

**REGULAR MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE FORMER MADERA REDEVELOPMENT AGENCY**

Monday, March 18, 2013

9:00 a.m. – Regular Session

City of Madera City Hall – Council Chambers
205 West Fourth Street, Madera, California

Action/Summary Minutes

1. CALL TO ORDER – REGULAR SESSION

Meeting called to order by Chairperson Brett Frazier at 9:00 a.m.

ROLL CALL

Board Members Present:

Brett Frazier, Chairperson

Stell Manfredi, Vice-Chairperson

Ric Arredondo, Board Member (arrived following the Roll Call at 9:04 a.m.)

Max Rodriguez, Board Member (arrived following the Roll Call at 9:13 a.m.)

Donald Horal, Board Member

Dr. Cecilia Massetti, Board Member

Bob Wilson, Board Member

Successor Agency Staff Members Present:

Successor Agency Executive Director Jim Taubert, General Counsel Brent Richardson, and Successor Agency Secretary Sandi Brown.

The Pledge of Allegiance was led by Chairperson Brett Frazier.

PUBLIC COMMENT

The first fifteen minutes of the meeting are reserved for members of the public to address the Board on items which are within the subject matter jurisdiction of the Board. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Chairperson has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Board is prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Board does not respond to public comment at this time.

Chairperson Frazier opened the public comment portion of the meeting. There being no comments offered, the public comment portion of the meeting was closed.

2. CONSENT CALENDAR

2.1 Minutes of the Regular Meeting of the Oversight Board for February 19, 2013

Action: Approval of the Consent Calendar item as presented.

Moved by: Board Member Manfredi; seconded by Board Member Wilson.

Vote: 5/0. Ayes: Board Members Frazier, Manfredi, Horal, Massetti, and Wilson; Noes: None; Absent: Board Members Arrendondo and Rodriguez.

3. PRESENTATIONS/ADMINISTRATIVE REPORTS

3.1 Update on Legislative Activities Related to Redevelopment

Agency Secretary Sandi Brown announced that members of the public are advised that per Government Code 54957.5 copies of the attachment to the staff report for Item 3.1 were distributed less than 72 hours prior to the meeting and additional copies are available from her following the meeting.

Summary of staff report: Successor Agency Executive Director Jim Taubert presented the staff report noting the attachment to the staff report contains a brief description on legislation that has been introduced that primarily deals with infrastructure and bills clarifying the role of the Department of Finance. He noted the

only two bills to advance so far are SB 1 (Steinberg) and SB 33 (Wolk), which were heard in committee last week and passed out of committee by a unanimous vote. Mr. Taubert advised that he will keep the members of the Oversight Board informed as bills progress through the legislative session. Discussion followed.

Informational staff report only – no formal action required.

Note: For the record, Board Member Ric Arredondo arrived at 9:04 a.m.

4. NEW BUSINESS

4.1 Consideration of a Resolution Approving a Purchase and Sales Agreement for Property Located at 300 South 'G' Street (APN 010-162-001)

Summary of staff report: Successor Agency Executive Director Jim Taubert presented the staff report advising this action was approved by the Successor Agency at their meeting on Wednesday, March 13, 2013. Mr. Taubert advised that the former Madera Redevelopment Agency (RDA) entered into a Memorandum of Understanding (MOU) in 2008 with Madera County relative to the courthouse project that resulted in the County transferring title of the County garage and IT building to the RDA, creating an enforceable obligation in the amount of \$880,000 that was based upon the appraised value of the property transferred as defined in the MOU. The RDA demolished the structures and transferred title to the State of California for the courthouse project. The County directed that the obligation be applied to the acquisition of property to accommodate the future offices of the District Attorney and the Probation Department. The Successor Agency to the former RDA is obligated, per the terms of the MOU, to acquire the property. He explained this property is located at 300 South 'G' Street, is currently owned by a local church, and is key because of its size and location relative to the new courthouse. Discussion followed.

Action: Adopted Resolution No. OB 13-04, approving a purchase and sales agreement for property located at 300 South 'G' Street (APN 010-162-001)

Moved by: Board Member Wilson; seconded by Board Member Manfredi.

Vote: 6/0. Ayes: Board Members Frazier, Manfredi, Horal, Massetti, Wilson and Arredondo; Noes: None; Absent: Board Member Rodriguez. (*Board Member Ric Arredondo arrived at 9:04 a.m. and participated in the vote.*)

Note: For the record, Board Member Max Rodriguez arrived at 9:13 a.m.

4.2 Consideration of a Resolution Authorizing Payment of Certain Enforceable Obligations from Sources Other Than Those Listed on the Recognized Obligation Payment Schedule for the Period July 1, 2012 through December 31, 2012 (ROPS II)

Summary of staff report: Successor Agency Executive Director Jim Taubert presented the staff report noting that staff has been communicating with Department of Finance (DOF) staff over the past few days relative to our ROPS II and III. He explained that the Agency has five (5) different ways to fund projects including Bond Proceeds, Reserve Balances, Administrative Allowance, RPTTF and Grants. He said DOF has indicated that when we submitted our ROPS II certain obligations were shown as being funded with RPTTF, and should have been shown as being funded with our Reserve fund. He said that staff's conversations with DOF have centered on how to correct the error. He advised that DOF is threatening to take a lot of our Reserve funds, which are necessary to make our bond payments and would leave only Bond Proceeds to pay off our bonds. Mr. Taubert stated that would trigger a bond default. He noted that DOF's response to staff was that the Agency had other options to make the Bond payment, such as getting a loan from the City, restructuring our current debt, or withholding pass-thru payments. Mr. Taubert noted that DOF by acknowledging this is putting our ability to retire bonds at risk, and is basically saying it's a local problem – not their problem. Mr. Taubert advised staff is requesting DOF to allow us to move the funds from the RPTTF to the Reserve fund so that we can meet our bond payment and won't be forced to consider the unlikely options presented by DOF, such as obtaining a loan from the City. Mr. Taubert indicated that DOF has said it's too late to fix ROPS II; we can only make changes to the ROPS III. However, staff's recommendation is to proceed with the request to correct funding sources for both ROPS II and ROPS III; move to Meet and Confer if need be and litigation if necessary. Chairperson Frazier called for questions. Discussion followed.

Action: Adopted Resolution No. OB 13-05, approving the payment of certain enforceable obligations from sources other than those listed on the Recognized Obligation Payment Schedule for the period July 1, 2012 through December 31, 2012 (ROPS II).

Moved by: Board Member Arredondo, seconded by Board Member Manfredi.

Vote: 7/0. Ayes: Board Members Frazier, Manfredi, Horal, Massetti, Wilson, Arredondo and Rodriguez; Noes: None; Absent: None. (*Board Member Max Rodriguez arrived at 9:13 a.m. and participated in the vote.*)

4.3 Consideration of a Resolution Authorizing Payment of Certain Enforceable Obligations from Sources Other Than Those Listed on the Recognized Obligation Payment Schedule for the Period January 1, 2013 through June 30, 2013 (ROPS III)

Summary of staff report: Successor Agency Executive Director Jim Taubert presented the staff report noting this is the same action as that presented in Item 4.2 except it is related to the ROPS III. Chairperson Frazier called for questions. Discussion followed.

Action: Adopted Resolution No. OB 13-06, approving the payment of certain enforceable obligations from sources other than those listed on the Recognized Obligation Payment Schedule for the period January 1, 2013 through June 30, 2013 (ROPS III).

Moved by: Board Member Arredondo; seconded by Board Member Massetti.

Vote: 7/0. Ayes: Board Members Frazier, Manfredi, Horal, Massetti, Wilson, Arredondo and Rodriguez; Noes: None; Absent: None.

5. GENERAL

There are no items for this section.

6. BOARD MEMBER REPORTS

No reports were offered.

7. ADJOURNMENT

The meeting was adjourned at 9:26 a.m.

Sandi Brown, Agency Secretary

Brett Frazier, Chairperson

/sb

REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY

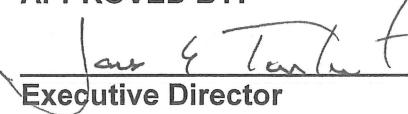
BOARD MEETING OF:

April 15, 2013

AGENDA ITEM NUMBER:

2.2

APPROVED BY:


Luis E. Tantum
Executive Director

Subject: Consideration of a Resolution Approving the Rescission of Resolution No. OB 13-04 in its Entirety and Approving an Amended Agreement for the Purchase and Sales Agreement for 300 South "G" Street (APN 010-162-001)

Summary: The Oversight Board will consider a resolution approving the rescission of Resolution No. OB 13-04 and approving an amended Purchase and Sales Agreement for property at 300 South 'G' Street. Following the approval by the Successor Agency and Oversight Board at their March meetings, a third trustee on title, Celia Gonzalez, was revealed by the title company. The three property owners are Celia Gonzalez, Silviano Gonzalez and Martin Andrade, as Trustees and Constituting the Local Board of Trustees of the Inglesia De Dios De Madera Church of God. The sales price is \$310,000.00.

HISTORY/BACKGROUND

This action was approved by the Successor Agency on March 13, 2012 and by the Oversight Board on March 18, 2013. During the escrow process, the title company discovered a third trustee listed on the Church of God Warranty Deed that was not included on the original preliminary title report. Consequently, the resolution and agreement approved by both boards at their March meetings were not accurate and need to be rescinded and an amended agreement approved.

SITUATION

The Successor Agency approved rescinding Resolution No. SA 13-05 and the amendment of the Purchase and Sales Agreement at their meeting on April 10, 2013. The Oversight Board is being asked to approve the rescission of Resolution No. OB 13-04 and approve the amended Purchase and Sales Agreement.

The Department of Finance, through the attached e-mail, indicated that they may be requesting additional information on this item.

