa Ana Street Commercial Property (the "Commercial Property") and is proposed to be transferred to the City of Cudahy for future development pursuant to HSC § 34191.5 (c)(2).

B. Acquisition of Property (HSC § 34191.5 (c)(1)(A) and 34191.5 (c)(1)(B)):

The Commercial Property was acquired by the CDC in several transactions using two (2) different restricted funding sources as indicated in the table below:

Commercial Property Acquisition Details			
APN	**Acquisition Date**	**Book Value**	**Acquisition Funding Source %**
6224-018-008	October 6, 2009	$2,850,875	75.4% bond proceeds
6224-018-068	July 19, 2006		
6224-018-069			
6224-018-070			
6224-018-071	February 8, 2008		24.6% LMIHF

Once the Commercial Property is sold, the proceeds will be returned to the appropriate funding source using the same percentages as received from that funding source for acquisition.

The Commercial Property was transferred to the Cudahy Economic Development Corporation in accordance with the April 1, 2011, Project Funding Agreement between the Cudahy Community Development Commission (the "CDC") and the Cudahy Economic Development Corporation (the "CEDC") and the April 1, 2011, Reimbursement and Project Implementation Agreement between the City of Cudahy and the CEDC. The Property was acquired in order to meet the revitalization goals of the City and the former RDA to alleviate the existence and spread of physical and economic blight by assembling land and preparing property for future development. As noted above, the Commercial Property was acquired, in part, with tax-exempt bond proceeds and LMIHF and has a total book of $2,850,212.

Pursuant to the April 15, 2014, Asset Transfer Review ("ATR") prepared by the California State Controller's Office ("SCO"), on February 3, 2015, the Successor Agency approved an Asset Transfer Agreement with the CEDC. The purpose of the Asset Transfer Agreement, is to enable the Successor Agency to comply with the SCO's order included within the ATR by recovering the redevelopment assets previously transferred to the CEDC ("Recovery Assets"). On October 19, 2015 a quitclaim deed was recorded with the office of the County of Los Angeles Registrar-Recorder/County Clerk transferring the affected real property to the Successor Agency, will be recorded thereby effectuating the transfer of the Recovery Assets.

The estimated current value (the "ECV") of the Commercial Property is approximately $1,975,000.

C. ***Site Information (HSC § 34191.5 (c)(1)(C)):***

The Commercial Property consists of five (5) parcels that total approximately 1.02 acres (APNs: 6224-018-008, -068, -069, -070, -071) located at 4720 and 4734 Santa Ana Street and 8100 and 8100 South Atlantic Avenue. The following table describes the improvements located on the Commercial Property:

Atlantic/Santa Ana Commercial Property				
APN	**Address**	**Type of Structure**	**Year Constructed**	**Square Footage**
6224-018-008	4734 Santa Ana Street	Duplex	1954	2,344
6224-008-068	8100 South Atlantic Avenue	Tire Shop	1947	1,772
6224-008-069	4720 Santa Ana Street	9 Residential Units	1933	3,236
6224-008-070				
6224-008-071	8110 South Atlantic Avenue	Vacant	-	-

The Commercial Property is zoned Community Commercial and High Density Residential Garden Overlay (CC and HDR-G) in the City's Zoning Ordinance and 2010 General Plan. The CC designation permits land uses for retail stores, offices, trailer parks, churches, schools, auto sales, banks, markets, restaurants and similar uses. Mixed use development is also permitted within this land use designation at densities of 35 units per acre.

D. ***Estimated Current Value (HSC § 34191.5 (c)(1)(D)):***

In October 2014, and November 2014, the ECV for the Commercial Property was determined by a Broker's Opinion of Value (the "BOV") prepared by Douglas E. Wells, Penta Pacific Properties

and by John Olivas, ACORE Realty, Inc., respectively. Mr. Wells concluded the ECV for APNs 6224-018-068 and -071 is approximately $585,000 and Mr. Olivas concluded ECV for APNs 6224-018-008, -069, and -070 is approximately $1,390,000. Therefore the total ECV of the Commercial Property is equal to the sum of the BOV, which is approximately $1,975,000.

Local and environmental factors were not taken into consideration in determining the ECV of the Commercial Property. Therefore, the actual value of the property may vary significantly from the ECV. The ECV is only a planning number and should not be relied upon as a basis for actual value. It was not possible to include environmental issues or any other special or unique factors into the ECV calculations, as such data was not readily available to Mr. Wells and Mr. Olivas. As noted in the LRPMP, the real value of the property cannot be determined without an appraisal.

The Successor Agency notes that in the environment of AB 1484, it may not be possible to achieve appraised values. The City will ultimately be responsible for seeking to achieve successful marketing of properties, and will act with reasonable diligence. However, the constraints and environment of AB 1484 militate against maximizing prices. The actual sales prices to be realized will be a function of what a willing buyer is willing to pay under circumstances where there will be no seller financing. Therefore, there is no reason to think that book values will be realized.

E. ***Site Revenues (HSC § 34191.5 (c)(1)(E)):***

8100 S. Atlantic Avenue (APN 6224-018-068)

Annual revenue received is $30,000 on a month-to-month basis. There are no contractual obligations for the use of the collected revenues. Site revenues are used for property maintenance.

F. ***History of Environmental Contamination (HSC § 34191.5 (c)(1)(F)):***

2015 Phase-I Report - Andersen Environmental, an EFI Global Company

In August 2015, Andersen Environmental, an EFI Global Company, conducted a Phase I Environmental Site Assessment Report (the "Phase-I Report"). The Phase-I Report concluded and recommended that:

CONCLUSIONS:

"Recognized Environmental Conditions (REC)

- The open LUST case associated with the former gas station on-site is considered a recognized environmental condition for the subject property.
- The residual petroleum hydrocarbon contamination impacting soil vapor on-site associated with the former gas station, which was documented in the 2006 soil vapor sampling event, represents a potential Vapor Intrusion Condition (pVIC) and recognized environmental condition for the subject property.
- The former auto repair operations on-site for approximately 58 years (1947 to 2005) is considered a recognized environmental condition for the subject property."

RECOMMENDATIONS:

"Based on the foregoing, a Phase II Environmental Site Assessment is recommended to assess the pVIC associated with the former gas station, as well as the areas of concern associated with former auto repair operations. Adherence to LARWQCB requirements is also recommended in order to achieve closure for the open LUST case."

G. ***Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC § 34191.5 (c)(1)(G)):***

There is no potential for a TOD in conjunction with Commercial Property.

The transfer of the Commercial Property for future development advances the planning objectives of the City and the Successor Agency in accordance with the Five-Year implementation Plan 2004-2009 (the "Plan") goals to (i) provide a sufficient number of affordable housing units to meet the needs of the City's residents; (ii) support adequate residential development sites at appropriate densities; (iii) provide a selection of housing type, tenure, and price; and (iv) encourage residential uses in commercial areas. In addition, the transfer of the Property for future development will maximize development opportunities to (i) reduce blight through new construction and improved infrastructure; (ii) capture appropriate commercial, industrial, and/or housing demand; (iii) compliment other land uses; (iv) assure high aesthetic and environmental quality and compatibility of development; (v) stimulate the economy through job creation and an increase in the City's tax base; and (vi) encourage private investment in the City.

H. ***History of Previous Development Proposals and Activity (HSC § 34191.5 (c)(1)(H)):***

Google Earth® indicates that the Commercial Property has remained substantially unchanged from its present condition since 1994.

I. ***Implementation of the Long-Range Property Management Plan:***

Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP. For property to be transferred to the City of Cudahy for future development, implementation will include securing an HSC § 34180 (f)(1) compensation agreement (the "Compensation Agreement") with the affected taxing entities prior to the transfer of the property to the City. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. The compensation due the affected taxing entities shall be governed by the Compensation Agreement and where applicable take into consideration the other funding source restrictions noted below.

For properties that are to be held for future development that are an asset of a tax-exempt bond issue and/or LMIHF, the Compensation Agreement with the taxing entities will include provisions for the re-use of land sale proceeds that are attributable to a tax-exempt bond issue and/or LMIHF consistent with the restrictions, conditions and covenants related thereto. In addition, the use/distribution of any residual land sales proceeds will be governed by the provisions therefor within the Compensation Agreement.

Site No. 3

(Site No. #3 on City's website @
http://www.cityofcudahy.com/economic-development.html)

Santa Ana Street
Residential Property

APN:	*6224-019-014*
Address:	*4610 Santa Ana Street*

A. ***Permissible Use (HSC § 34191.5 (c)(2)):***

Site No. 3 is the Santa Ana Street Residential Property and is proposed to be transferred to the City of Cudahy for future development pursuant to HSC § 34191.5 (c)(2).

B. ***Acquisition of Property (HSC § 34191.5 (c)(1)(A) and 34191.5 (c)(1)(B)):***

The Santa Ana Street Residential Property was acquired in accordance with the April 1, 2011, Project Funding Agreement between the Cudahy Community Development Commission (the "CDC") and the Cudahy Economic Development Corporation (the "CEDC") and the April 1, 2011,

Reimbursement and Project Implementation Agreement between the City of Cudahy and the CEDC. The Santa Ana Street Residential Property was acquired with tax-exempt bond proceeds and has a book value of $1,044,679. The Property was acquired in order to meet the revitalization goals of the City and the former RDA to alleviate the existence and spread of physical and economic blight by assembling land and preparing property for future development.

Pursuant to the April 15, 2014, Asset Transfer Review ("ATR") prepared by the California State Controller's Office ("SCO"), on February 3, 2015, the Successor Agency approved an Asset Transfer Agreement with the CEDC. The purpose of the Asset Transfer Agreement, is to enable the Successor Agency to comply with the SCO's order included within the ATR by recovering the redevelopment assets previously transferred to the CEDC ("Recovery Assets"). In addition, on March 12, 2015, the Oversight Board to the Successor Agency to the Former Cudahy Community Development Commission/Redevelopment Agency ("Oversight Board") approved its Resolution No. OB15-07, which approved the Asset Transfer Agreement. On or before December 31, 2015, quitclaim deeds transferring the affected real property will be recorded with the office of the County of Los Angeles Registrar-Recorder/County Clerk thereby consummating the transfer of the Recovery Assets.

Santa Ana Street Residential Property was previously sold to CUDAHY SA 2012, LLC by the CEDC. The Successor Agency, pursuant to the SCO ATR, is in the process of recovering the Property. CUDAHY SA 2012, LLC has agreed to transfer to Santa Ana Street Residential Property to the Successor Agency pursuant an appropriate agreement.

The estimated current value (the "ECV") of the Santa Ana Street Residential Property is approximately $1,200,000.

C. Site Information (HSC § 34191.5 (c)(1)(C)):

The Santa Ana Street Residential Property consists of one (1) vacant 1.35-acre parcel (APN 6224-019-014) located at 4610 Santa Ana Street.

Santa Ana Street Residential Property is zoned Community Commercial and High Density Residential Garden Overlay (CC and HDR-G) in the City's Zoning Ordinance and 2010 General Plan. The CC designation permits land uses for retail stores, offices, trailer parks, churches, schools, auto sales, banks, markets, restaurants and similar uses. Mixed use development is also permitted within this land use designation at densities of 35 units per acre.

D. Estimated Current Value (HSC § 34191.5 (c)(1)(D)):

In October 2014, the ECV for the Santa Ana Street Residential Property was determined by a Broker's Opinion of Value prepared by Douglas E. Wells, Penta Pacific Properties. Mr. Wells concluded the ECV of the Santa Ana Street Residential Property is approximately $1,200,000.

Local and environmental factors were not taken into consideration in determining the ECV of the Santa Ana Street Residential Property. Therefore, the actual value of the property may vary significantly from the ECV. The ECV is only a planning number and should not be relied upon as a basis for actual value. It was not possible to include environmental issues or any other special or unique factors into the ECV calculations, as such data was not readily available to Mr. Wells. As noted in the LRPMP, the real value of the property cannot be determined without an appraisal.

