

RESOLUTION NO. 18-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE APPROVING SETTLEMENT AGREEMENTS IN CONNECTION WITH THE CASES OF LAUSD V. COUNTY OF LOS ANGELES ET AL., BS 108180, MUSD V. COUNTY OF LOS ANGELES ET AL., BS 127286; LACCD V. COUNTY OF LOS ANGELES ET AL., BS 130308 AND APPROPRIATION OF SETTLEMENT FUNDS

WHEREAS, on or about March 29, 2007, the Los Angeles Unified School District ("LAUSD") filed a lawsuit in the Superior Court of Los Angeles County captioned *LAUSD v. County of Los Angeles et al.*, BS 108180 ("the LAUSD Action"), in which that school district, among other things, (i) alleged it received a legally insufficient share of AB 1290 redevelopment pass-through payments, (ii) alleged that amounts it was entitled to, beginning with the relevant limitations period of FY 2003-04 through and continuing after the petition filing, were instead distributed, improperly, to among others, city Real Parties in Interests, and (iii) sought a writ of mandate compelling the County of Los Angeles and various former redevelopment agencies to pay the full amount of redevelopment pass-through payments owed to that district under Health and Safety Code sections 33607.5 and 33607.7 ("Pass-through Payments");

WHEREAS, on or about July 7, 2010, the Montebello Unified School District ("MUSD") filed a lawsuit in the Superior Court of Los Angeles County captioned *MUSD v. County of Los Angeles et al.*, BS 127286 ("the MUSD Action"); and on or about January 1, 2011, the Los Angeles Community College District ("LACCD") filed a lawsuit in the Superior Court of Los Angeles County captioned *LACCD v. County of Los Angeles et al.*, BS 130308, and in each case the respective school district raised allegations and sought writ of mandate relief similar to that in the LAUSD Action;

WHEREAS, the lawsuits referenced in the preceding paragraphs and respectively brought by MUSD, LACCD, and MUSD (collectively the "LEA Petitioners") all posit the same legal theories as those raised in BS 108180 and all three lawsuits were formally related by the Superior Court ("Related Cases" or the "Litigation");

WHEREAS, evidence was received, a trial took place and judgment issued in the Litigation;

WHEREAS, the Court of Appeal reversed the trial court's rulings, and issued two opinions in favor of appellant LAUSD regarding the proper calculation of redevelopment pass-through payments under Health and Safety Code §§ 33607.5 and 33607.7 ("Pass-through Payments"), which decisions are reported at *LAUSD v. County of Los Angeles* (2010) 181 Cal.App.4th 414 and *LAUSD v. County of Los Angeles* (2013) 217 Cal.App.4th 597 (the "Appellate Opinions");

WHEREAS, the LEA Petitioners and the County reached agreement regarding the proper methods for the calculation of Pass-through Payments to give effect to the rule of law announced in the Appellate Opinions and to the other orders and rulings of the Superior Court in the Related Cases (the "Calculation Methods");

WHEREAS, in furtherance of this settlement of the Litigation, and in recognition of the good faith efforts made in its negotiation, LEA Petitioners and City, have also agreed to compromise

their respective positions regarding the amounts, process, sources, and timing of payment of Settlement Damages, as reflected in the terms of this Settlement Agreement;

WHEREAS, the County acknowledged the above described compromises and is willing to help effectuate payment by City of the compromised sums allocated under this Settlement Agreement as further set forth herein; and

WHEREAS, the LEA Petitioners have compromised its ability to obtain the full and fair measure of the retrospective and prospective Pass-through Payments due to it under the law, but is nonetheless willing to enter into this Settlement Agreement in consideration for the agreement by City to effect payment of the sums due pursuant to this Settlement Agreement according to the procedure specified below, and in order to facilitate and expedite a global resolution of the Litigation.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

SECTION 1. The City Council hereby finds and determines that the foregoing recitals are true and correct, constitute a material part of this Resolution, and therefore incorporate them herein in their entirety as part of the findings.

SECTION 2. The City Council of the City of Commerce hereby approves the settlement agreements by and between the City of Commerce and the Los Angeles Unified School District, Montebello Unified School District, and Los Angeles Community College District in substantially the same form as attached to the staff report accompanying this Resolution.

SECTION 3. The City Council hereby appropriates the amount of Sixty-Four Thousand Eight Hundred and Sixty-Two Dollars and Thirty-Five Cents (\$64,862.35) from the City's unencumbered General Fund for the payment under the Settlement Agreements.

SECTION 4. The City Council hereby authorizes the Mayor to execute the settlement agreements along with all documents reasonably necessary to effectuate the intent of this Resolution.

SECTION 5. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions and it shall become effective immediately upon its approval.

PASSED, APPROVED AND ADOPTED THIS 6th day of January 2018.

Oralia Y. Rebollo
Mayor

ATTEST:

Lena Shumway, City Clerk