RECOMMENDATION

Staff recommends the Oversight Board adopt the resolution approving the rescission of Resolution No. OB 13-04 and approve the amended Purchase and Sales Agreement for the acquisition of property located at 300 South 'G' Street.

JET:sb

Attachments:

- Resolution
- Copy of Amended Agmt for Purchase/Sale of Real Property
- March 26, 2013 DOF E-mail

RESOLUTION NO. OB

RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA, CALIFORNIA, APPROVING THE RESCISSION OF RESOLUTION NO. OB 13-04 IN ITS ENTIRETY AND APPROVING AN AMENDED AGREEMENT WITH SILVIANO GONZALEZ, CELIA GONZALEZ, AND MARTIN ANDRADE, AS TRUSTEES AND CONSTITUTING THE LOCAL BOARD OF TRUSTEES OF THE INGELSIA DE DIOS DE MADERA CHURCH OF GOD, FOR THE PURCHASE OF REAL PROPERTY LOCATED AT 300 SOUTH 'G' STREET, IN THE CITY OF MADERA

WHEREAS, Silviano Gonzalez, Celia Gonzalez, and Martin Andrade, as Trustees and constituting the Local Board of Trustees of the Inglesia De Dios De Madera Church of God, have offered for sale to the City of Madera, as Successor Agency to the former Madera Redevelopment Agency (the "Agency"), 1 parcel of land (the "Property") in the City of Madera; and

WHEREAS, the Property is more specifically described in the Amended Agreement For Purchase and Sale of Real Property and Escrow Instructions (the "Agreement") on file in the Office of the Agency Executive Director and referred to for more particulars; and

WHEREAS, the purchase price of \$310,000.00 to be paid for the Property under the terms of the Amended Agreement exceeds fifteen (15%) of the fair market value of the Property; and

WHEREAS, the subject property is found to be an essential and important acquisition to accomplish the public purposes of the Successor Agency, and the purchase thereof at the designated price is in the best interests of the Successor Agency; and

WHEREAS, the project for which the Property is being acquired is in the best interest of the Successor Agency, and the City, and is consistent with the general plan and is found to be categorically exempt pursuant to Sections 15303 of the California Environmental Quality Act

Guidelines; and

WHEREAS, the use of the Property will be for redevelopment purposes, and to eliminate blight and is consistent with the General Plan of the City of Madera.

WHEREAS, the Successor Agency rescinded Resolution No. SA 13-05 in its entirety at a regular meeting held on April 10, 2013.

WHEREAS, the Oversight Board to the Successor Agency desires to approve the rescission of Resolution OB 13-04 in its entirety.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY hereby finds, determines, resolves and orders as follows:

1. The above recitals are true and correct.
2. The Oversight Board has reviewed and considered the proposed Amended Agreement as presented by the Successor Agency to the former Madera Redevelopment Agency.
3. The proposed Amended Agreement as presented by the Successor Agency to the former Madera Redevelopment Agency is hereby approved.
4. The rescission of Resolution OB 13-04 in its entirety is hereby approved.
5. This resolution is effective immediately upon adoption.

* * * * *

COPY

AMENDED AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS

Silviano Gonzalez, Celia Gonzalez, and Martin Andrade, as Trustees and constituting the Local Board of Trustees of the Inglesia De Dios De Madera Church of God, as trustees called the "Seller," without regard to number or gender, hereby agrees to sell to the CITY OF MADERA AS SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY, a public body, corporate and politic, hereinafter called the "Agency," the real property described in Exhibit "A" attached hereto and incorporated herein by reference.

1. The purchase price for the Subject Property shall be the sum of Three Hundred and Ten Thousand and no/one hundredths dollars (\$310,000.00) as just compensation therefor.
2. Seller warrants that the Subject Property has been offered for sale and that it is not being acquired under threat of condemnation.
3. Seller represents and warrants that they have the authority to make the agreement herein made, and that they hold fee title to the Subject Property.
4. The sale shall be completed through an escrow to be opened by Chicago Title Company, 1653 North Schnoor Avenue, Suite 107, Madera, CA 93637 (the "Title Company"). Said escrow shall be opened upon the following terms and conditions, and Seller and Agency by their signature to this Agreement make this section their escrow instructions:

- a. It is the intent of the parties to this Agreement that the Seller will place into escrow a grant deed to the Subject Property in favor of the Agency. The Agency will place into escrow, funds in the amount of the Purchase Price and any costs to be paid by the Agency.
- b. The escrow fee, cost of policy of title insurance, recording fees (if any), and all other closing costs shall be paid by Agency. Seller will pay any cost to clear the title to the Subject Property prior to the recording of the grant deed conveying the property to the Agency as well as any real estate agent's commission.
- c. Agency shall deposit the sums specified in Paragraph 1 of this Agreement together with an amount equal to its share of the closing costs in escrow upon receipt of a demand and statement from Title Company therefor.
- d. Seller shall deposit a duly executed grant deed sufficient to convey to Agency marketable fee simple title to the Subject Property free and clear of all recorded and unrecorded deeds of trusts, liens, encumbrances, assessments, easements, leases, and taxes EXCEPT:
 - (1). Quasi-public utility, public alley, public street easements, and rights of way of record.
- e. It is understood that Seller shall be responsible for the payment of all current, delinquent and unpaid taxes, penalties, redemptions, and costs allocable to the Subject Property for all periods prior to close of escrow. Any taxes which have been paid by Seller, prior to opening of this escrow, shall not be prorated between Buyer and Seller. There will be no reimbursement of any taxes to Seller.
- f. Disbursements to be in the amounts, at the times, and in all respects in

accordance with the terms and conditions and subject to the limitations of this Agreement.

g. Seller shall provide a duly executed grant deed and Agency shall submit to Title Company the amounts required to be paid by Agency, and Title Company shall record the grant deed in favor of the Agency within 30 days from the date of this Agreement. Should a party not be able to comply with the terms of this Agreement and escrow instructions and the property is not conveyed within said period of time, a fifteen day extension for compliance with the terms of escrow may be granted by the other party hereto. Such extension in order to be effective must be in writing and filed with the Title Company before the expiration of the time of performance and terms of escrow required herein.

5. Seller shall vacate the property immediately upon close of escrow and Agency shall have the immediate right of possession of such property.

6. Seller warrants that there are no tenants on the Subject Property pursuant to any lease agreement or on a month to month tenancy.

7. Seller hereby grants to Agency, or its authorized agents, permission to enter upon the Subject Property at all reasonable times prior to close of escrow for the purpose of making necessary or appropriate inspections.

8. Loss or damage to the Subject Property or any improvements thereon, by fire or other casualty, occurring prior to the recordation of the Deed shall be at the risk of Seller. In the event that loss or damage to the Subject Property or any improvements thereon, by fire or other casualty, occurs prior to the recordation of the Deed, Agency may elect to require that the Seller pay to Agency the proceeds of any insurance which may become payable to Seller by reason thereof, or to permit such proceeds to be used for the restoration of the damage done, or to reduce the total price by an amount equal to the diminution in value of the Subject Property by reason of such loss or damage or the amount of insurance payable to Seller, whichever is greater.

9. To the best of Seller's knowledge the Subject Property complies with all applicable laws and governmental regulations including, without limitation, all applicable federal, state, and local laws pertaining to air and water quality, hazardous waste, waste disposal, and other environmental matters, including but not limited to, the Clean Water, Clean Air, Federal Water Pollution Control, Solid Waste Disposal, Resource Conservation Recovery and Comprehensive Environmental Response Compensation and Liability Acts, and the California Environmental Quality Act, and the rules regulations, and ordinances of the city within which the Subject Property is located, the California Department of Health Service, the Regional Water Quality Control Board, the State Water Resources Control Board, the Environmental Protection Agency, and all applicable federal, state, and local agencies and bureaus.

10. Seller hereby warrants, represents and/or covenants to Agency that:

a. To the best of Seller's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Subject Property or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign.

b. To the best of Seller's knowledge, there are no encroachments onto the Subject Property by improvements on any adjoining property, nor do any buildings or

improvements encroach on other properties.

c. Until the closing, Seller shall maintain the Subject Property in good condition and state of repair and maintenance, and shall perform all of its obligations under any service contracts or other contracts affecting the Subject Property.

d. Until the closing, Seller shall not do anything which would impair Seller's title to any of the Subject Property.

e. To the best of Seller's knowledge, neither the execution of this Agreement nor the performance of the obligations herein will conflict with, or breach any of the provisions of any bond, note, evidence of indebtedness, contract, lease, or other agreement or instrument to which the Subject Property may be bound.

f. Until the closing, Seller shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Warranties, Representations, and Covenants of Seller Section not to be true as of closing, immediately give written notice of such fact or condition to Agency.

11. Agency acknowledges it is purchasing the Subject Property **as is** and Seller does **not** warrant that the Subject Property is free from any hazardous materials.

12. Time is of the essence of each and every term, condition, and covenant hereof.

13. It is understood and agreed that upon the execution of this Agreement, it shall become a contract for the purchase and sale of real property binding upon Seller and Agency, their heirs, executors, administrators, successors in interest, and assigns.