The Successor Agency notes that in the environment of AB 1484, it may not be possible to achieve appraised values. The City will ultimately be responsible for seeking to achieve successful marketing of properties, and will act with reasonable diligence. However, the constraints and environment of AB 1484 militate against maximizing prices. The actual sales prices to be realized will be a function of what a willing buyer is willing to pay under circumstances where there will be no seller financing. Therefore, there is no reason to think that book values will be realized.

E. Site Revenues (HSC § 34191.5 (c)(1)(E)):

There are no site revenues generated from the Santa Ana Street Residential Property.

F. History of Environmental Contamination (HSC § 34191.5 (c)(1)(F)):

2012 Closure Report – Underground Storage Tank Removal APN 6224-019-014, December 2012 **-** California Environmental Geologists & Engineers, Inc.

A 1966 Sanborn Map indicated the presence of an underground tank on the west side of the property, approximately 140 feet south of the north property line. City building permits indicated that one 2,000-gallon gasoline underground storage tank ("UST") was installed on the west property line around 1965 and two additional gasoline USTs beneath the northeast corner of the property (5,000 and 7,500 gallon capacity) were installed in 1970. County of Los Angeles Department of Public Works files contained a 1987 tank closure report issued on July 20, 1987 for the two larger USTs indicating that no fuel impacts were found in soil associated with those tanks. Tank abandonment records were not located for the 2,000-gallon UST.

On April 23, 2012, California Environmental Geologists & Engineers, Inc. ("CE") evaluated the property for buried tanks. Approximately 4 feet below ground surface, the 2,000-gallon UST was located. Soil gas sampling was conducted in the area of the discovered tank and fuel hydrocarbon related VOCs were not detected in soil gas. On November 14, 2012, the 2,000-gallon UST was removed from the property. In December 2012, a closure report was submitted to the County of Los Angeles – Public Works Environmental Program Division (LACDPW File No. 13178-S 7418).

G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC § 34191.5 (c)(1)(G)):

There is no potential for a TOD in conjunction with Santa Ana Street Residential Property.

The transfer of the Santa Ana Street Residential Property for future development advances the planning objectives of the City and the Successor Agency in accordance with the Five-Year implementation Plan 2004-2009 (the "Plan") goals to (i) provide a sufficient number of affordable housing units to meet the needs of the City's residents; (ii) support adequate residential development sites at appropriate densities; (iii) provide a selection of housing type, tenure, and price; and (iv) encourage residential uses in commercial areas. In addition, the transfer of the Property for future development will maximize development opportunities to (i) reduce blight through new construction and improved infrastructure; (ii) capture appropriate commercial, industrial, and/or housing demand; (iii) compliment other land uses; (iv) assure high aesthetic and environmental quality and compatibility of development; (v) stimulate the economy through job creation and an increase in the City's tax base; and (vi) encourage private investment in the City.

H. History of Previous Development Proposals and Activity (HSC § 34191.5 (c)(1)(H)):

In the 1960's a building(s) was located on the northwest portion of the property. The property was cleared of all structures sometime between the 1970's and the 1990's. Google Earth® indicates that between 1994 and 2007 the Property was used as truck and vehicular storage/parking. Between 2007 and 2009, the Property was used as a contractor's equipment/materials storage yard. In 2009, the Property was cleared of all storage activity and has since remained vacant.

I. Implementation of the Long-Range Property Management Plan:

Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP. For property to be transferred to the City of Cudahy for future development, implementation will include securing an HSC § 34180 (f)(1) compensation agreement (the "Compensation Agreement") with the affected taxing entities prior to the transfer of the property to the City. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. The compensation due the affected taxing entities shall be governed by the Compensation Agreement and where applicable take into consideration the other funding source restrictions noted below.

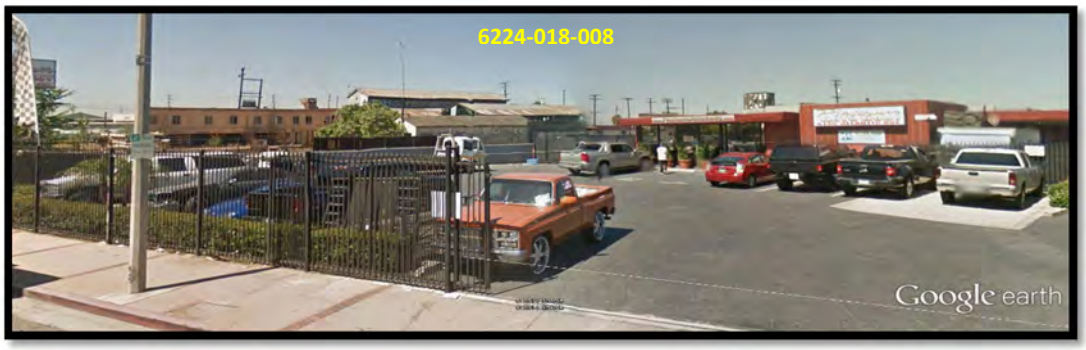
For properties that are to be held for future development that are an asset of a tax-exempt bond issue and/or LMIHF, the Compensation Agreement with the taxing entities will include provisions for the re-use of land sale proceeds that are attributable to a tax-exempt bond issue and/or LMIHF consistent with the restrictions, conditions and covenants related thereto. In addition, the use/distribution of any residual land sales proceeds will be governed by the provisions therefor within the Compensation Agreement.

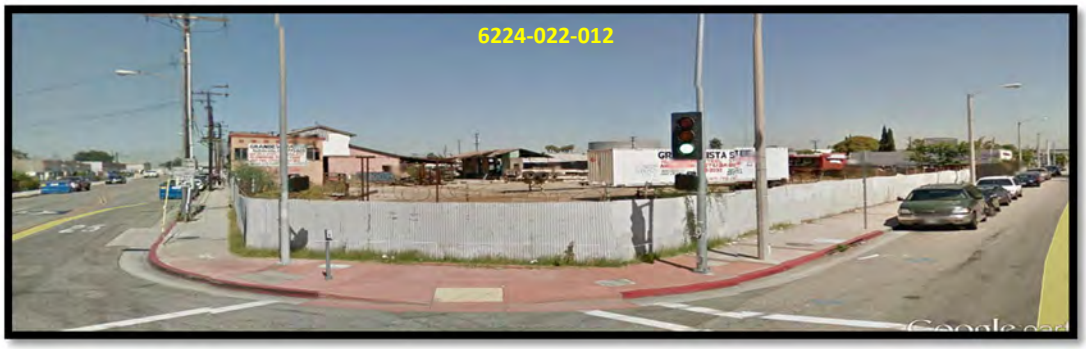
Site No. 4

(Site No. #2 on City's website @ http://www.cityofcudahy.com/economic-development.html)

Atlantic Avenue / Cecilia Street Commercial Property

APN:	*6224-022-001*	*APN:*	*6224-022-004*
Address:	*8135 South Atlantic Avenue*	*Address:*	*4629 Cecilia Street*
APN:	*6224-022-002*	*APN:*	*6224-022-012*
Address:	*8201 South Atlantic Avenue*	*Address:*	*8221 South Atlantic Avenue*
APN:	*6224-022-003*		
Address:	*4633 Cecilia Street*		





A. ***<u>Permissible Use (HSC § 34191.5 (c)(2))</u>:***

Site No. 4 is the Atlantic Avenue / Cecilia Street Commercial Property (the "Commercial Property") and is proposed to be transferred to the City of Cudahy for future development pursuant to HSC § 34191.5 (c)(2).

B. ***<u>Acquisition of Property (HSC § 34191.5 (c)(1)(A) and 34191.5 (c)(1)(B))</u>:***

The Atlantic Avenue / Cecilia Street Commercial Property was acquired in accordance with the April 1, 2011, Project Funding Agreement between the Cudahy Community Development Commission (the "CDC") and the Cudahy Economic Development Corporation (the "CEDC") and the April 1, 2011, Reimbursement and Project Implementation Agreement between the City of Cudahy and the CEDC. The Commercial Property was acquired with tax-exempt bond proceeds and has a total book value of $3,315,954. The Property was acquired in order to meet the

revitalization goals of the City and the former RDA to alleviate the existence and spread of physical and economic blight by assembling land and preparing property for future development.

Pursuant to the April 15, 2014, Asset Transfer Review ("ATR") prepared by the California State Controller's Office ("SCO"), on February 3, 2015, the Successor Agency approved an Asset Transfer Agreement with the CEDC. The purpose of the Asset Transfer Agreement, is to enable the Successor Agency to comply with the SCO's order included within the ATR by recovering the redevelopment assets previously transferred to the CEDC ("Recovery Assets"). In addition, on March 12, 2015, the Oversight Board to the Successor Agency to the Former Cudahy Community Development Commission/Redevelopment Agency ("Oversight Board") approved its Resolution No. OB15-07, which approved the Asset Transfer Agreement. On October 19, 2015 a quitclaim deed was recorded with the office of the County of Los Angeles Registrar-Recorder/County Clerk transferring the affected real property to the Successor Agency, thereby effectuating the transfer of the Recovery Assets.

The estimated current value (the "ECV") of the Commercial Property is approximately $2,560,000.

C. Site Information (HSC § 34191.5 (c)(1)(C)):

The Commercial Property consists of five (5) parcels that total approximately 2.47 acres (APNs: 6224-022-001, -002, -003, -004, -012) located at 8135, 8201, and 8221 South Atlantic Avenue and 4629 and 4633 Cecilia Street. The following table describes the improvements located on the Commercial Property:

Atlantic/Cecilia Commercial Property				
APN	**Address**	**Type of Structure**	**Year Constructed**	**Square Footage**
6224-022-001	8135 South Atlantic Avenue	Commercial building	1956	8,800
6224-022-002	8201 South Atlantic Avenue	House w/detached garage	1939	476
6224-022-003	4633 Cecilia Street	Trailers	-	-
6224-022-004	4629 Cecilia Street	Trailers	-	-
6224-022-012	8221 South Atlantic Avenue	2-story stucco office building and a metal building	1945	8,140

The Commercial Property is zoned Community Commercial (CC) in the City's Zoning Ordinance and 2010 General Plan. The CC designation permits land uses for retail stores, offices, trailer parks, churches, schools, auto sales, banks, markets, restaurants and similar uses. Mixed use development is also permitted within this land use designation at densities of 35 units per acre.

D. Estimated Current Value (HSC § 34191.5 (c)(1)(D)):

In October 2014, the ECV for the Commercial Property was determined by a Broker's Opinion of Value prepared by Douglas E. Wells, Penta Pacific Properties. Mr. Wells concluded the ECV of the Commercial Property is approximately $2,560,000.

Local and environmental factors were not taken into consideration in determining the ECV of the Commercial Property. Therefore, the actual value of the property may vary significantly from the ECV. The ECV is only a planning number and should not be relied upon as a basis for actual value. It was not possible to include environmental issues or any other special or unique factors into the

ECV calculations, as such data was not readily available to Mr. Wells. As noted in the LRPMP, the real value of the property cannot be determined without an appraisal.

The Successor Agency notes that in the environment of AB 1484, it may not be possible to achieve appraised values. The City will ultimately be responsible for seeking to achieve successful marketing of properties, and will act with reasonable diligence. However, the constraints and environment of AB 1484 militate against maximizing prices. The actual sales prices to be realized will be a function of what a willing buyer is willing to pay under circumstances where there will be no seller financing. Therefore, there is no reason to think that book values will be realized.

E. ***Site Revenues (HSC § 34191.5 (c)(1)(E)):***

8135 S. Atlantic Avenue (APN 6224-022-001)

Annual revenue received is $42,000 on a month-to-month basis. There are no contractual obligations for the use of the collected revenues. Site revenues are used for property maintenance.

F. ***History of Environmental Contamination (HSC § 34191.5 (c)(1)(F)):***

- ***2009 / 2012 Phase-I Report -*** California Environmental Geologists & Engineers, Inc.

