



REVISED

October 7, 2014

Mr. Steve Valenzuela, Chief Executive Officer and Chief Financial Officer  
CRA/LA – A Designated Local Authority  
448 South Hill Street, Suite 1200  
Los Angeles, CA 90017

Dear Mr. Valenzuela:

Subject: Long-Range Property Management Plan

This letter supersedes the California Department of Finance's (Finance) Long-Range Property Management Plan (LRPMP) letter dated October 3, 2014. A revision is necessary to clarify certain information. Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of Los Angeles Successor Agency (Agency) submitted a LRPMP to Finance on November 27, 2013. The Agency subsequently submitted a revised LRPMP to Finance on August 25, 2014. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on September 10, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. Our approval of the LRPMP also took into account the following:

- It is our understanding that although the LRPMP identifies multiple properties for transfer to the City of Los Angeles (City) for future development, through the City's execution of Option Agreements, the final disposition of the properties will be "sale of property". The properties will be sold at fair market value and proceeds received from the sale of such properties will be used to satisfy outstanding enforceable obligations or remitted to the Los Angeles County Auditor-Controller for distribution to the affected taxing entities.
- The LRPMP categorizes properties identified as "sale of property" into different disposition strategies. Specifically, the disposition strategy Category K will be assigned to properties in which, after attempts to sell the property have failed, the Agency may contact the adjacent property owner(s) to solicit interest in accepting an "As Is" deed to transfer the property for zero value. Finance notes that while we do not object to the sale of these properties, HSC section 34177 (e) requires successor agencies to dispose of assets in a manner aimed at maximizing value.
- Finance is approving the sale of properties located at 4650 N. Armour Avenue (CRA/LA ID 197), 4604 N. Armour Avenue (CRA/LA ID: 204), and 4500 E. Via Marisol (CRA/LA ID 205). However, if the Agency elects to change the final dispositions to its contingency

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disposition option noted in the LRPMP, future approval should be obtained by the Oversight Board (OB).

- OB Resolution No. 14-13 approving the revised LRPMP also approved Option Agreements to sell property located at 220 S. Hope Street (CRA/LA ID 246A) and 250 S. Grand Avenue (CRA/LA ID 244). The Agency must provide a separate OB action approving the eventual purchase and sale agreements for these properties.

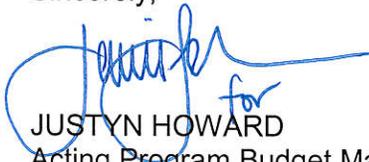
Further, during our review, we noted that the correct parcel numbers for the property located at 4347 W. Adams Boulevard and 4337 W. Adams Boulevard (CRA/LA ID 100) should be 5059-003-900 and 5059-003-901.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Agency actions taken pursuant to a Finance approved LRPMP which requires the Agency to enter into a new agreement are subject to OB approval per HSC section 34181 (f). Any OB action approving a new agreement in connection with the LRPMP should be submitted to Finance for approval.

Please direct inquiries to Cindie Lor, Supervisor, or Veronica Green, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD

Acting Program Budget Manager

cc: Mr. De Dinh, Acting Senior Accountant, CRA/LA – Designated Local Authority  
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County  
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State  
Controller's Office  
California State Controller's Office