Date: _____

APPROVED AS TO FORM:

J. Brent Richardson,
General Counsel

Seller: Silviano Gonzalez and Martin Andrade,
Celia Gonzalez as Trustees and constituting the
Local Board of Trustees of the Inglesia De Dios
De Madera Church of God

ATTEST:
SANDI BROWN

By: _____
Silviano Gonzalez, as Trustee

Agency Secretary

By: _____
Martin Andrade, as Trustee

Date: _____

By: _____
Celia Gonzalez, as Trustee

City of Madera as Successor Agency
To the former Madera Redevelopment Agency

By: _____
Robert L. Poythress, Mayor

ATTACH NOTARY ACKNOWLEDGMENTS

Jim Taubert

From: Redevelopment Administration [RedevelopmentAdministration@dof.ca.gov]
Sent: Tuesday, March 26, 2013 8:26 AM
To: Jim Taubert
Cc: Sandi Brown; Bob Wilson; jim.boyajian@madera-county.com; Chappuie, Beliz
Subject: Review of Oversight Board Resolution 13-04 - City of Madera Successor Agency

Good morning,

We are in receipt of your Oversight Board Action, Resolution No. 13-04 approving the purchase of property located at 300 So. G Street. Pursuant to HSC 34179(h) the Department of Finance (Finance) may request a review of Oversight Board actions submitted to the department. This email serves as notice that we are requesting a review of this action.

Since Finance is statutorily obligated to operate within a 100-day review period we may be contacting you to obtain further clarification and/or supporting documentation. We hope to work expeditiously with you to resolve these questions within the specified time frame.

Sincerely,

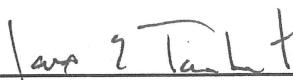
Redevelopment Administration
CA Department of Finance

REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY

BOARD MEETING OF: April 15, 2013

AGENDA ITEM NUMBER: 3.1

APPROVED BY:



Executive Director

Subject: Report Regarding Meet and Confer Discussion Related to the Housing Assets Transfer Form

Summary: The Oversight Board will be provided with the results of our Meet and Confer session for the Housing Assets Transfer Form

HISTORY/BACKGROUND

On September 11, 2012 the Agency submitted a Meet and Confer Request regarding the Housing Assets Transfer Form. The issues related to:

1. Arborpoint – The Agency approved a grant agreement on March 11, 2009. On August 10, 2011, the agreement was amended to change the configuration of very low and low income limits. Based upon the August 2011 action, the Department of Finance denied the project as an enforceable obligation.
2. Replacement Housing Obligation – Past Agency projects have led to the elimination of 63 low and very low income limits. The Department of Finance has not recognized replacement housing as an enforceable obligation. Pursuant to H&S Code 34171(d)(1)(c)
 - (1) “Enforceable obligations” means any of the following
 - (c)... obligations imposed by state laws...

H&S Code 33413 imposes this obligation and there is nothing in the law giving DOF the authority to ignore the law.

On February 8, 2013, Department of Finance finally scheduled our “Meet and Confer” session. The results were provided to us on March 15, 2013 (copy attached).

SITUATION

Department of Finance determinations are as follows:

1. Arborpoint – The August 2011 grant amendment did not involve new funding so the March 2009 agreement remains an enforceable obligation.

2. Replacement Housing Obligation – Apparently, Department of Finance feels that AB1484 gives them such broad powers that they can pick which sections of the code they want to follow. They have ruled that replacement housing is not an enforceable obligation, in spite of the law. Further, they indicate that the entity assuming the housing functions of the former RDA, would also assume the replacement housing obligations, with no available funding.

RECOMMENDATION

The Meet and Confer determination is final. Litigation would be the only alternative.

JET:sb

Attachment:

-March 15, 2013 DOF Correspondence re Housing Assets Transfer Form



**DEPARTMENT OF
FINANCE**

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

March 15, 2013

Mr. James E. Taubert, Executive Director
City of Madera
428 East Yosemite Avenue
Madera, CA 93630

Dear Mr. Taubert:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 30, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Madera as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to Finance on July 31, 2012, for the period February 1, 2012 through July 31, 2012. Finance issued its determination related to those transferred asset on August 30, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance. The meet and confer session was held on February 8, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed.

- Exhibit C, Item 1 -- Grant Agreement totaling \$375,000. Finance no longer objects to the transfer of this encumbrance. The Agency provided documentation supporting that the original agreement was entered into on March 11, 2009. Finance originally denied the item as HSC section 34163 (c) prohibits former Redevelopment Agency (RDA) from modifying or amending agreements after June 27, 2011. Although the former RDA amended the grant agreement in August 2011, the original grant agreement remains an enforceable obligation. Therefore, this item meets the definition of a housing asset per HSC section 34176 (e).
- Exhibit C, Item 2 – Replacement Housing Obligation totaling \$1.24 million. Finance continues to object to the transfer of this item. The Agency claims it has an obligation to provide replacement housing resulting from the construction of a new courthouse; however, there are no current contracts to build the replacement housing. Therefore, this item is not an enforceable obligation as defined in HSC section 34171 (d) and not a housing asset as defined in HSC section 34176 (e).

In addition, per HSC section 34176 (a), if the city, county, or city and county that authorized the creation of a redevelopment agency elects to retain the housing assets and functions previously performed by the former redevelopment agency, all rights, powers, duties, obligations, and housing assets shall be transferred to the city, county,

or city and county. Therefore, while Finance understands there may be an obligation to provide the replacement housing, the obligation becomes that of the Agency.

- Exhibit C, Item 3 - Housing Bond Encumbrance totaling \$806,991. Finance continues to object to the transfer of this item. HSC section 34176 (e) (2) states funds that are encumbered by an enforceable obligation to build or acquire low and moderate income housing are considered to be housing assets. However, there were no contracts in place prior to June 27, 2011 to build or acquire property. Therefore, the encumbrance does not exist and the Item does not meet the definition of a housing asset per HSC section 34176 (e) (2).

Finance notes that pursuant to HSC section 34191.4 (c), successor agencies of former redevelopment agencies that have been issued a Finding of Completion by Finance will be allowed to use excess proceeds from bonds issued prior to December 31, 2010 for the purposes for which the bonds were issued.

The second process, which can be utilized by the Agency, is set forth in HSC section 34176 (g), which authorizes the Agency to designate the use of and commit bond proceeds that remain after the satisfaction of enforceable obligations that have been approved in a ROPS and that are consistent with the bond covenants. The proceeds must have been derived from bonds that were issued for the purposes of affordable housing and issued prior to January 1, 2011. To initiate this process, the Agency is required to provide notice to the successor agency of any designations of use or commitments of funds that it wishes to make at least 20 days before the deadline for submission of the ROPS to the Oversight Board. These commitments and designations will not be considered valid or binding until they are included in and approved and valid ROPS.

In addition, Finance continues to object to the transfer of the following assets not contested by the Agency during the Meet and Confer process:

- Exhibit A, Item 50 – Vacant Lot. The property is defined as an economic remnant with landscape improvements and is not considered a housing asset pursuant to HSC section 34176 (e).
- Exhibit A, Item 370 – Low Mod Tenant Occupied Units. This item was included in the Exhibit twice, under Item 361 and 370.

This is Finance's final determination related to the assets reported on your Form. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Assets transferred deemed not to be a housing asset shall be returned to the successor agency.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor or Danielle Brandon, Analyst at (916) 445-1546

Mr. Taubert
March 15, 2013
Page 3

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Sandi Brown, Agency Secretary, City of Madera
Mr. Jim Boyajian, Assistant Auditor-Controller, County of Madera
Mr. Karl Noyes, Assistant Auditor-Controller, County of Madera
California State Controller's Office

REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY

BOARD MEETING OF: April 15, 2013

AGENDA ITEM NUMBER: 3.2

APPROVED BY:


James L. Tamm
Executive Director

Subject: Report on Communications from the Department of Finance and State Controller's Office

Summary: The Oversight Board will be provided with an update on recent communications with the Department of Finance (DOF) and the State Controller's Office (SCO).

HISTORY/BACKGROUND

Recent communications with the Department of Finance related to the following areas:

1. March 18, 2013 Oversight Board Action
 - a. Citing HSC 34179(h), the DOF has initiated the 100-day review period for the purchase of property at 300 South "G" Street. This could extend the escrow by up to 100 days, which creates problems for the church.
 - b. Denied the Oversight Board resolution approved March 18, 2013 amending ROPS II. The letter states "Based on our review and application of the law, Oversight Board Resolution No. 13-05, which revised ROPS II funding source from RPTTF to Reserve Funds is not allowed." They did not cite a specific code section because it doesn't exist. HSC Section 34177(a)(1) states that "an enforceable obligation payment schedule may be amended by the successor agency at any public meeting and shall be subject to the approval of the oversight board as soon as the board has sufficient members to form a quorum."
 - c. Citing HSC 34179(h), the DOF has initiated a review of the Oversight Board Resolution No. 13-06 related to ROPS III.
2. Enforceable Obligations
 - a. At the meeting of May 9, 2012, the Oversight Board approved Successor Agency action related to amended agreements with Blair, Church & Flynn (Riverwalk Subdivision, Laurel Linear Park and Airport Master Plan), and Quad-Knopf (Adell Improvement Project and Canal Relocation Project).

HSC34179(h) states (h) The Department of Finance may review an oversight board action taken pursuant to this part. Written notice and information about all actions taken by an oversight board shall be provided to the department by electronic means and in a manner of the department's choosing. An action shall become effective five business days after notice in the manner specified by the department is provided unless the department requests a review.

Although these contracts were approved ten (10) months ago and several payments have been made to contractors, DOF has initiated a new review of these obligations.

- b. DOF has initiated a new review of our development agreement with Dr. Todd Spencer related to the Yosemite/Elm traffic signal. The bid opening was held on March 28, 2013; however, it is uncertain as to if we can award the bid.
- 3. ROPS 13-14A
 - a. ALL proposed expenditures are getting a new review.

RECOMMENDATION

Information only – no action is required.