8201 and 8221 South Atlantic Avenue (6224-022-002 and -012)
4629 and 4633 Cecilia Street (6224-022-003 and -004)

In 2009, the residential and office structures were tested for asbestos and abated as necessary. However, the metal buildings were excluded from testing. It is recommended that prior to the demolition of these metal buildings, asbestos testing is conducted.

In April 2012, an Environmental Site Assessment Phase-I Report was prepared by CE and concluded that there was no evidence of an existing recognized environmental condition in connection with the property. In addition, with the removal of one 1,000-gallon and one 4,000-gallon underground fuel storage tanks, a clarifier, and sand/grease trap from the property, Grand Vista Steel & Metal Supply was issued a *No Further Action* letter from the County of Los Angeles DPW.

- ***2012 Phase-I Report -*** California Environmental Geologists & Engineers, Inc.

8135 South Atlantic Avenue (6224-022-001)

In November 2012, an Environmental Site Assessment Phase-I Report was prepared by California Environmental Geologists & Engineers, Inc. ("CE") and concluded that there was evidence of a recognized environmental concern on the property due to the current practice by Platinum Auto Body of allowing wastewater, possibly contaminated, to accumulate in the degraded asphalt pavement on the north and south sides of the property. Additional testing should be conducted on shallow soils, with further testing of groundwater beneath the property dependent on the resultant soil testing.

- ***2015 Phase-I Report -*** Andersen Environmental, an EFI Global Company

8135 South Atlantic Avenue (6224-022-001)
8201 and 8221 South Atlantic Avenue (6224-022-002 and -012)
4629 and 4633 Cecilia Street (6224-022-003 and -004)
In August 2015, Andersen Environmental, an EFI Global Company, conducted a Phase I Environmental Site Assessment Report (the "Phase-I Report"). The Phase-I Report concluded and recommended that:

CONCLUSIONS

"Recognized Environmental Conditions (REC)

- The former use of a spray booth on-site in toy manufacturing operations for up to 15 years (1968 to 1983) represents a REC.
- The accumulation of wastewater from auto repair operations on the southern side of the parcel with potential subsurface impacts is considered a REC.
- The presence of the below grade hydraulic lift represents a REC.
- The historical bus repair operations by Western Diesel Electric from sometime prior to 1984 to 1991 represent a REC for the subject property based on the historical parts washing operations on-site and improper disposal of hazardous waste from these operations with potential for subsurface impacts.

Historical Recognized Environmental Condition (HREC)

- The former 4,000-gallon gasoline UST utilized in industrial operations on the southern portion of the subject property parcels represents a HREC for the subject property.
- The former wastewater separator/sump utilized in industrial operations on the southern portion of the subject property parcels represents a HREC for the subject property.

Controlled Recognized Environmental Condition (CREC)
In our opinion, no CRECs were revealed during the course of our assessment."

RECOMMENDATIONS

"Based on the foregoing, a Phase II Environmental Site Assessment is recommended."

G. <u>Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC § 34191.5 (c)(1)(G))</u>:
There is no potential for a TOD in conjunction with the Commercial Property.

The transfer of the Commercial Property for future development advances the planning objectives of the City and the Successor Agency in accordance with the Five-Year implementation Plan 2004-

2009 (the "Plan") goals to (i) provide a sufficient number of affordable housing units to meet the needs of the City's residents; (ii) support adequate residential development sites at appropriate densities; (iii) provide a selection of housing type, tenure, and price; (iv) encourage residential uses in commercial areas; (v) actively address the elimination of economic/physical blight as it pertains property that contains toxic substances and/or unsafe structures. In addition, the transfer of the Property for future development will maximize development opportunities to (i) reduce blight through new construction and improved infrastructure; (ii) capture appropriate commercial, industrial, and/or housing demand; (iii) compliment other land uses; (iv) assure high aesthetic and environmental quality and compatibility of development; (v) stimulate the economy through job creation and an increase in the City's tax base; and (vi) encourage private investment in the City.

H. History of Previous Development Proposals and Activity (HSC § 34191.5 (c)(1)(H)):

8135 South Atlantic Avenue (6224-022-001)

Historical site utilization research indicated that 8135 South Atlantic Avenue was initially developed for residential use during the 1940's. Building permit records indicate that the current structure was constructed in the 1950's as a bakery good distribution center. The property was also used as a storage warehouse and furniture manufacturer in the 1960's. Western Diesel Electric occupied the property from the early 1980's through mid-1990. The property is currently occupied by Platinum Auto Body, which conducts auto frame/body repair work.[5]

8201 and 8221 South Atlantic Avenue (6224-022-002 and -012)
4629 and 4633 Cecilia Street (6224-022-003 and -004)

Historical site utilization research indicated that the property was undeveloped in 1901. In 1929, three dwellings with detached garages were constructed. Rose Trucking Line occupied the property in 1944. Western Welding Service occupied the property in 1946 and a loading dock was constructed in 1947. Prior to 1950, the property was developed with existing structures. John Stang Yard occupied the property from 1954 through 1964 along with Subgrade Engineering from 1958 and 1964. Grand Vista Steel & Metal Supply Co. occupied the property from 1967 through 2000 and Hobby Heaven occupied the property from 2000 to 2006. The property is currently occupied by a vacant Grand Vista Steel & Metal Supply.[6]

I. Implementation of the Long-Range Property Management Plan:

Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP. For property to be transferred to the City of Cudahy for future development, implementation will include securing an HSC § 34180 (f)(1) compensation agreement (the "Compensation Agreement") with the affected taxing entities prior to the transfer of the property to the City. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. The compensation due the affected taxing entities shall be governed by the Compensation Agreement and where applicable take into consideration the other funding source restrictions noted below.

For properties that are to be held for future development that are an asset of a tax-exempt bond issue and/or LMIHF, the Compensation Agreement with the taxing entities will include provisions

[5] California Environmental Geologists & Engineers, Inc., *Environmental Site Assessment – Phase 1*, *Commercial Property APN 6224-022-001,* December 2012, page 23
[6] California Environmental Geologists & Engineers, Inc., *Environmental Site Assessment – Phase 1*, *Grande Vista Steel & Metal Supply Co. APNs 6224-022-002, 003, 004, and 012,* April 2012, page 29

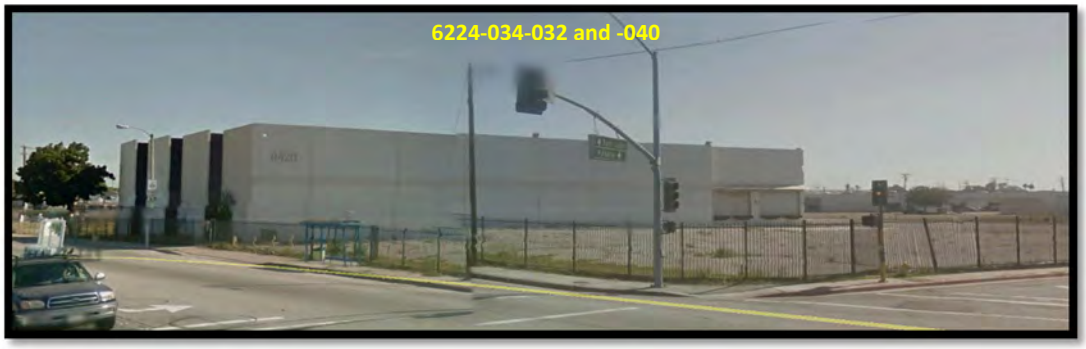
for the re-use of land sale proceeds that are attributable to a tax-exempt bond issue and/or LMIHF consistent with the restrictions, conditions and covenants related thereto. In addition, the use/distribution of any residual land sales proceeds will be governed by the provisions therefor within the Compensation Agreement.

Site No. 5

(Site No. #1 on City's website @ http://www.cityofcudahy.com/economic-development.html)

Atlantic Avenue / Patata Street Commercial Property

APN:	*6224-034-014*
Address:	*4819 Patata Street*
APNs:	*6224-034-032*
	6224-034-040
Address:	*8420 South Atlantic Avenue*
APN:	*6224-034-041*
Address:	*Patata Street*



A. ***Permissible Use (HSC § 34191.5 (c)(2)):***

Site No. 5 is the Atlantic Avenue / Patata Street Commercial Property (the "Commercial Property") and is proposed to be transferred to the City of Cudahy for future development pursuant to HSC § 34191.5 (c)(2).

B. ***Acquisition of Property (HSC § 34191.5 (c)(1)(A) and 34191.5 (c)(1)(B)):***

The Commercial Property was acquired in accordance with the April 1, 2011, Project Funding Agreement between the Cudahy Community Development Commission (the "CDC") and the Cudahy Economic Development Corporation (the "CEDC") and the April 1, 2011, Reimbursement and Project Implementation Agreement between the City of Cudahy and the CEDC. The Commercial Property was acquired, in part, with tax-exempt bond proceeds and has a total book value of $2,904,717. The Commercial Property was acquired in order to meet the revitalization goals of the City and the former RDA to alleviate the existence and spread of physical and economic blight by assembling land and preparing property for future development.

Pursuant to the April 15, 2014, Asset Transfer Review ("ATR") prepared by the California State Controller's Office ("SCO"), on February 3, 2015, the Successor Agency approved an Asset Transfer Agreement with the CEDC. The purpose of the Asset Transfer Agreement, is to enable the Successor Agency to comply with the SCO's order included within the ATR by recovering the redevelopment assets previously transferred to the CEDC ("Recovery Assets"). In addition, on March 12, 2015, the Oversight Board to the Successor Agency to the Former Cudahy Community Development Commission/Redevelopment Agency ("Oversight Board") approved its Resolution No. OB15-07, which approved the Asset Transfer Agreement. On October 19, 2015 a quitclaim deed was recorded with the office of the County of Los Angeles Registrar-Recorder/County Clerk transferring the affected real property to the Successor Agency, thereby effectuating the transfer of the Recovery Assets.

The estimated current value (the "ECV") of the Commercial Property is approximately $1,960,000.

C. ***Site Information (HSC § 34191.5 (c)(1)(C)):***

The Commercial Property consists of four (4) parcels that total approximately 2.1 acres (APNs: 6224-031-014, -032, -040, -041) located at 4817 Patata Street and 8420 South Atlantic Avenue. One vacant 27,635 sf structure, constructed in 1987, is located at 8420 South Atlantic Avenue. 4817 Patata Street is a vacant parcel.

The Commercial Property is zoned Community Commercial (CC) in the City's Zoning Ordinance and 2010 General Plan. The CC designation permits land uses for retail stores, offices, trailer parks, churches, schools, auto sales, banks, markets, restaurants and similar uses. Mixed use development is also permitted within this land use designation at densities of 35 units per acre.

D. Estimated Current Value (HSC § 34191.5 (c)(1)(D)):

In October 2014, the ECV for the Commercial Property was determined by a Broker's Opinion of Value prepared by Douglas E. Wells, Penta Pacific Properties. Mr. Wells concluded the ECV of the Commercial Property is approximately $1,960,000.

Local and environmental factors were not taken into consideration in determining the ECV of the Commercial Property. Therefore, the actual value of the property may vary significantly from the ECV. The ECV is only a planning number and should not be relied upon as a basis for actual value. It was not possible to include environmental issues or any other special or unique factors into the ECV calculations, as such data was not readily available to Mr. Wells. As noted in the LRPMP, the real value of the property cannot be determined without an appraisal.

The Successor Agency notes that in the environment of AB 1484, it may not be possible to achieve appraised values. The City will ultimately be responsible for seeking to achieve successful marketing of properties, and will act with reasonable diligence. However, the constraints and environment of AB 1484 militate against maximizing prices. The actual sales prices to be realized will be a function of what a willing buyer is willing to pay under circumstances where there will be no seller financing. Therefore, there is no reason to think that book values will be realized.

E. Site Revenues (HSC § 34191.5 (c)(1)(E)):

There are no site revenues generated from the Commercial Property.