JET:sb

Attachment:
-Statewide Summary of Redevelopment Litigation

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
49'rs SC Stadium Company LLC	6/27/12	Oversight Board, AC, Santa Clara Finance Agency	none	AB X-26, No. 2012-80001192, Reassigned to Dept. 42 (Summer) - previously assigned to Connolly; County of Santa Clara filed a cross petition on 8/17/2012; TRO issued halting distribution of funds pending 3/22/2013 writ hearing- Tentative Ruling issued granting petition, in part - concluding agreements between former RDA, city, and a third party are EO's and not subject to exclusion under H&S Code 34171(d)(2) 2/21/2012	Jonathan Bass, Lauren Kowal, Charmaine Yu, Coblenz, Patch in SF 415-391-4800 ef-jrb@cpdb.com ef-cgy@cpdb.com	Oversight Board Dispute re OB's Termination of Stadium Agreements and Refusal to List Stadium Agreements on ROPS III as ECOS; Administrative Mandamus (CCP 1094.5)

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Affordable Housing Coalition of San Diego County	4/25/12	San Diego AC	DOF, Chiang	AB1IX-26. No. 2012-80001158, Dept. 31 (Kenny) (transferred from San Diego) Resps. Min for Judgment on Pleadings Granted 12/21/2012 - Petitioner to Join Necessary Parties (successor agencies and taxing entities) per CCP 389(a)(2)(i) Amended Petition filed 1/18/2013 naming Co of San Diego as Class Representative for all taxing entities in SD Co entitled to a proportional share in the balance, etc. • 3/29/2013 Hearing date 9:00 a.m. Dept. 31 briefing almost complete	Catherine Rodman, Arlyn Escalante Affordable Housing Advocates 619-233-8474 2 other firms crodman@affordablehousing.org usingadvocates.org	Impairment of Statutory Contract (Cal. Const. Art. I, §9) re LMHIH obligations
Apple Valley + SA & taxpayer	7/12/12	DOF, AC	none	AB1IX-26 and AB 1484 no. 2012-00127355, Dept. 54 (Chang) Settled (Judgment entered 1/7/13)	Iris Yang, et al. BBK Sacramento	True-up Payment Dispute; Correction of ROPS clerical error re debt service payment source

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Bakersfield +SA	2/14/13	Matosantos, DOF, Auditor Controller, County of Kern, State of California, County of Kern General Fund, Advertising, Fire Fund, Sanitation Authority, Mosquito and Vector Control, North of the River Recreation and Parks, Bakersfield Separation of Grade, Golden Empire Transit District, Kern River Levee District, Kern County Water Agency, Zone 7, Zone 1, Zone 19, Improvement #4, Bakersfield City School District, Beardsey City SD, Fairfax SD, Kern Joint Union High SD, Kern Joint CCD, Education Superintendent	none	2013-80001400, Dept. 14 (Balonon)	Stephan Sutro and Joseph Audal, Duane Morris, SF office (415) 957- 3000	ROPS III Dispute re Prop 1C housing projects; LMIHF Due Diligence Review Dispute

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Bellflower + SA	9/19/12	Matosantos (DOF), BOE, Watanabe (LA Co), Woodard (Tulare Co), Salter (Nevada Co), Valverde (Sac Co), Newland (Imperial Co), Klein (Stanislaus Co), Sandoval (San Diego Co), Cohen (Ventura Co), Geis (SB Co.)	none	2012-80001269, Dept 29 (Frawley)	Michael Colantuno, Teresa Hignsmith, Holly Whatley of Colantuno & Levin in Los Angeles (213) 542-5700 mcolantuno@cillaw.us under protest)	AB 1484 Challenge re True Up Payments and "Self Help" penalties (majority of named petitioners paid true up under protest)
Cerritos + SA						
Chula Vista + SA						
El Centro + SA						
Folsom + SA						
Grass Valley + SA						
Hughson + SA						
Lompoc + SA						
Oxnard + Comm Dev Comm.						
San Gabriel + SA						
Signal Hill + SA						
Truckee + SA						
Tulare + SA						
Brea + SA Also 3d party agt	7/16/12	State, Chiang, DOF, BOE, AC	Ambac Assurance (guarantor on bonds), bondholder, bond trustee and taxing entities	AB1X-26 and AB1484, No. 2012-80001204, Reassigned to Dept. 42 (Summer) -- Settled (Stip. Judgment entered 12/20/2012)	James Markman (city atty) + Sayre Weaver and Richards, Watson & Gershon 213-626-8484	True-up Payment Dispute re reserves forfeiture bond debt service payments
Berkeley SA + Christine Daniel (Trustee of various retirement health premium assistance plan trusts)	2/22/13	Matosantos	None	2013-80001417, Dept. 14 (Balonon)	Zachary Cowan, Larua McKimmy (City Attorney); Karen Tiedemann, Juliet Cox Goldfarb & Lipman Oakland Office (5100 836-6336	ROPS III Dispute re Retiree Medical Trust Fund Loan to the Former RDA

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Brentwood +SA	12/18/12	DOF Matosantos, BOE, Contra Costa County Auditor Controller	Contra Costa County, Liberty High School District, Brentwood Elementary School Dist, E. Contra Costa Fire District, Contra Costa Comm College District, Oakley Elementary School Dist, E Contra Costa Irrigation Dist, Brentwood Rec & Park Dist, Contra Costa Co Superintendent of Schools, County Flood Control Dist, Mosquito Abatement Dist, Knightsen Elementary School District, Bay Area Rapid Transit, Byron Elementary School Dist, Byron Blk Cemetery District, Resource Cons Dist, Bay Area Management Dist, Water Agency, East Bay Regional Park Dist	2012-80001341, Dept. 42 (Summer) Stipulation for Entry of Judgment filed 1/29/2013	T. Brent Hawkins, BB&K - Damien Brower	True-up Payment Dispute

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Carlsbad, Culver City, Huntington Beach, Ontario, Oxnard, Palmdale, Inglewood, their RDAs, Linc Housing Corp.	1/11/12	State, Chiang, DOF, and 4 Acs	none	AB1IX-26. No. 2012-80001032, Dept. 33 (Lloyd Connally) Dismissed on 2/28/2012 213-617-0480 mkane@jkbblaw.com gfrias@jkbblaw.com	Murray Kane, Bruce Gridley, Guillermo Frias, Gustavo Lamanna of Kane, Ballmer & Berkman in LA	Constitutional challenge to AB1IX26
Cerritos	9/26/2011 (Appeal filed 2/16/12)	State	ABC Unified Sch. Dist.	AB1IX-26 and AB1484 Trial Court No. 2011-80000952 Reassigned to Dept 42 (Sumner); Appeal Pending (3rd DCA Case No. C070484) - fully briefed	Jeffrey Olderman, Dan Slater, Mark Austin, William Ihrike (Rutan Tucker)	Constitutional challenge to AB1IX26 (as modified by AB1484)
CRFL Family Apartments LP, CRFL Partner, LLC, CRFL Housing Partners	12/24/12	Matosantos, Cohen, DOF, County Auditor Controller, City of Oxnard + SA, Housing Authority of the City of Oxnard, United Water Conservation District, Callegnas Municipal Water District, The Metropolitan Water District of So CA, Oxnard School District, Oxnard	None	2012-80001354, Dept. 29 (Frawley) TRO granted 1/16/2013 - Writ Granted 1/18/2013	Hans Van Ligten, William H. Ihrike hvanligten@rutan.com; bihrike@rutan.com (714) 641-5100	Impairment of Contract (2010 OPA for aff housing project); ROPS III Dispute re Contracts previously approved on ROPS II (includes CCP 1094.5 writ)

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Culver City + SA	3/18/13	Ana Matosantos, Wendy Watanabe	Co of Los Angeles, Co of Los Angeles Administration Services, Co of Los Angeles Library Services, Los Angeles Co. Fire Dist. Los Angeles County Flood Control Dist. Los Angeles Co West Vector Control Dist, West Basin Municipal Water Dist, Los Angeles Co Office of Ed, Los Angeles CCD, Culver City USD, Los Angeles USD	2013-80001446, Dept. 14 (Balonon)	Murray Kane, Guillermo Frias, Kang of Kane, Ballmer & Berkman in LA 213-617-0480 mkane@kbblaw.com gfrias@edward@	ROPS III Dispute re Adjustments to ROPS I items included on ROPS III

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Duarte + SA, Housing Authority	12/18/12	Matosantos, Watamabe, Los Angeles County Auditor Controller, State, DOF, County of Los Angeles. Consolidated Fire Prot District, Los Angeles Flood Control District, Los Angeles County Forester & Fire Warden, Los Angeles County Office of Education, Public Library, Sanitation District No. 5 and 22, Citrus Comm. College Dist, Duarte Unified School District, Upper San Gabriel Valley Municipal Water Dist	Andres Duarte Terrace II, LP	2012-80001338, Dept. 31 (Judge Kenny) (erroneously transferred to Balonon following peremptory challenge to Summer); TRO Hearing scheduled for 12/21/12 taken off calendar at Duarte's request b/c DOF dropped objection to ROPs III \$1.2 million item and agreed to allow the \$1.2 in LMHF to be retained per the findings in the low-mod DDR. Duarte received revised DOF determination letters on 12/20/12.	Jeffrey Melching, Dan Slater, Jennifer Farrell, Rutan, Tucker (714) 641- 5100 jmelching@rutan.com, dslater@rutan.com, jfarrell@rutan.com	ROPS II Dispute; LMH Due Diligence Review Dispute re DOF denial of DDA with Housing Authority (entered into on 6/26/12), funding agreements, and promissory notes between City and former RDA concerning LMHF funds; Impairment of Contract; Violation of Cal. Const. Art. XIII, §25.2(a)(3); Administrative Mandamus (CCP 1094.5)
E1 Cerrito +SA	7/12/12	DOF, BOE, AC	many taxing entities	AB1484, No. 2012- 80001200, Dept. 31 (Kenny) Settled - Stip. Judgment Entered 12/21/2012	Sly Woodruff (city atty) +Deborah Fox and Erika Randall Meyers Nave +	True-up Payment