F. History of Environmental Contamination (HSC § 34191.5 (c)(1)(F)):

- ***1995 - U.S. Environmental Protection Agency (the "EPA) Toxic Release Inventory (TRI") database***

8420 S. Atlantic Avenue (the "M. Stephens Site") is listed in the TRI database (TRI ID 90201MSTPH8420S). The most recent release information provided in the database is from 1995.[7]

- ***2007 - California Environmental Protection Agency, Regional Water Quality Control Board (RWQCB)***

The M. Stephens site is listed in the RWQCB GeoTracker database as M Stephens Manufacturing (GeoTracker ID: T0603703809; Case No. 1-11513) at 4839 Patata St. The site is listed as a 'LUST Cleanup Site' with a cleanup status as 'Completed – Case Closed as of 9/27/1995.' The potential contaminant of concern is listed as 'gasoline' and the potential media affected is 'soil.' Between at least 1978 and 1980, the RWQCB, in conjunction with the County Sanitation District of Los Angeles County, conducted oversight of the operation and monitoring of waste discharges to the on-site clarifier. In

[7] Weston, 2015

June 2007, the Los Angeles County department of Public Works (LADPW) issued a 'No Further Action' letter for the M Stephens site in regard to the closure and removal of the on-site clarifier.[8]

- ***2013 - California Department of Toxic Substances Control's ("DTSC") EnviroStor database***

The M. Stephens Site is listed in the EnvironStor database as M Stephens Manufacturing (EnvironStor ID: 60001790) at 4839 Patata Street. The site is listed as an 'Evaluation' site that was referred to EPA on September 17, 2013. DTSC completed a Site Screening Assessment (the "SSA") for 8420 S. Atlantic Avenue in June 2013. The SSA was prepared for EPA and has a final sign-off date of September 30, 2013. DTSC has had no known additional involvement with the site.[9]

- ***2015 Phase-I Report -*** Andersen Environmental, an EFI Global Company

In August 2015, Andersen Environmental, an EFI Global Company, conducted a Phase I Environmental Site Assessment Report (the "Phase-I Report"). The Phase-I Report concluded and recommended that:

CONCLUSIONS:

"Recognized Environmental Conditions (REC)

- Based on the volatile organic compound (VOC) contamination documented in soil and soil vapor, the former long-term industrial operations for approximately 58 years and associated open USEPA investigation represent a recognized environmental condition for the subject property.
- The former agricultural use of the subject property for up to 24 years represents a recognized environmental condition.
- The release of VOCs at the two adjoining industrial facilities to the west poses a potential Vapor Intrusion Condition for the subject property and represents a recognized environmental condition."

RECOMMENDATIONS:

"Andersen Environmental recommends adherence to USEPA directives. Additionally, a Phase II Environmental Site Assessment is recommended."

[8] Weston, 2015
[9] *Ibid.*

- ***2015 Site Inspection Sampling and Analysis Plan EPA ID No. CAN000909569 –*** Weston Solutions, Inc.

  In September 2015, Weston Solutions, Inc. prepared a Sampling and Analysis Plan (the "SAP") for the M. Stephens Site at the request of the U.S. EPA. Once implemented, the SAP will enable EPA to conclude the Hazardous Ranking for the M. Stephens Site.

G. ***Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC § 34191.5 (c)(1)(G)):***
There is no potential for a TOD in conjunction with Commercial Property.

The transfer of the Commercial Property for future development advances the planning objectives of the City and the Successor Agency in accordance with the Five-Year implementation Plan 2004-2009 (the "Plan") goals to (i) provide a sufficient number of affordable housing units to meet the needs of the City's residents; (ii) support adequate residential development sites at appropriate densities; (iii) provide a selection of housing type, tenure, and price; and (iv) encourage residential uses in commercial areas. In addition, the transfer of the Property for future development will maximize development opportunities to (i) reduce blight through new construction and improved infrastructure; (ii) capture appropriate commercial, industrial, and/or housing demand; (iii) compliment other land uses; (iv) assure high aesthetic and environmental quality and compatibility of development; (v) stimulate the economy through job creation and an increase in the City's tax base; and (vi) encourage private investment in the City.

H. ***History of Previous Development Proposals and Activity (HSC § 34191.5 (c)(1)(H)):***
Google Earth® indicates that in 1994, the Commercial Property contained at least three additional warehouse/manufacturing structures. Between July 2008 and June 2009, the three additional structures were demolished, leaving the Property in its current state.

I. ***Implementation of the Long-Range Property Management Plan:***
Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP. For property to be transferred to the City of Cudahy for future development, implementation will include securing an HSC § 34180 (f)(1) compensation agreement (the "Compensation Agreement") with the affected taxing entities prior to the transfer of the property to the City. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. The compensation due the affected taxing entities shall be governed by the Compensation Agreement and where applicable take into consideration the other funding source restrictions noted below.

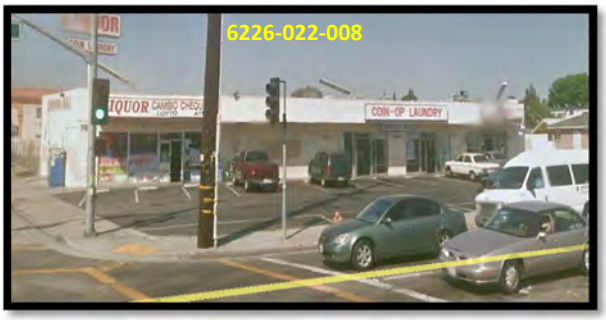
For properties that are to be held for future development that are an asset of a tax-exempt bond issue and/or LMIHF, the Compensation Agreement with the taxing entities will include provisions for the re-use of land sale proceeds that are attributable to a tax-exempt bond issue and/or LMIHF consistent with the restrictions, conditions and covenants related thereto. In addition, the use/distribution of any residual land sales proceeds will be governed by the provisions therefor within the Compensation Agreement.

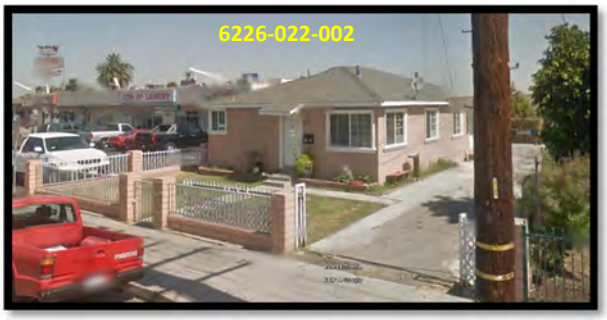
Site No. 6

(Site No. #5 on City's website @ http://www.cityofcudahy.com/economic-development.html)

Atlantic Avenue / Clara Street Commercial Property

APN:	*6226-022-002*	*APN:*	*6226-022-023*
Address:	*4613 and 4615 East Clara Street*	*Address:*	*7638 South Atlantic Avenue*
APN:	*6226-022-008*	*APN:*	*6226-022-022*
Address:	*7660 South Atlantic Avenue*	*Address:*	*7644 South Atlantic Avenue*
APNs:	*6226-022-019*	*APNs:*	*6226-022-021*
	6226-022-020		*6226-022-024*
Address:	*7630 South Atlantic Avenue*	*Address:*	*No Address*





A. Permissible Use (HSC § 34191.5 (c)(2)):

Site No. 6 is the Atlantic Avenue / Clara Street Commercial Property (the "Commercial Property") and is proposed to be transferred to the City of Cudahy for future development pursuant to HSC § 34191.5 (c)(2).

B. Acquisition of Property (HSC § 34191.5 (c)(1)(A) and 34191.5 (c)(1)(B)):

APNs 6226-022-021, -022, -023, & -024 were acquired by the CDC on November 11, 2009 and were transferred to the Cudahy Economic Development Corporation in accordance with the April 1, 2011, Project Funding Agreement between the Cudahy Community Development Commission (the "CDC") and the Cudahy Economic Development Corporation (the "CEDC") and the April 1, 2011, Reimbursement and Project Implementation Agreement between the City of Cudahy and the CEDC. APNs 6226-022-002, -008, -019, & -020 were acquired in accordance with the April 1, 2011, Project Funding Agreement between the Cudahy CDC and the CEDC and the April 1, 2011, Reimbursement and Project Implementation Agreement between the City of Cudahy and the CEDC. The Commercial Property was acquired with tax-exempt bond proceeds and has a total book value of $6,608,296. The Commercial Property was acquired in order to meet the revitalization goals of the City and the former RDA to alleviate the existence and spread of physical and economic blight by assembling land and preparing property for future development.

Pursuant to the April 15, 2014, Asset Transfer Review ("ATR") prepared by the California State Controller's Office ("SCO"), on February 3, 2015, the Successor Agency approved an Asset Transfer Agreement with the CEDC. The purpose of the Asset Transfer Agreement, is to enable the Successor Agency to comply with the SCO's order included within the ATR by recovering the redevelopment assets previously transferred to the CEDC ("Recovery Assets"). In addition, on March 12, 2015, the Oversight Board to the Successor Agency to the Former Cudahy Community Development Commission/Redevelopment Agency ("Oversight Board") approved its Resolution No. OB15-07, which approved the Asset Transfer Agreement. On October 19, 2015 a quitclaim deed was recorded with the office of the County of Los Angeles Registrar-Recorder/County Clerk transferring the affected real property to the Successor Agency, thereby effectuating the transfer of the Recovery Assets.

The estimated current value (the "ECV") of the Commercial Property is approximately $5,710,000.

C. Site Information (HSC § 34191.5 (c)(1)(C)):

The Commercial Property consists of eight (8) parcels that total approximately 1.66 acres (APNs: 6226-022-002, -008, -019, -020, -021, -022, -023, -024) located at 4613 and 4615 East Clara Street and 7660, 7630, 7638, and 7644 South Atlantic Avenue. The following table describes the improvements located on the Commercial Property:

Atlantic/Cecilia Commercial Property				
APN	**Address**	**Type of Structure**	**Year Constructed**	**Square Footage**
6226-022-002	4613 / 4615 East Clara Street	Duplex	1946	1,120
6226-022-008	7660 South Atlantic Avenue	Retail Store	1971	4,482
6226-022-019	7630 South Atlantic Avenue	12-unit Motel	1964	5,324
6226-022-020		51-unit Motel		19,566
6226-022-021	7638 South Atlantic Avenue	None	---	---
6226-022-023				
6226-022-022	7644 South Atlantic Avenue			
6226-022-024				

The Commercial Property is zoned Community Commercial (CC) in the City's Zoning Ordinance and 2010 General Plan. The CC designation permits land uses for retail stores, offices, trailer parks, churches, schools, auto sales, banks, markets, restaurants and similar uses. Mixed use development is also permitted within this land use designation at densities of 35 units per acre.

D. Estimated Current Value (HSC § 34191.5 (c)(1)(D)):

In November 2014, the ECV for the Commercial Property was determined by a Broker's Opinion of Value prepared by John Olivas, ACORE Realty, Inc. Mr. Olivas concluded that the ECV of the Commercial Property is approximately $5,710,000.

Local and environmental factors were not taken into consideration in determining the ECV of the Commercial Property. Therefore, the actual value of the property may vary significantly from the ECV. The ECV is only a planning number and should not be relied upon as a basis for actual value. It was not possible to include environmental issues or any other special or unique factors into the ECV calculations, as such data was not readily available to Mr. Olivas. As noted in the LRPMP, the real value of the property cannot be determined without an appraisal.

The Successor Agency notes that in the environment of AB 1484, it may not be possible to achieve appraised values. The City will ultimately be responsible for seeking to achieve successful marketing of properties, and will act with reasonable diligence. However, the constraints and environment of AB 1484 militate against maximizing prices. The actual sales prices to be realized will be a function of what a willing buyer is willing to pay under circumstances where there will be no seller financing. Therefore, there is no reason to think that book values will be realized.

E. Site Revenues (HSC § 34191.5 (c)(1)(E)):

Approximately $94,830 is received annually from three (3) businesses located in the strip mall at the Northeast corner of South Atlantic Avenue and Clara Street.