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Emeryville + SA	9/11/12	Matosantos	none	2012-80001264, Dept. 31 (Kenny) Pre Inj Hrg 3/8/2013 9:00 a.m. - no tentative posted - taken under submission	Ben Stock, Leah Castella, Matthew Visick of Burke Williams & Sorensen. LLP in Oakland (510) 273-8780 bstock@bwslaw.com and Michael Biddle, City Attorney (510) 596- 4300	ROPS Dispute re rejection of various agreements related to Brownfield loans and 2011 reimbursement agreements between City and former RDA for redevelopment projects
Folsom and SA	2/8/13	Matosantos, Julie Valverde - Sac Co Auditor/Controller	Sacramento County, Folsom Cordova USD, Los Rios CCD	2013-80001393, Dept. 14 (Balonon)	Michael G. Calantuono, Holly Whatley, Matthew Summers, Colantuono & Levin, PC, LA office 213-542-5700 and Folsom CA - Bruce Cline	ROPS Dispute re DOF rejection of C&C Construction Contract on ROPS I, II, and III to be paid with RPTTF
Escondido + SA	Not posted	Matosantos, State of California, DOF, Tracy Sandoval, Oversight Board of the City of Escondido as SA	None	2013-00140530, L&M Dept. 54 - Case Management Conference 8/29/2013 at 8:30 a.m. in Dept. 36	Jeffrey R. Epp, Andrea M. Velasquez (City Attorney office), Jeffrey Oderman, William Ihrke, Jennifer Farrell, Rutan Tucker Costa Mesa (714) 641-5100	ROPS III Dispute re Loan agreements from City to Former RDA
Fresno + SA	4/23/12	Oversight Board, and AC	Fresno Metro, Flood Control District	ABIX-26, No. 2012- 80001121, Dept. 33 (Connelly) Order on related cases after judgment names oversight board members individually. Peremptory writ issued 6/29/2012 Judgment entered 7/5/2012	J. Scott Smith, Neli Palma, Adam Lindgren, Deborah Fox, at Sacramento Meyers Nave 916-556-1531 ssmith@meyersnave.co m	Judgment Entered in City's Favor re Oversight Board Appointment Challenge

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Galt + SA + Jason Behrmann	7/11/12	Matosantos, Julie Valverde - Sac Co Auditor/Controller	None	Case No. 2012-00127322; Settled	Iris Yang, et al. BBK Sacramento	ROPS Dispute re Correction of ROPS I and II entries re bond debt service payments
Galt + SA + Jason Behrmann	1/30/13	Matosantos Landscape Architecture, Inc.	Callander Associates	No. 2013-80001380, Dept. 14 (Balonon) Hearing 7/26/2013 10:00 a.m.	Iris Yang, et al. BBK Sacramento	ROPS III Dispute re Use of Tax Allocation bond proceeds for projects subject to Validation Judgment
Grand Hope Park	3/18/13	CRA/LA as SA; David Riccitello, as CEO of CRA DLA; Nelson Rising, Mee Semcken, Timothy Mcosker, as governing board of CRA DLA; Michael Lawson, Hamid Behdad, Richard Close, Steve Koffroth, Floria Molina, Megan Reilly, Dan Rosenfield, as Oversight Board; All persons interested in the resolution and ordinance	None	No. 2013-80001444, Dept. not yet posed	Jeffrey Dintzer, David Edsall, Juliana Soic, Gibson Dunn & Crutcher, Los Angeles office (213)229-7000	Impairment of Contract, etc. re failure of successor agency to account for all EOs on ROPS and DDR for public park ground lease

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Hercules LLC	5/22/12	State, DOF, AC, City as SA		AB1X-26. No. 2012- 80001155, Dept. 31 (Kenny) Dismissed 6/20/2012 (Disputed payments were finally approved by DOF)	Andrew Sabey, Robert Doty Andrew Fogg at Cox, Castle SF 415-262- 5100 asabey@coxcastle.com, rdoty@, afogg@	ROPS Dispute re DOFs denial of 2001 DOPA and related 2010 Settlement Agreement Between Petitioner/Developer, Former RDA, and City as EO's
Huntington Beach, Housing Authority,+SA	3/15/13	DOF Matosantos, BOE, Jan Grimes	Co of Orange, Metro Water District of So Cal, Huntington Beach Elementary School Dist., Westminster Elementary School Dist, Orange Co Sanitation Dist, Orange Co Transportation Auth, Co Cemetery Dist, Orange County Water Dist, Orange Co Vector Control Dist, Orange Co Department of Ed, Huntington Beach Union High School Dist, Ocean View Elementary School Dist, Coast CCD	2013-80001441, Dept. 31 (Kenny)	Murray Kane, Guillermo Frias, Kang of Kane, Ballmer & Berkman in LA 213-617-0480 mkane@lkbblaw.com gfrias@ edward@	Due Diligence Review Dispute re LMIH Funds

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Inland Valley Dev. Agency	4/11/12 (Appeal Filed 10/20/12)	State, Chiang, DOF, AC	none	AB1X-26, No. 2012-80001112 (related to 80001113), Dept. 33 (Connelly) alleges JPA w/ RDA powers not governed by AB1X-26; Demurrer sustained w/out leave; Appeal pending at 3rd DCA - Case no. C072450)	Timothy Sabo, Karen Feld of Lewis Brisbois 909-387-1130 sabo@lbbslaw.com, kfeld@	AB1X26 Challenge re Application of RDA Dissolution to Military Base Conversion RDA (JPA) - specifically concerns Norton AFB Closure
Inland Valley Development	12/28/12	State Controller Chiang, DOF, Matosantos, San Bernardino County Auditor Controller Walker		No. 2012-80001357, Dept. 29 (Frawley)	Karen A. Feld, Elizabeth L. Martyn, Lewis Brisbois Bisgaard & Smith (909) 387-1130	ROPS III Dispute re EO's (reliance on prior DOF approval of same items on earlier ROPS); True-up Payment Dispute; Erroneous Collection of Duplicate Pass Through Payments
Irvine as SA	5/25/12	DOF, AC	Heritage Fields, El Toro I.J.C	AB1X-26, No. 2012-80001161 Dept. 31 (Kenny) Order on related cases denied (no relationship to 80001154); Answers filed, 5/31/2012 order denying ex parte and TRO and OSC re prelim inj	Philip Kohn, William Marticorena, Jeffrey Melching, Dan Slater at Rutan & Tucker Costa Mesa, Mesa, pkohn@rutan.com, wmarticorena@, jmelching@, dslater@	ROPS Dispute re DOF Denial of Dev Agreement and Loan Agreement Between City and former RDA as EO's (RPTTF Funds)

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Lancaster + SA	12/21/12	Matosantos, BOE, Watanabe	Los Angeles County, County Library, Consolidated Fire Protection Dist of LOA County, LA County Fire-Forrester & Fire Warden, LA Co Waterworks #40, Antelope Valley, Lancaster Cemetery Dist, Antelope Valley Mosquito Vector Control, LA County Sanitation Dist No. 14 Operating, Antelope Valley Soil Conservation Dist, City of Lancaster TD #1, Lancaster	No. 2012-80001348, Dept. 42 (Sumner) Stipulation & Order filed 1/2/2013 answers on file	David Robinson, James Azadian, Chritina DeVries, Enterprise Counsel Group, ALC (949) 833-8550	True-up Payment Dispute

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Lawndale +SA	3/18/13	Ana J. Matosantos, Wendy Watanabe, State of California, State of CA DOF, Co. of Los Angeles, Co. of Los Angeles Auditor-Controller	Consolidated Fire Protection District, Los Angeles County Fire FFW, Los Angeles Co Flood Control Dist, Los Angeles Co West Vector Controll Dist, Los Angeles Co Sanitation Dist No. 5, Wet Basin Muni Water Dist, Water Replenishment Dist of So Cal, Hawthorne School Dist, Los Angeles Co School Services Fund-Hawthorne, Lawndale Centinela Valley UHSD, El Camino CCD	2013-80001445, Dept. 14 (Balonon)	Tiffany Israel, June Ailin, Lona Laymon, Aleshire & Wynder, Irvine, CA (949) 223-1170	ROPS III Dispute re bond proceeds, bank loan, etc. as Eos
Livermore + SA	6/14/12	All persons Interested re: Redevelopment Ordinances and Resolutions (various)	None	No. 2012-00132727 (transferred from Alameda Superior Court) DOF/Controller Demurrer Hearing rescheduled from 4/8/2013 to 5/23/2013 in Dept. 54 (Chang); CMC scheduled 8/1/2013 8:30 a.m. in Dept. 39	Thomas Webber, James Diamond Goldfarb & Lipman LLP Oakland (510) 836-62226 and John Pomidor, Jason Alacala, City Attorney of Livermore	Validation Action re DDA and related leases/subleases

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Livermore Valley Performing Arts Center	1/23/13	DOF, Matosantos	None	No. 2013-80001370, Dept. 14 (Balonon)	Jonathan Kitchen, Andrew Fogg, Cox Castle & Nicholson San Francisco office (415) 262-5100	ROPS III Dispute re Amended DDA
LOCC, Vallejo + SA, Christopher McKenzie	9/24/12	Matosantos (DOF), Betty Yee, George Runner, Michelle Steel, Jerome Horton, John Chiang (members BOE), John Chiang, Controller, Simona Padilla-Scholtens (Solano Co)	County of Solano, Solano County Free Library, Solano County Mosquito Abatement District, Greater Vallejo Recreation District, Vallejo Sanitation and Flood Control District, Solano County Water Agency, Bay Area Air Quality Management District, Vallejo City Unified School District, Solano Community College and Solano County Office of Education/Solano County Superintendent of Schools	No. 2012-80001275, Dept. 31 (Kenny) Petition Hearing schedule 4/19/2013 9:00 a.m.; Santa Clara County granted leave to intervene (1/4/2013)	Iris P Yang, Brent Hawkins, harriet steiner ann schwing of Best Best & Krieger, (916) 325-4000 iris.yang@bbklaw.com brent.hawkins@bbklaw.com, com, harriet.steiner@bbklaw.com	Constitutionality of sales tax and property tax claw-back; unconstitutional delegation of legislative authority to DOF; violation of Administrative Procedures Act