Lease #1
La Tripa Veloz Restaurant – 4537 Clara Street (APN 6266-022-008)
This Lease was first entered into by and between two private parties. It was transferred to the Successor Agency upon the acquisition of the Property. Annual revenues received from this Lease amount to approximately $17,400. The Lease expires on July 31, 2021. Site revenues are used for property maintenance.

Lease #2
Red Owl Liquor – 7660 South Atlantic Avenue (APN 6266-022-008)
This Lease was first entered into on March 1, 2004 by and between two private parties. It was transferred to the Successor Agency upon the acquisition of the Property. Annual revenues received from this Lease amount to approximately $46,200. There is no provision in the Lease, or a current Lease Amendment, that will extend the Lease further than January 31, 2019. There are no contractual obligations for the use of the collected revenues. Site revenues are used for property maintenance.

Month-to-Month Rent #1
4615 Clara Street (6226-022-002)
Annual revenue received is $10,800 on a month-to-month basis. There are no contractual obligations for the use of the collected revenues. Site revenues are used for property maintenance.

Month-to-Month Rent #2
7630 S. Atlantic Avenue (APN 6226-022-019 and -020)
Annual revenue received is $54,000 on a month-to-month basis. There are no contractual obligations for the use of the collected revenues. Site revenues are used for property maintenance.

F. History of Environmental Contamination (HSC § 34191.5 (c)(1)(F)):

2015 Phase-I Report - Andersen Environmental, an EFI Global Company

In August 2015, Andersen Environmental, an EFI Global Company, conducted a Phase I Environmental Site Assessment Report (the "Phase-I Report"). The Phase-I Report concluded and recommended that:

CONCLUSIONS:

"Recognized Environmental Conditions (REC)

- The historical gas station identified from at least 1947 to 1966 (19 years) in the southwest portion of the subject property associated with 7654 and 7656 South Atlantic Avenue represents a REC.
- The historical dry cleaner identified in at least 1947 in the west portion of the subject property at 7638 South Atlantic Avenue represents a REC."

RECOMMENDATIONS:

"Based on the foregoing, a Phase II Environmental Site Assessment is recommended."

G. ***Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC § 34191.5 (c)(1)(G)):***

There is no potential for a TOD in conjunction with Commercial Property.

The transfer of the Commercial Property for future development advances the planning objectives of the City and the Successor Agency in accordance with the Five-Year implementation Plan 2004-2009 (the "Plan") goals to (i) provide a sufficient number of affordable housing units to meet the needs of the City's residents; (ii) support adequate residential development sites at appropriate densities; (iii) provide a selection of housing type, tenure, and price; and (iv) encourage residential uses in commercial areas. In addition, the transfer of the Property for future development will maximize development opportunities to (i) reduce blight through new construction and improved infrastructure; (ii) capture appropriate commercial, industrial, and/or housing demand; (iii) compliment other land uses; (iv) assure high aesthetic and environmental quality and compatibility of development; (v) stimulate the economy through job creation and an increase in the City's tax base; and (vi) encourage private investment in the City.

H. ***History of Previous Development Proposals and Activity (HSC § 34191.5 (c)(1)(H)):***

Google Earth® indicates that from May 1994 the Commercial Property has remained in its current state.

I. ***Implementation of the Long-Range Property Management Plan:***

Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP. For property to be transferred to the City of Cudahy for future development, implementation will include securing an HSC § 34180 (f)(1) compensation agreement (the "Compensation Agreement") with the affected taxing entities prior to the transfer of the property to the City. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. The compensation due the affected taxing entities shall be governed by the Compensation Agreement and where applicable take into consideration the other funding source restrictions noted below.

For properties that are to be held for future development that are an asset of a tax-exempt bond issue and/or LMIHF, the Compensation Agreement with the taxing entities will include provisions for the re-use of land sale proceeds that are attributable to a tax-exempt bond issue and/or LMIHF consistent with the restrictions, conditions and covenants related thereto. In addition, the use/distribution of any residual land sales proceeds will be governed by the provisions therefor within the Compensation Agreement.

Exhibit A – Successor Agency/City Property Disposition Procedures

The following is only a general outline for the Purchase & Sale and Request for Proposals procedures of the Successor Agency for the disposition of real property. Property to be sold will be in accordance with Successor Agency Policies and Procedures and property to be transferred for future development will be developed in accordance with City Policies and Procedures. It is anticipated that the Successor Agency will adopt policies and procedures that are more specific during the implementation phase of the LRPMP.

I. PURCHASE AND SALE PROCEDURES

These procedures apply only to those properties for which the Successor Agency will sell. These procedures do not apply to those properties that will be transferred for future development or to fulfill an enforceable obligation.

1. Post notice on Successor Agency website:
   "All persons interested in receiving solicitations for the disposition of Successor Agency property please email 'xyz@cityofthefuture.org'(a newly established email for the disposition of property) with your contact information and '*Purchase and Sale of Successor Agency Property'* in the Subject line."

2. Successor Agency will provide written solicitations for the sale of its real estate assets, which may be a single parcel or a grouping of parcels (the "Property"). Such formal solicitations will include, but not be limited to:
   a. APN(s);
   b. Property location;
   c. Zoning;
   d. Acreage;
   e. Listing Price (The listing price shall either be (i) not less than fair market value under an appraisal procured by the Successor Agency or (ii) another amount approved for such purpose by the Oversight Board;
   f. Purchase Price shall be all cash at close of escrow, no seller financing;
   g. Deadline to receive offers (prior to selection, offers are confidential);
   h. Offer submittal guidelines:
      i. All offers must be in writing (California Association of Realtor forms are acceptable);
      ii. Successor Agency will provide courtesy to brokers equal to one-half of the customary commission if the ultimate buyer is represented by said real estate broker as buyer's broker at the time the original offer is submitted.
      iii. Provided that allowance of brokerage commissions will be subject to Oversight Board approval in each case;
      iv. Approval of each sale may be subject to DOF approval;
      v. Type of financing identified (i.e., buyer's cash, buyer's loan proceeds, etc.);
      vi. All buyers are to be listed – no silent partners; and
      vii. Offers will be reviewed for conflict of interest between offeror and Successor Agency/City officials, staff and consultants.
   i. Some properties for sale consist of multiple parcels. Only offers that include all parcels identified by Successor Agency on a particular site may be accepted, i.e., no less than whole purchases.

3. Method of Solicitations:
   a. Property posting;
   b. Successor Agency website posting;
   c. Local real estate brokers;

d. All persons requesting solicitations; and
e. Workshops and/or e-mail notifications

4. All property sales are in an "AS IS, WHERE IS" condition.

5. The Successor Agency will be reimbursed from the sale proceeds of the property for any costs related to the appraisal, escrow and title fees (cost of CLTA policy only), and any other costs associated with the sale.

6. An offer may be rejected if it does not meet the Successor Agency's price threshold. Acceptance of a purchase and sale offer is subject to approval of the Successor Agency's Board of Directors.

II. REQUEST FOR PROPOSAL PROCEDURES

Costs incurred by the Successor Agency and/or the City in the implementation of these Disposition Procedures shall be treated as an Enforceable Obligation for purposes of the Recognized Obligation Payments Schedule ("ROPS") of the Successor Agency to be recovered from land sales proceeds. The City shall provide the Successor Agency an estimate of such costs at such times and in a form sufficient for the Successor Agency to include such costs on one or more ROPS, as appropriate. Included in such costs are: staff time in the performance of such duties; costs and fees of consultants, attorneys, appraisers, title insurers and escrow; costs and fees in connection with the disposition of property(ies), such as unpaid and outstanding tax liens or judgments and other costs incurred in order to deliver merchantable title. Where possible, the Successor Agency is to recover costs at the time of close of escrow.

A) INTENT AND PURPOSE

A Request for Proposals ("RFP") will be prepared by the Successor Agency and posted to the City's website, and/or sent to developers or parties that have requested such RFPs, and other developers or parties at the Successor Agency's discretion. The number of properties as to which an RFP is requested is subject to the discretion of the Successor Agency.

B) PROPOSAL SUBMITTAL

1. Interested parties may submit a development proposal by the deadline specified in the RFP or other announcement.

2. Proposal requirements may include, but not be limited to, the following:
   a. The proposed total consideration for the property(ies) and information supporting the offer price;
   b. Any proposed alterations to the terms and conditions of sale;
   c. Construction and development pro forma, a detailed site plan, a business/operating plan, developer qualifications, experience and references, a narrative description of the market support for the proposed project, an operating pro forma, as applicable, and an explanation of the economic benefits of the proposed project to the City, other affected taxing agencies and the community;
   d. The proposed uses are to conform to the requirements, intent, goals, and objectives of the City General Plan/Zoning Ordinance, other applicable development standards, and other applicable federal, state and local laws, codes and regulations; and
   e. A statement that no financial assistance is being requested from any governmental agency in connection with the proposal, or a statement that financial assistance is being requested from a governmental agency in connection with the proposal, indicating the amount that will be requested, the anticipated timing for consideration of such request, and a description of any discretionary process required by the governmental agency from which assistance will be requested, together with an acknowledgment that conditioning a proposal upon receipt of assistance form a governmental agency may result in the rejection of such proposal.

3. Interested parties to provide such additional information as may be reasonably requested by Successor Agency.

4. Subsequent to review, applicants will be advised regarding the development proposals submitted complying with the requirements of the RFP or whether additional information is required.

C) PROPOSAL REVIEW

1. The Successor Agency will review all proposals received and determined by Successor Agency staff to be complete.

2. Among other things, the Successor Agency's review will consider the value of the asset in question being maximized as well as the proposal furthering the objectives of the City's General Plan.

3. Nothing in these Procedures prohibits the Successor Agency or the City from requiring information that is in addition to the foregoing or obligate the Successor Agency in selecting any proposal. Neither the City nor the Successor Agency will bear any responsibility for the costs associated with preparing and submitting a proposal.

D) NEGOTIATING AGREEMENTS

The City may enter into an Exclusive Right to Negotiate Agreement ("ERNA") with a selected project proponent. The purpose of the ERNA is to establish a time period during which the chosen applicant shall have the right to negotiate with the Successor Agency the terms and conditions of a sales and development contract. Therefore, a Disposition and Development Agreement may follow the ERNA, if applicable.

Exhibit B – Health & Safety Code

HSC § 34191.1, reads as follows:

The provisions of this chapter shall apply to a City upon that agency's receipt of a finding of completion by the Department of Finance pursuant to Section 34179.7.

HSC § 34191.3(a), reads as follows:

Notwithstanding Section 34191.1, the requirements specified in subdivision (e) of Section 34177 and subdivision (a) of Section 34181 shall be suspended, except as those provisions apply to the transfers for governmental use, until the Department of Finance has approved a long-range property management plan pursuant to subdivision (b) of Section 34191.5, 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 the department has not approved a plan by January 1, 2015, subdivision (e) of Section 34177 and subdivision (a) of Section 34181 shall be operative with respect to that City.

HSC § 34191.4, reads as follows:

The following provisions shall apply to any City that has been issued a finding of completion by the Department of Finance:

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

(b) (1) Notwithstanding subdivision (d) of Section 34171, upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created by the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

(2) For purposes of this section, "loan agreement" means any of the following: (A) Loans for money entered into between the former redevelopment agency and the city, county, or city and county that created the former redevelopment agency under which the city, county, or city and county that created the former redevelopment agency transferred money to the former redevelopment agency for use by the former redevelopment agency for a lawful purpose, and where the former redevelopment agency was obligated to repay the money it received pursuant to a required repayment schedule. (B) An agreement between the former redevelopment agency and the city, county, or city and county that created the former redevelopment agency under which the city, county, or city and county that created the former redevelopment agency transferred a real property interest to the former redevelopment agency for use by the former redevelopment agency for a lawful purpose and the former redevelopment agency was obligated to pay the city, county, or city and county that created the former redevelopment agency for the real property interest. (C) (i) An agreement between the former redevelopment agency and the city, county, or city and county that created the former redevelopment agency under which the city, county, or city and county that created the former redevelopment agency contracted with a third party on behalf of the former redevelopment agency for the development of infrastructure in connection with a redevelopment project as identified in a redevelopment project plan and the former redevelopment agency was obligated to reimburse the city, county, or city and county that created the former redevelopment agency for the payments made by the city, county, or city and county to the third party. (ii) The total amount of loan repayments to a city, county, or city and county that created the former redevelopment agency for all loan agreements described in clause (i) shall not exceed five million dollars ($5,000,000).