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Los Banos Designated Local Authority as SA	12/24/12	DOF Matosantos, BOE, Merced Co Auditor Controller	City of Los Banos; County of Merced, Los Banos USD, Merced CCD, Merced Co Regional OCC Program, Merced Co Mosquito Abatement Dist, Los Banos Cemetery District, Central CA Irrigation District, Merced Co Office of Ed	No. 2012-80001352, Dept. 31 (Kenny) Stipulation entered 1/2/2013; TRO taken off- calendar	John McClendon, Joy Otsuki Leibold McClendon & Mann, Laguna Hills 9949) 457- 6300 john@CEQA.com	True-up Payment Dispute
Mendota Designated Local Authority as SA	12/24/12	DOF Matosantos, BOE, Merced Co Auditor Controller	City of Mendota, County of Fresno, Fresno County Library Mendota Branch, Lower San Joaquin Levee Dist, Fresno WEst Side Mosquito Abatement Dist, Mendota USD, Westlands Water District	No. 2012-8001353, Dept. 42 (Summer)	John McClendon, Joy Otsuki Leibold McClendon & Mann, Laguna Hills 9949) 457- 6300 john@CEQA.com	True-up Payment Dispute

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Merced Designated Local Authority as SA	12/24/12	DOF Matosantos, BOE, Merced Co Auditor Controller	City of Merced, Co of Merced, Merced City SD, Weaver Union SD, Merced Union SD, Merced CCD, Merced Co Regional Occupational program, Merced Co Mosquito Abatement Dist, Merced Cemetery Dist, Merced Irrigation Dist, Merced County Fire, Merced Co Office of Ed,	No. 2012-8001351, Dept. 29 (Frawley); Stipulation entered 1/2/2013 and TRO taken off calendar	John McClendon, Joy Otsuki Leibold McClendon & Mann, Laguna Hills 99449) 457-6300 john@CEQA.com	True Up Payment Dispute
Mission Viejo + SA	7/16/12	State, Chiang, DOF, BOE, AC	6 taxing entities	AB1X-26 and AB1484. No. 2012-8001203, Dept. 31 (Kenny) Settled - Stip. Judgment entered 10/23/2012	William Canley (city atty), Sayre Weaver, Peter Pierce, Ginetta Giovinco Richards, Watson & Gershon sweaver@rwgjlaw.com, ppierce@ggiovinco@	True-up Payment Dispute
Monterey + SA	8/20/12	DOF	none	AB1X-26 and AB1484. No. 2012-8001249, Dept. 29 (Frawley) DISMISSED W/O PREJUDICE - CITY DECIDED NOT TO PURSUE	Mark Austin, Dan Slater, Jennifer Farrell Rutan & Tucker Costa Mesa maustin@rutran.com, dslater@ jfarrell@	ROPS Dispute re DOF Denial of Repayment Agreement between City and former RDA as an EO

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Moreno Valley + SA + Moreno Valley Housing Authority	12/24/12	Riverside Co Auditor Controller, State Auditor, Elaine Howle, Matosantos, BOE, amendment filed to add John Chiang and dismissed Elaine Howle	MV Rancho Dorado Ltd Part; PC Moreno Valley Developers LLC, Citibank, Palm Communities, Moreno Valley USD, Perris Elementary SD, Riverside CCD, Riverside Co, Riverside Office of Educ, Riverside County FCWCD, Val Verde USD	No. 2012-80001350, Dept. 42 (Summer) - X-petition filed on behalf of developer by Goldfarb Lipman	Suzanne Bryant, Deborah Fox, Erika Randall, Meyers Nave Riback Silver & Wilson LA office (213) 626-2906, dfox@meyersnave.com, erandall@meyersnave.com	LMIH Fund Due Diligence Review Dispute; Disputed funds committed for aff housing project in escrow account (includes due process and impairment of contract causes of action)
Morgan Hill Economic Development Corp + City	10/9/12	State Controller, John Chiang, Vinod Sharma (Santa Clara Co), Ana Matosantos (DOF), amended petition BOE	none	2012-80001284, Reassigned to Dept. 29 (Frawley) - Santa Clara County Motion to Intervene taken off calendar (6/28/2013); Petition hearing scheduled 8/16/2013 10:00 a.m.	Iris Yang, et al. BBK Sacramento	"Claw Back" of Transferred Agency Assets; Determination whether Petitioner is a "public agency"; Declaratory Relief re H&S Code 34170.6(h)(1)(A) re offset of sales and/or property taxes; Violation of Procedural Due Process

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Murrieta, City of	12/20/12	DOF, Matosantos, Paul Angulo, Auditor-Controller County of Riverside		34-80001346, Dept. 31 (Michael P. Kenny); Prelim Inj Hrg rescheduled from 2/28/2013 to April 4 9:00 a.m. (failure to brief H&S Code 34191.4)	Jeffery A. Morris, Casey C. Shaw, Stutz Artiano Shinoff & Holtz - (951) 676-6996	12/15/2012 Due Diligence Review Dispute re 2011 accelerated repayment of City's loan to Former RDA and Transfer of funds from LMHI fund to SA Housing Authority for aff housing project (prior payments were approved on ROPS)
National City, Vista, Oceanside, Chula Vista, San Marcos, + their SAs	7/12/12	DOF, BOE, AC	none		Murray Kane, Guillermo Frias, Kang of Kane, Ballmer & Berkman in LA 213-617-0480 m.kane@kbblaw.com g.frias@ edward@	True-up Payment Disputes; Constitutional challenge to Tax Offset per Cal. Const. Art XII, §§24(b); 25.5
Orange + SA, OHDC Serrano LLC, C&C Serrano LLC	11/21/12	DOF, Jan E. Grimes	None	2012-00135813, Dept. 53 L&M (Brown) Demurrer hearing scheduled for July 11, 2013 Dept. 53 2:00 p.m.	Kane, Ballmer & Berkman Murray Kane, Guillermo Frias, Edward Kang (213) 617-0480 and Goldfarb & Lipman, Lynn Hutchins, Juliet Cox in Oakland (510) 836-6336	ROPS Dispute re whether LMHI Fund loan commitment for housing project is an EO

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Oceanside + SA	12/27/12	Matosantos, Sandoval		2012-00134586 Dept. 54 (Chang) Ex Parte Application for TRO filed concurrently with complaint - TRO granted on 12/28/12 to preclude withholding of 1/2/2013 RPRTF distribution; Prelim Inj Hearing on 1/31/2013 continued to 2/1/2013 at 9:00 a.m. - Stip & Judgment filed 2/26/2013	Kane, Ballmer & Berkman Murray Kane, Guillermo Frias, Edward Kang (213) 617-0480	True-up Payment Dispute; Constitutional challenge to Tax Offset per Cal. Const. Art XIII, §§24(b); 25.5
Orange County as SA	8/3/12	DOF	none	AB1IX-26. No. 2012-80001224, Dept. 31 (Kenny) Demurrer Hearing scheduled for 1/25/2013 - taken under submission rebriefing by 4/12 and reissue order	Laurie Shade, Elizabeth Pejeau, laurie.shade@coco.ocgov.v.com liz.pejeau@coco.ocgov.com	ROPS Dispute re DOFs rejection of Reimbursement Agreements for Infrastructure Project as EO's
Palm Springs	3/14/13	Matosantos	Not Posted Yet	2013-00140481		Not Posted Yet

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Palm Springs + SA	3/14/13	Matosantos, Elaine Howie (auditor), BOE, PS Housing Investors, LP	Co of Riverside, Palm Springs USD, Desert CCD, Riverside Co Office of Ed, Riverside Co FCWCD, Palm Springs Cemetery Dist, Desert Healthcare District, Coachella Valley Mosquito & Vector Control Dist, Desert Water Agency, Coachella Valley Water Dist, Coachella Valley Resource Conservation Dist, Coachella Valley Recreation & Park Dist	2013-80001440, Dept 14 (Balonon)	Douglas Holland, M. Lois Bobak, Omar Sandoval, Woodruff, Spradlin & Smart APC, Costa Mesa (714) 558- 7000	Due Diligence Review Dispute re LMH Funds
Pasadena + Pasadena Community Development Commission, Marilyn Diaz, Cheryl Hubbard	12/27/12	Matosantos, Watanabe		2012-00134585 Dept 54 (Chang) Ex parte Application for TRO file concurrently with complaint - TRO granted re ROPS III; Prelim. Injunction hrg 1/17/2013 - WRIT GRANTED 1/28/2013	Kane, Ballmer & Berkman Murray Kane, Guillermo Frias, Edward Kang (213) 617-0480 Bruce Tepper, ALC, (213) 551-6590	ROPS Dispute re DOF rejection of Validated Reimbursement Agreement / Pension Bonds as EOs

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Petaluma + SA	11/26/12	Matosantos; Sundstrom, County of Sonoma	Sonoma County Transportation Authority, DOT	2012-80001321, Dept. 29 (Frawley); DOF Answer filed 12/28/12 ex parte hearing date of 5/3/2013	Eric Danly, Deborah Fox, Erika Randall, Meyers Nave Riback Silver & Wilson in Los Angeles (213) 626-2906 dfox@meyersnave.com, erandall@meyersnave.com	ROPS Dispute re EO's / DOF rejection of RPTTF and bond proceeds for highway infrastructure improvements pursuant to agreements between City and third parties
Pittsburg + SA	8/16/12	AC, DOF, BOE	many districts, taxing entities	AB1484. No. 2012-80001245, Reassigned to Dept. 42 (Sumner) Settled - Judgment entered 12/26/2012	Ruthann Ziegler (Pittsburg); Deborah Fox and Erika Randall, Meyers Nave LA 213-626-2906 dfox@meyersnave.com erandall@meyersnave.com	True-up Payment Dispute
Rancho Cordova + SA	12/28/12	Matosantos, Valverde, Chiang, BOE		2012-80001356, Dept. 42 (Summer)	David Skinner, Adam Lindgren, Danta Foronda Meyers Nave Riback Silver & Wilson (916) 556-1531	ROPS Dispute re Eos / DOF rejection of Loans between Agency and City (H&S Code §34171(d)(2))

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Ridgecrest + SA	3/11/13	Matosantos, Mary B. Bedard, CPA, State of California, DOF, County of Kern, Sierra Sands Child Dev. Education Dist, Kern Co Water Agency, Kern CCD, Sierra Sands USD, East Kern Resrouce Conservation Dist	None	2013-80001438, Dept. 14 (Balonon)	W. Keith Lemieux, Christine Carson, Lemieux & O'Neill, Westlake Village, CA (850) 495-4770	ROPS Dispute re Senior Housing Commitment Agreement and Due Diligence Review Dispute re LMH funds for same project senior housing project

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Riverside, City of + SA, Scott C. Barber, Belinda Graham, Emilio Ramirez	2/27/13	Matosantos, Paul Angulo	Alvord USD, Riverside County FCWCD, County of Riverside, Riverside Co Regional Park and Open Space Dist, Riverside Co Office of Ed, Edgemont CSD, Jurupa Area Rec and Park Dist, Metro Water Dist, Moreno Valley USD, Northwest Mosquito and Vector Control Dist, Riverside CCD, Riverside Corona Resource Conservation Dist, Riverside USD, San Jacinto Basin Resource Conservation Dist, Western Muni Water Dist	2013-80001421, Dept. 14 (Balonon)	T. Brent Hawkins, Harriet Steiner, Sigrid Asmundson, BBK, Sacramento office (916) 325-4000 and Gregory Priamos, City Attorney	ROPS III Dispute re Use of 2007 TA Bonds, Cooperative Agreement, and Enterprise Fund Loans

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Riverside County of SA, Housing Authority	3/1/13	DOF, Matosantos, BOE, Paul Angulo	Cardenas Markets, inc., GKK Works, CTE, Inc., Aliant Consulting, Inc., Desert Alliance for Community Empowerment, Inc., Riverside Construction, Inc., Wildomar Tres Lagos Limited Partnership	2013-80001425, Dept. 14 (Balonon)	Thomas Barth, Barth Tozer & Daley, Sacramento (916) 440-8600; Pamela Walls and Anita Willis, County Counsel, County of Riverside (951) 955-6300	ROPS III Dispute re use of 2011 bond proceed and reclassification of obligations as administrative costs; Due Diligence Review Dispute re LMHI Funds
San Bernardino, County of+SA	2/27/13	Matosantos	None	2013-80001420, Dept. 14 (Balonon)	Jean-Rene Basle, Michelle Blakemore, San Bernardino County Counsel and J. Leah Castella, lcastella@bwslaw.com, Susan Bloch, sbloch@bwslaw.com, Nicholas Muscolino, nmuscolino@bwslaw.com, Burke Williams Sorenson-Oakland office (510) 273-8780	ROPS Dispute re loan agreements (including \$10 million loan from County General Fund related to wildfire); Due Diligence Review Dispute re LMHI replacement obligations

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Salinas SA, Salinas	2/27/13	Matosantos, Michael Miller Auditor-Controller of Monterey County	County of Monterey, Monterey County Water Resources Agency, Spreckles Memorial Dist., Salinas Valley Memorial Healthcare Dist, North Salinas Valley Mosquito Abatement Dist, Moss Landing Harbor Dist,	2013-80001422, Not posted	Vanessa Vallarta, Christopher Callihan, City Attorney, Lynn Hutchins, Juliet Cox, Goldfarb & Lipman Oakland office (510) 836-6336	ROPS III Dispute re Public Parking Garage Agreement and Certificates of Participation, DOF refusal to consider amended ROPS, permissible Oversight Board costs, and affordable housing monitoring costs as an EO
San Diego, City of	1/14/13	Matosantos, Chiang, Sandoval	None	2013-80001364, Dept. 14, (Balonon)	City Attorney Jan Goldsmith, Andrew Jones, Don Worley, George Shaefer, Kevin Reisch (619) 533-5800	ROPS III Dispute re Ballpark Coop Agreement btwn City and SA
San Diego, City of as successor agency	12/21/12	Matosantos, John Chiang, Tracy Sandoval	Connections Housing Downtown LP	2012-80001347, Dept. 42 (Summer) Dismissed 2/4/2013	City Attorney Jan Goldsmith, Andrew Jones, Don Worley, George Shaefer, Kevin Reisch (619) 533-5800	ROPS III Dispute re DOF rejection of DDA for homeless shelter as an EO Homeless shelter under DDA (not previously disputed on ROPS I or II)
San Diego, City of as SA	2/15/13	Matosantos, John Chiang, Tracy Sandoval	None	2013-80001409, Dept. 14 (Balonon)	City Attorney Jan Goldsmith, Andrew Jones, Don Worley, George Shaefer, Kevin Reisch (619) 533-5800	ROPS III Dispute re Obligation to complete and fund Naval Training Center shoreline improvements as an EO (involves base closure agreement w/ Fed. Gov't)

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
San Diego, City of as SA	2/15/13	Matosantos, John Chiang, Tracy Sandoval	None	2013-80001410, Dept. 14 (Balonon)	City Attorney Jan Goldsmith, Andrew Jones, Don Worley, George Schaefer, Kevin Reisch (619) 533-5800	ROPS III Dispute re Long Term Debt Agreement between City and Former RDA, including applicability of Health & Safety Code §34178(b)(1) exception
San Diego, City of as SA	2/19/13	Matosantos, John Chiang, Tracy Sandoval	None	2013-80001411, Dept. 14 (Balonon) TRO app filed 3/19/2013 to be heard 3/22/2013 - taken under submission	City Attorney Jan Goldsmith, Andrew Jones, Don Worley, George Schaefer, Kevin Reisch (619) 533-5800	ROPS III Dispute re Oversight Board legal expenses (Enforceable obligation payable from RPTTF vs. Administrative Cost) and permissible funding sources for such legal expenses

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
San Jose + SA	12/4/12	California Director of Finance Ana Matosantos, BOE, Santa Clara County Auditor-Controller VINOD Sharma	County of Santa Clara, Franklin-Mckinley School District, Oak Grove School District, Orchard Elementary School District, San Jose USD, Santa Clara USD, East Side Union High SD, West Valley Mission CCD, San Jose Evergreen CCD, Santa Clara County Office of Ed, Santa Clara Valley Water Dist, BAAQMD, Guadalupe Coyote Resource Conservation District	2012-80001327, Dept. 29 (Frawley) Settled - Stip. Judgment entered 12/18/12	Richard Doyle, Nora Frimann, Ardell Johnson City Attorney Office 408-535-1900	True-up Payment Dispute
San Jose as SA	6/26/12	Santa Clara County + its director of finance		ABIX-26, No. 2012-80001190, Reassigned to Dept. 42 (Sumner) Answers on file; County of Santa Clara filed CCP 170.6 motion to disqualify Judge Balonon Petition hearing scheduled 4/5/2013 1:30 p.m.	Richard Doyle, Nora Frimann, Ardell Johnson City Attorney Office 408-535-1900	Pass Through Agreement Dispute; Breach of Contract; Interference with Contractual Relations; Breach of Fiduciary Duty; Negligence

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
San Leandro + SA	1/17/13	Alameda Co Auditor Controller, Matosantos, BOE, Alameda County SA	Alameda Co, Alameda Co Office of Ed, Alameda Co Fire Dept, Alameda Co FCWCD, Alameda Co Library, Alameda Co Mosquito Abatement Dist, Alameda-Contra Costa Transit Dist, Bay Area Air Quality Management Dist, San Francisco Bay Area Rapid Transit District, Chabot-Las Positas CCD, East Bay MUD, East Bay Regional Park Dist, Hayward Area Rec and Park Dist, Hayward USD, San Leandro USD, San Lorenzo USD	No. 2013-80001367, Dept. 31 (Kenny) Stip Judgment entered 2/7/2013 erandall@meyersnave.com, erandall@meyersnave.c om	Jayne Williams, Deborah Fox, Erika Randall, Meyers Nave Los Angeles office (213) 626 2906, dfox@meyersnave.c om	True-up Payment Dispute
San Leandro + SA	2/26/13	Patrick O'Connell, Matosantos, BOE	Alameda Housing Associates, Bridge Norcal, LLC	2013-80001418, Not posted	Jayne Williams, Deborah Fox, Dante Foronda, Meyers Nave, Riback etc. Los Angeles (213) 626-2906	Due Diligence Review Dispute re LMIH Funds