(3) If the oversight board finds that the loan is an enforceable obligation, any interest on the remaining principal amount of the loan that was previously unpaid after the original effective date of the loan shall be recalculated from the date of origination of the loan as approved by the

redevelopment agency on a quarterly basis, at a simple interest rate of 3 percent. The recalculated loan shall be repaid to the city, county, or city and county in accordance with a defined schedule over a reasonable term of years. Moneys repaid shall be applied first to the principal, and second to the interest. The annual loan repayments provided for in the recognized obligation payment schedules shall be subject to all of the following limitations:

(A) Loan repayments shall not be made prior to the 2013-14 fiscal year. Beginning in the 2013-14 fiscal year, the maximum repayment amount authorized each fiscal year for repayments made pursuant to this subdivision and paragraph (7) of subdivision (e) of Section 34176 combined shall be equal to one-half of the increase between the amount distributed to the taxing entities pursuant to paragraph (4) of subdivision (a) of Section 34183 in that fiscal year and the amount distributed to taxing entities pursuant to that paragraph in the 2012-13 base year, provided, however, that calculation of the amount distributed to taxing entities during the 2012-13 base year shall not include any amounts distributed to taxing entities pursuant to the due diligence review process established in Sections 34179.5 to 34179.8, inclusive. Loan or deferral repayments made pursuant to this subdivision shall be second in priority to amounts to be repaid pursuant to paragraph (7) of subdivision (e) of Section 34176.

(B) Repayments received by the city, county or city and county that formed the redevelopment agency shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Fund of the former redevelopment agency for purposes of the Supplemental Educational Revenue Augmentation Fund and shall be distributed to the Low and Moderate Income Housing Asset Fund established by subdivision (d) of Section 34176. Distributions to the Low and Moderate Income Housing Asset Fund are subject to the reporting requirements of subdivision (f) of Section 34176.1

(C) Twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to the Low and Moderate Income Housing Asset Fund, after all outstanding loans from the Low and Moderate Income Housing Fund for purposes of the Supplemental Educational Revenue Augmentation Fund have been paid. Transfers to the Low and Moderate Income Housing Asset Fund are subject to the reporting requirements of subdivision (f) of section 34176.1.

(c) (1) (A) Notwithstanding Section 34177.3 or any other conflicting provision of law, bond proceeds derived from bonds issued on or before December 31, 2010, in excess of the amounts needed to satisfy approved enforceable obligations shall thereafter be expended in a manner consistent with the original bond covenants. Enforceable obligations may be satisfied by the creation of reserves for projects that are the subject of the enforceable obligation and that are consistent with the contractual obligations for those projects, or by expending funds to complete the projects. An expenditure made pursuant to this paragraph shall constitute the creation of excess bond proceeds obligations to be paid from the excess proceeds. Excess bond proceeds obligations shall be listed separately on the Recognized Obligation Payment Schedule submitted by the successor agency. The expenditure of bond proceeds described in this subparagraph pursuant to an excess bond proceeds obligation shall only require the approval by the oversight board of the successor agency.

(B) If remaining bond proceeds derived from bonds issued on or before December 31, 2010, cannot be spent in a manner consistent with the bond covenants pursuant to subparagraph (A), the proceeds shall be used at the earliest date permissible under the applicable bond covenants to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

(2) Bond proceeds derived from bonds issued on or after January 1, 2011, in excess of the amounts needed to satisfy approved enforceable obligations, shall be used in a manner consistent with the original bond covenants, subject to the following provisions:

(A) No more than 5 percent of the proceeds derived from the bonds may be expended, unless the successor agency meets the criteria specified in subparagraph (B).

(B) If the successor agency has an approved Last and Final Recognized Obligation Payment Schedule pursuant to Section 34191.6, the agency may expend no more than 20 percent of the proceeds derived from the bonds, subject to the following adjustments:

(i) If the bonds were issued during the period of January 1, 2011, to January 31, 2011, inclusive, the successor agency may expend an additional 25 percent of the proceeds derived from the bonds, for a total authorized expenditure of no more than 45 percent.

(ii) If the bonds were issued during the period of February 1, 2011, to February 28, 2011, inclusive, the successor agency may expend an additional 20 percent of the proceeds derived from the bonds, for a total authorized expenditure of no more than 40 percent.

(iii) If the bonds were issued during the period of March 1, 2011, to March 31, 2011, inclusive, the successor agency may expend an additional 15 percent of the proceeds derived from the bonds, for a total authorized expenditure of no more than 35 percent.

(iv) If the bonds were issued during the period of April 1, 2011, to April 30, 2011, inclusive, the successor agency may expend an additional 10 percent of the proceeds derived from the bonds, for a total authorized expenditure of no more than 30 percent.

(v) If the bonds were issued during the period of May 1, 2011, to May 31, 2011, inclusive, the successor agency may expend an additional 5 percent of the proceeds derived from the bonds, for a total authorized expenditure of no more than 25 percent.

(C) Remaining bond proceeds that cannot be spent pursuant to subparagraphs (A) and (B) shall be used at the at the earliest date permissible under the applicable bond covenants to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

(D) The expenditure of bond proceeds described in this paragraph shall only require the approval by the oversight board of the successor agency.

(3) If a successor agency provides the oversight board and the department with documentation that proves, to the satisfaction of both entities, that bonds were approved by the former redevelopment agency prior to January 31, 2011, but the issuance of the bonds was delayed by the actions of a third-party metropolitan regional transportation authority beyond January 31, 2011, the successor agency may expend the associated bond proceeds in accordance with clause (i) of subparagraph (B) of paragraph (2) of this section.

(4) Any proceeds derived from bonds issued by a former redevelopment agency after December 31, 2010, that were issued, in part, to refund or refinance tax-exempt bonds issued by the former redevelopment agency on or before December 31, 2010, and which are in excess of the amount needed to refund or refinance the bonds issued on or before December 31, 2010, may be expended by the successor agency in accordance with clause (i) of subparagraph (B) of paragraph (2) of this section. The authority provided in this paragraph is conditioned on the successor agency providing to its oversight board and the department the resolution by the former redevelopment agency approving the issuance of the bonds issued after December 31, 2010.

(d) This section shall apply retroactively to actions occurring on or after June 28, 2011. The amendment of this section by the act adding this subdivision shall not result in the denial of a loan under subdivision (b) that has been previously approved by the department prior to the effective date of the act adding this subdivision. Additionally, the amendment of this section by the act adding this subdivision shall not impact the judgments, writs of mandate, and orders entered by the Sacramento Superior Court in the following lawsuits: (1) City of Watsonville v. California Department of Finance, et al. (Sac. Superior Ct. Case No. 34-2014-80001910); (2) City of Glendale v. California Department of Finance, et al. (Sac. Superior Ct. Case No. 34-2014-80001924).

HSC § 34191.5, reads as follows:

(a) There is hereby established a Community Redevelopment Property Trust Fund, administered by the City, to serve as the repository of the former redevelopment agency's real properties identified in

subparagraph (C) of paragraph (5) of subdivision (c) of Section 34179.5.

(b) The successor agency shall prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency. If the former redevelopment agency did not have real properties, the successor agency shall prepare a long-range property management plan certifying that the successor agency does not have real properties of the former redevelopment agency for disposition or use. The plan shall be submitted to the oversight board and the Department of Finance for approval no later than six months following the issuance to the successor agency of the finding of completion.

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

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

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

(B) The purpose for which the property was acquired.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

(2) Address the use or disposition of all of the properties in the trust. Permissible uses include the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, the retention of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

(A) (i) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

(ii) For purposes of this subparagraph, the term "identified in an approved redevelopment plan" includes properties listed in a community plan or a five-year implementation plan.

(iii) The department or an oversight board may require approval of a compensation agreement or agreements, as described in subdivision (f) of Section 34180, prior to any transfer of property pursuant to this subparagraph, provided, however, that a compensation agreement or agreements may be developed and executed subsequent to the approval process of a long-range property management plan.

(B) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subparagraph (A), the proceeds

from the sale shall be distributed as property tax to the taxing entities.

(C) Property shall not be transferred to a Successor Agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

(D) The department shall only consider whether the long-range property management plan makes a good faith effort to address the requirements set forth in subdivision (c).

(E) The department shall approve long-range property management plans as expeditiously as possible.

(F) Actions to implement the disposition of property pursuant to an approved long-range property management plan shall not require review by the department.

Note: HSC § 34191.2 does not exist and therefore is not included above.

Exhibit C – DOF Finding of Completion

DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

October 18, 2013

Mr. Hector Rodriguez, City Manager
City of Cudahy
5220 Santa Ana Street
Cudahy, CA 90201

Dear Mr. Rodriguez:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Cudahy Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).

- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Angela Bustamante, City Clerk, City of Cudahy
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office

Exhibit D – Resolution of the Oversight Board

Exhibit E – Resolution of the Successor Agency

Exhibit F – Assessor Parcel Maps

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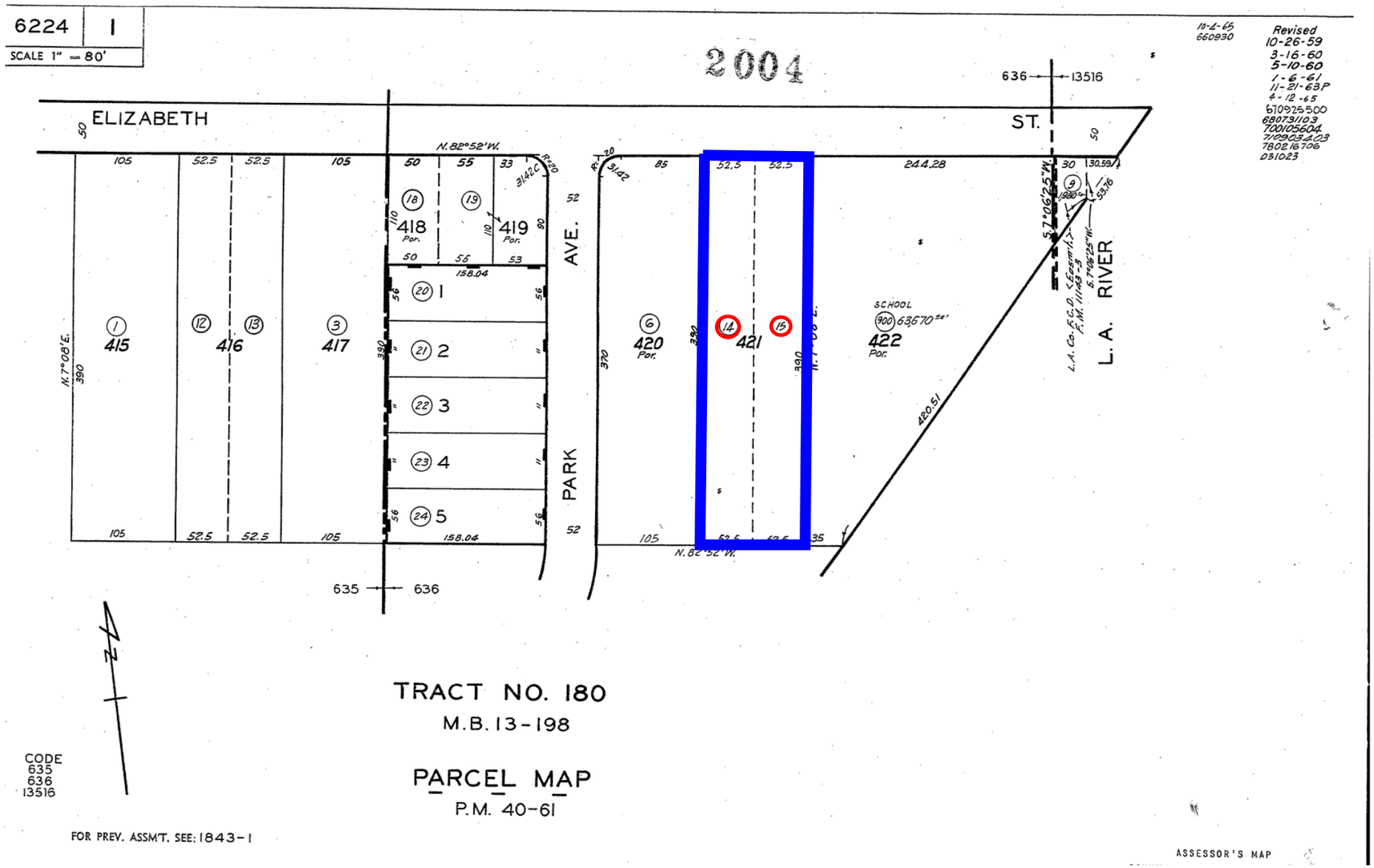
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L. A. RIVER
SCHOOL
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PARCEL MAP
P.M. 40-61
CODE
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FOR PREV. ASSM'T. SEE: 1843-1
ASSESSOR'S MAP

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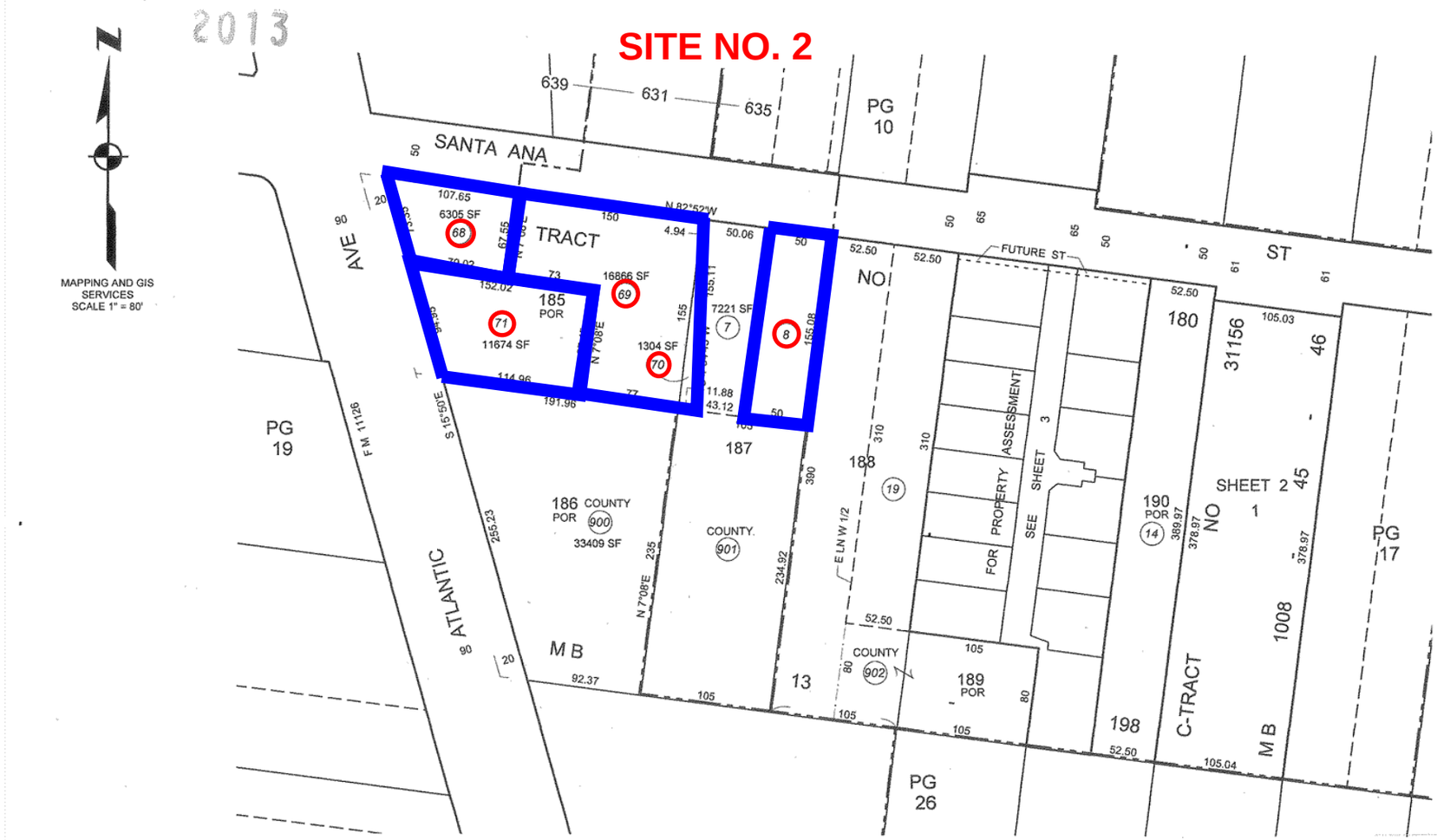

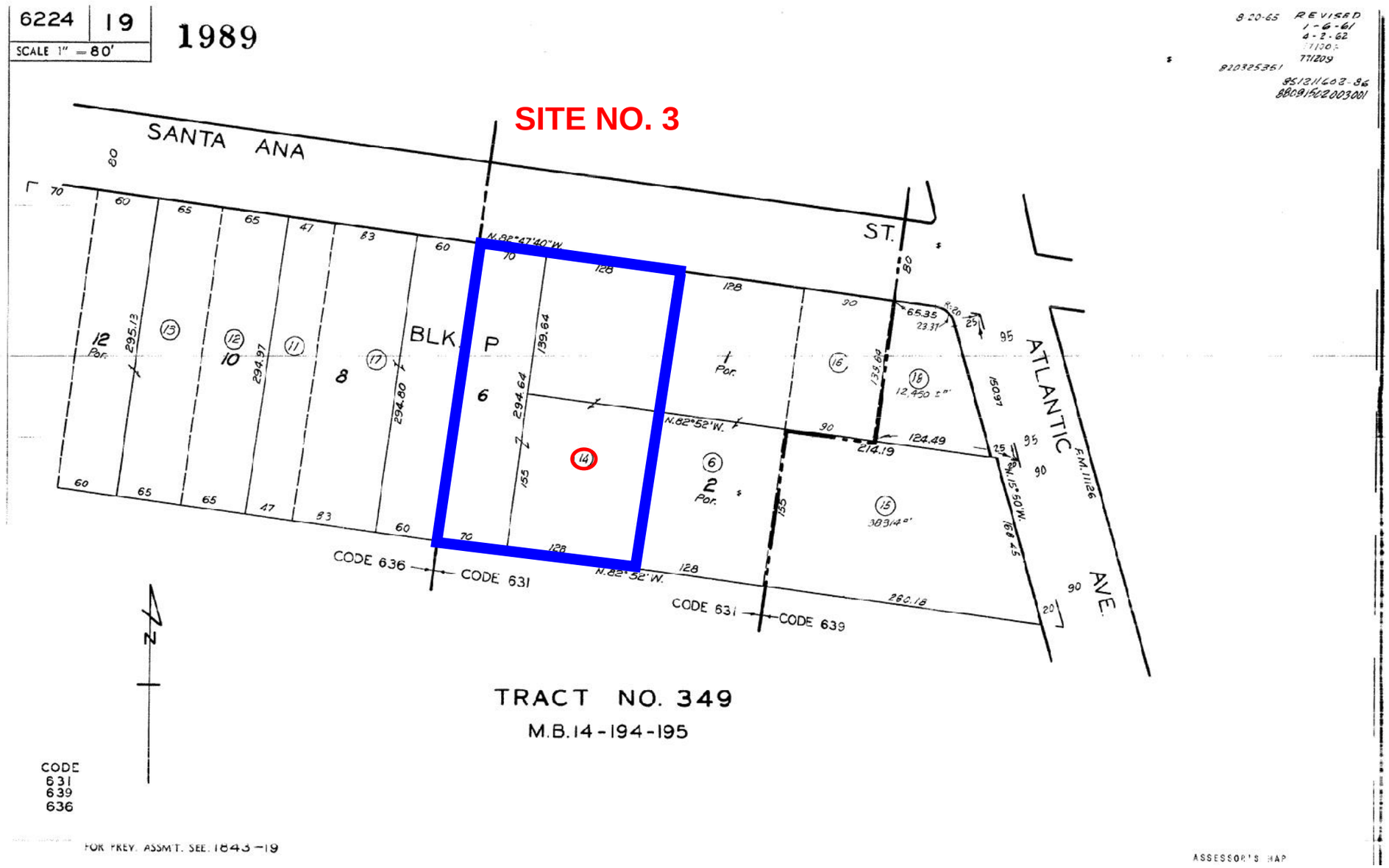
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FOR PREV. ASSM'T. SEE. 1843-19
ASSESSOR'S MAP

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SCALE 1" = 80'

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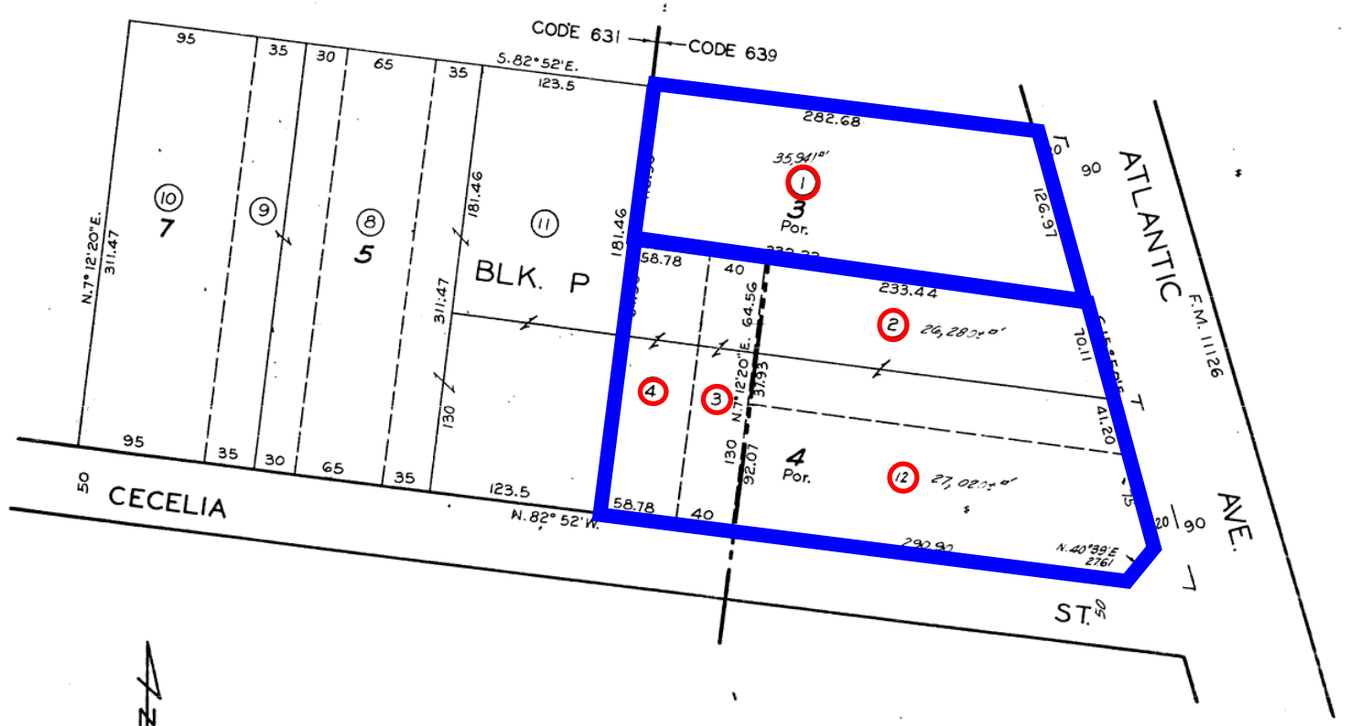

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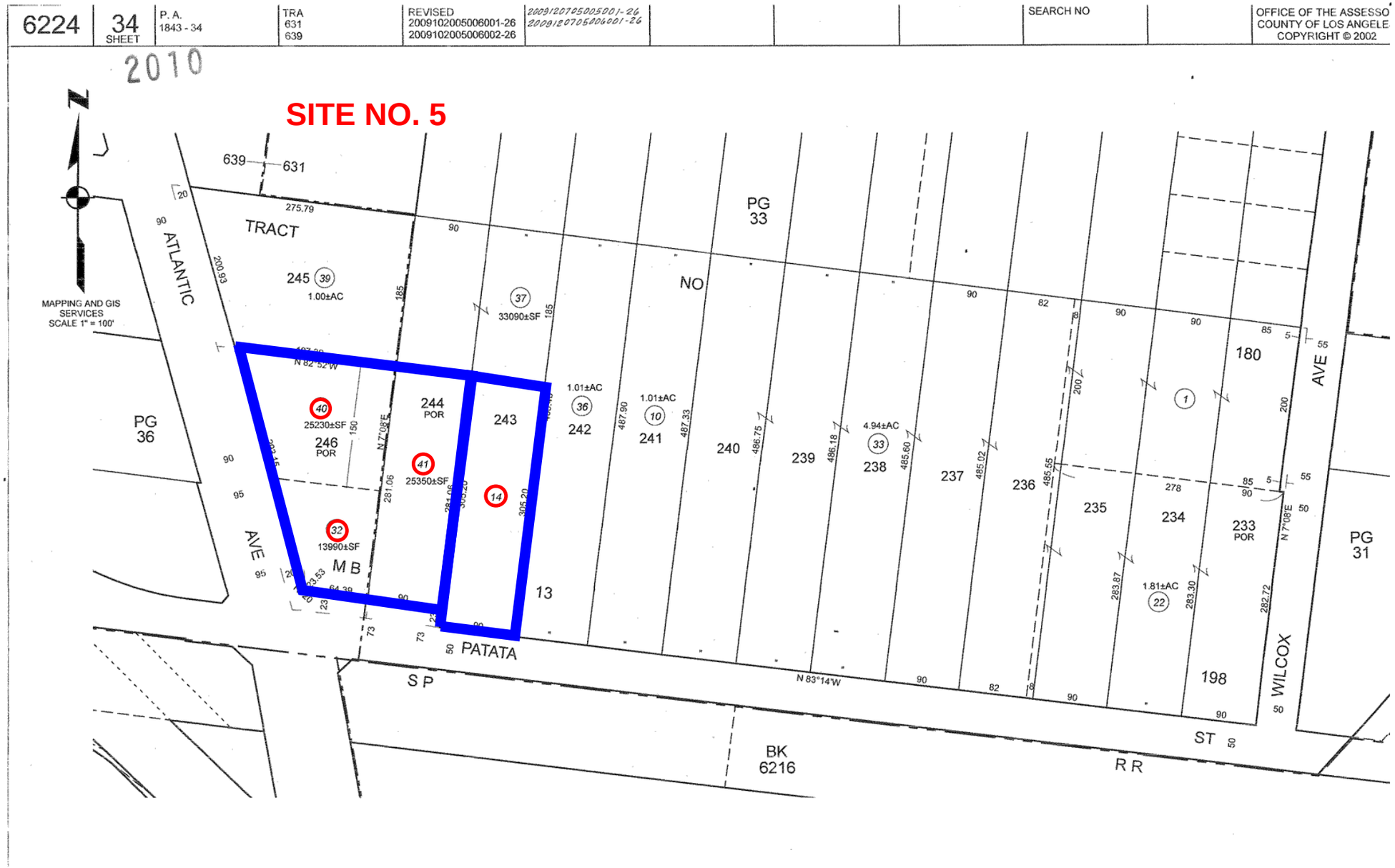
FOR PREV. ASSM'T. SEE: 1843-22

ASSESSOR'S MAP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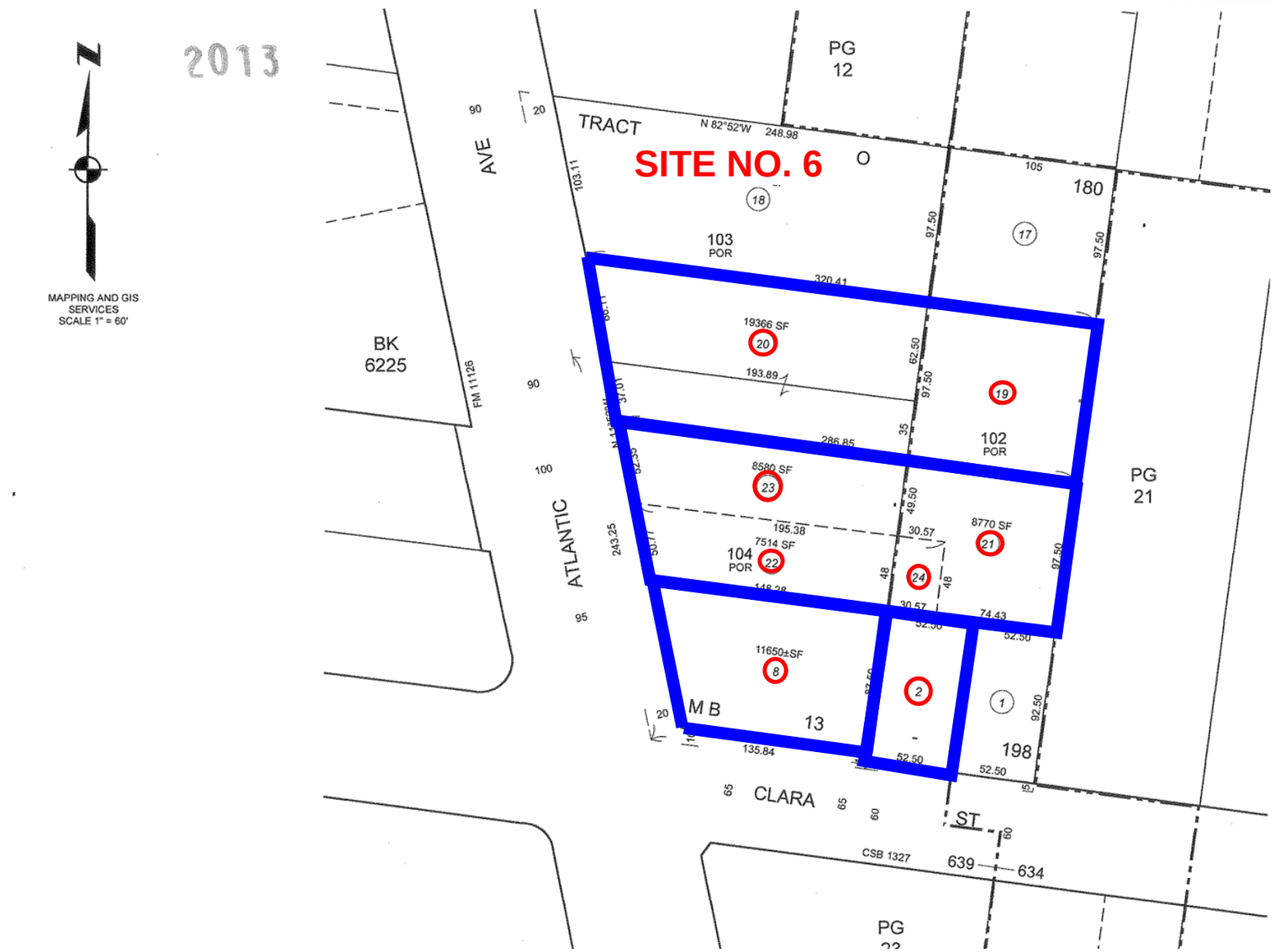
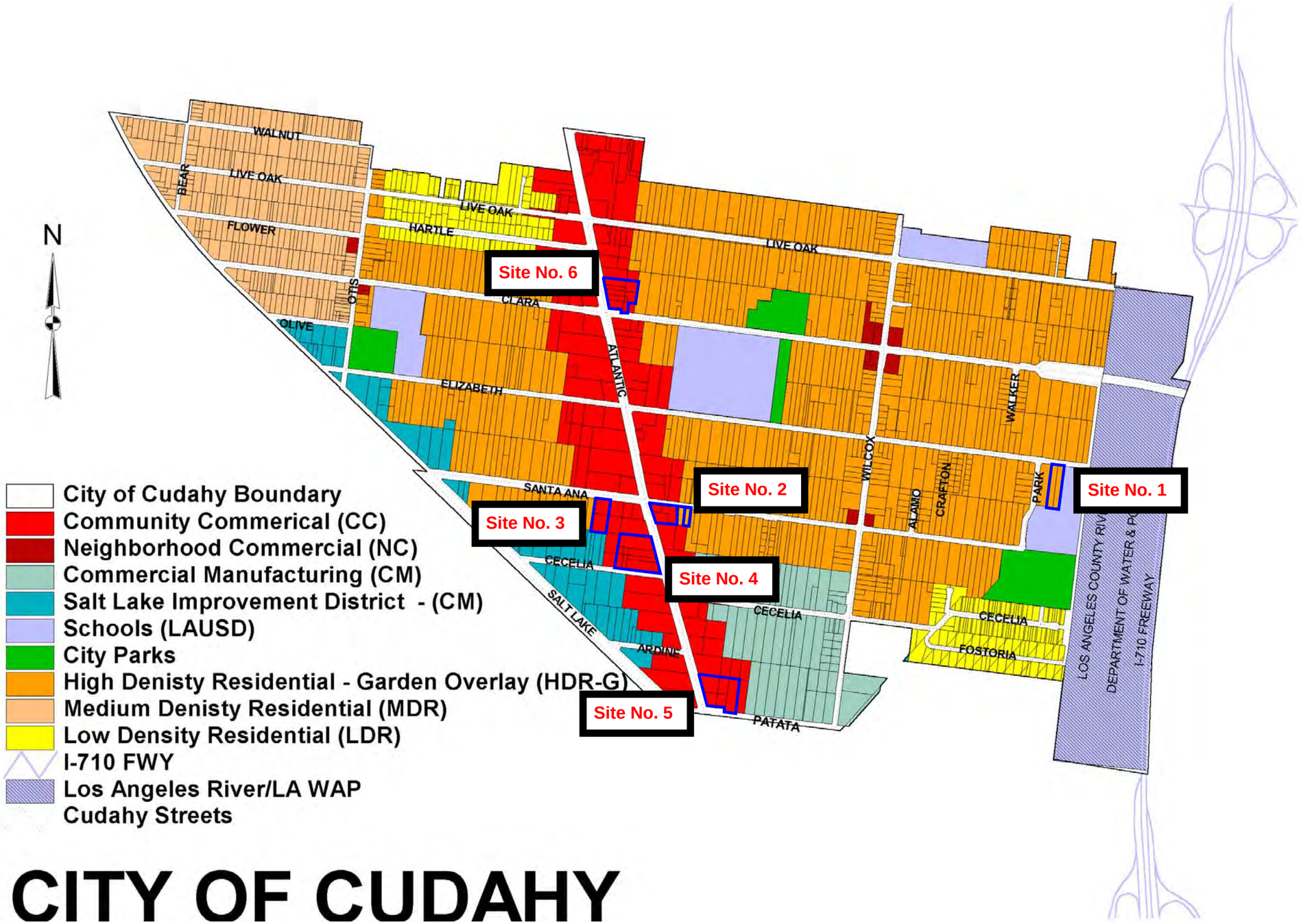


Exhibit G – Zoning Information



CITY OF CUDAHY