Statewide Summary of Redevelopment Litigation

Pleading	Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
	Santa Ana Station District LLC, Santa Ana Station District Housing Partners LP, Santa Ana Station District II Housing Partners LP	2/22/13	Matosantos, Change, State, DOF, City of Santa Ana, SA, County of Orange, Auditor/Controller, Grimes, Orange Co Cemetery District, Orange Co Vector Control District, Orange Co. Transit Authority, Orange Co Sanitation District, Orange Co Dept of Ed, Santa Ana USD, Rancho Santiago CCD	None	2013-80001416, Dept. 14 (Balonon) TRO granted 3/5/2013	William Ibke, Jennifer Farrell, Rutan Tucker Costa Mesa (714) 641-5100	Due Diligence Review Dispute re LMIH Funds currently in escrow accounts for specific affordable housing projects pursuant to 2010 DDA
	Cuenca, Hilda, Castaneda, Claudia, Hernandez, Enimia, Avalos, Evangelina (related to Santa Ana)	3/4/13	DOF, Matosantos, Grimes	City of Santa Ana as SA, Housing Authority of the City of Santa Ana	2013-8001427, Dept. 14 (Balonon)	Rober Grable, Dean Zipser, etc., Manatt, Phelps, Phillips, LLP, Costa Mesa office (714) 371-2500, Christian Abasto, Vanessa Leonardo of Public Law Center (714) 541-1010	ROPS & Due Diligence Review Dispute re DOF rejection of transfer of LMIH funds to Housing Asset Fund pursuant to five stipulated judgments, as well as related DDAs, which Petitioners contend are EO's

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Peebler, Gerald (Santa Ana - commercial property owner in Santa Ana and party to 1984 Judgment)	6/7/12	DOF, AC, Santa Ana as SA	none	AB1X-26, No. 2012-80001172, Dept. 29 (Frawley) (order on related cases denied) DOF denied earlier judgment for plaintiff was an enforceable obligation; TRO denied 6/14; answers on file - petition hearing 2/11 11:00 a.m. - denied	Carrie Hempel, Robert Solomon at UCI School	ROPS Dispute re DOF rejection of tax increment payment obligations under 1984 Stipulated Judgment in Reverse Validation Action, which requires LMHI ser-side and funding for particular redevelopment project) as an EO
Santa Clara County, Office of Education	3/11/13	Milpitas Economic Dev Corp, City of Milpitas, SA	John Chiang, Matosanos, DOF	2013-80001436, Dept. 14 (Balonon)	Lori Pegg, Orry Korb, Steve Mitra, E. Ray Ruiz, Office of the County Counsel (408) 299-5900	Dispute re transfer of assets from Milpitas RDA to Milpitas Economic Dev. Corp.

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Santa Monica + SA, Community Corporation of Santa Monica	1/30/13	DOF Matosantos, BOE, Watanabe, Los Angeles County Auditor Controller	Santa Monica-Malibu USD, LA Co Fire Dist, LA Co Dept. of Public Works, Co of LA, LA West County Vector Control District, Metro Water Dist of So Cal, LA Co Office of Ed, 2802 Pico, LP, 430 Pico, LP, High Place East LP, Fame Santa Monica Senior Apartments LP, Step Up on Second Street Inc, Step Up on Colorado LP, Related/Santa Monica Village LLC, Santa Monica Housing Partners, LP, Ocean Park Community Center, BofA	2013-80001382, Dept. 14 (Balonon) Petition Hearing 5/24/2013 10:00 a.m.	Marsha Jones Moutrie, Joseph Lawrens, Susan Cola (City Attorneys), Murry Kane, Guillermo Frias, Kane Ballmer & Berkman LA (213) 617-0480 (atty for City and SA), Lisa Schwartz Tudzin, Law Office of Michael Tudzin Woodland Hills (818) 887-1000 (atty for Comm. Corp. of Santa Monica)	ROPS III Dispute re Monitoring Costs, Aff Housing Project Loan Agreements by City and Use of Proceeds; Due Diligence Review Dispute re LMH Funds; Interference with Contract
Selma as SA	7/12/12	DOF, AC	none	AB1X-26 and AB1484. No. 2012-80001199, Dept. 29 (Frawley) Ex Parte App for TRO denied on 7/25/12; DOF answer filed 8/2/12	Neal Costanzo, Michael Slater Fresno 559-261-0163	ROPS Dispute re Rejection of RPTTF for Late ROPS II; RPTTF Distribution Dispute with AC

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Santa Rosa Canners, LLC + Railroad Square Associates, LLC	2/8/13	DOF, Sonoma County A-C Sundstrom	Burbank Housing, Inc., City of Santa Rosa + SA	2013-80001394, Dept. 14 (Balonon)	Charles R. Olson, Frank R. Petrilli, Stein & Lubin San Francisco (415) 981-0550	Action by affordable housing developer; ROPS III Dispute re DOF rejection of project funding agreements; impairment of contract
Sharma, Santa Clara County Auditor Controller + Co Office of Ed	2/8/13	Santa Clara SA, City of Santa Clara, Housing Authority of Controller, Chiang the City of Santa Clara, Santa Clara Stadium Authority, Sports & Open Space Authority of the City of Santa Clara	Ana J. Matosantos, DOF, Office of the Controller, Chiang	2013-80001396, Dept. 14 (Balonon) reassigned to Sumner, Dept. 42 2/25/2013	Lori Pegg, Orry Korb, Lizanne Reynolds, Office of the County Counsel (408-299-5900	Challenge re transfer of RDA assets post-Dissolution Act to City, Housing Authority, and Stadium Authority (includes causes of action for unjust enrichment, conversion, and violation of mandatory duty under Gov Code 815.6; requests constructive trust)
Smart Growth Investors II, LLC, Bridge District Riverfront LLC	2/15/13	Matosantos & DOF	City of West Sacramento, Successor Agency	2013-80001405, Dept 14 (Balonon) notice of related case to 80001406 (West Sac)	Jonathan Bass, Charmaine Yu, Bejan Fanibanda, Coblenz, Patch Duffy & Bass LLP San Francisco office (415) 391-4800	ROPS I & III Dispute re Financing Agreement w/ Former West Sacramento RDA for Bridge District mixed-use redevelopment project as an EO

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
So Cal Assoc of Non-Profit Housing	12/27/12	DOF, Matosantos, Watanabe, City of Industry, Successor Agency to Industry Urban-Development Agency, Housing Authority of the County of LA, Dept of Housing & Comm Development	None	2012-80001355, Dept. 31 (Kenny) Ex Parte App for TRO granted on 1/2/2013; OSC re prelim injunction hearing 1/15/2013 at 9:00 a.m.; Motion for Judgment on the Pleadings scheduled for 4/12/2013	Allen J. Absherez, Katten Muchin Rosenman (310) 788-4400	ROPS III Dispute re EO / DOF rejection of RHNA set aside payments under Gov Code § 65584.3 specific to City of Industry
Sonoma SA	1/29/13	Matosantos, DOF	None	No. 2013-80001378, Dept. 14 (Baloron)	Goldstein, Shupe (County Counsel), John Nagle, Juliet Cox, Rafael Yaqian, Goldfarb & Lipman Oakland office (510) 836-6336	ROPS III Dispute re Project Agreements, General Services Agreement, Administrative; True-up Payment Dispute (reimbursement)
So. Cal. Housing Resource & Development, Creekside Land Holding, etc.	6/7/12	DOF	none	AB1X-26. No. 2012-80001171, Dept. 33 (Connelly); Complete - writ denied and judgment entered on 8/2/2012	Ofer Elitzur, Robert Doty Andrew Fogg at Cox, Castle SF 415-262-5100 oelitzur@coxcastle.com, rdoty@, afogg@	ROPS / EO Dispute re DOF rejection of Spring 6/28/2011 DDA/OPA for aff housing project; Impairment of Contract; Unconstitutional Deprivation of Property

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Syncora Guarantee (Bond Insurer)	8/1/12	State, DOF, Chiang, AC class	none	AB1X-26 and AB1484, No. 2012-80001215, Dept. 31 (Kenny); Writ hearing currently scheduled for 3/8/2013, but date may change Notice of Case Reassignment to Kenny and Hearing Date rescheduled to 5/3/2013 at 9:00 a.m.	Kathleen Sullivan, Erika Taggart at Quinn Emmanuel LA 213-443- 3000 Johnathan Pickhardt, Brad Rosen at Quinn Emanuel NY 212 849- 7000	Impairment of Contracts (State and Federal Constitutions); Constitutional challenge to "Redistribution Provisions" of AB1X26; Inverse Condemnation; Taking of Private Property w/out Just Compensation (Federal Constitution/5th Amendment)

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Union City + SA	1/29/13	Matosantos, O'Connell, Chiang	Chabot-Las Positas CCD, East Bay Regional Park District, Alameda County Water Dist, Union Sanitary Dist, County of Alameda, County of Alameda Zone 7, Alameda County Flood Control & Water Conservation District, Alameda Co Office of Ed, Ohlone CCD, Fremont USD, Bay Area Quality Management District, Bay Area Rapid Transit District, Alameda County Resource Conservation District, New Haven USD	2013-80001377, Dept. 14 (Balonon); TRO Hearing 2/7/13 -- TRO Denied	Benjamin Reyes, Deborah Fox, Dane Foronda, Eric Casher, Meyers Nave Oakland Office	ROPS III Dispute re Use of tax allocation bond proceeds; Housing fund asset transfer dispute; True-up Payment Dispute
Victor Valley Economic Development Authority	4/12/2012	State; DOF; Controller; San Bernardino Auditor	(Appeal filed 10/29/12)	none	2012-80001113, Dept. 33 (Connelly) 9/5/2012 Order sustaining demurrers w/out leave; judgment of dismissal filed; Appeal Pending (3rd DCA C072518)	AB1X26 Challenge re Application of RDA Dissolution to Military Base Conversion JPA - specifically concerns George AFB Closure

Statewide Summary of Redevelopment Litigation

Plaintiff	File Date	Defendant	Real Parties	Comments/Status	Plaintiffs' Attorneys	Summary of Case
Walnut, City of+SA	12/19/12	Dof Matosantos, BOE, Los Angeles County Auditor Controller Watanabe	Walnut Valley Unified School District, LA Consolidated Fire Dist, Mt. San Antonio Comm College Dist, LA County Library, LA Co Department of Education, Co of LA	2012-80001344, Dept. 42 (Sumner) - Stipulation and order filed 12/24/2012 re temporary resolution for 1/2/2013 RPTTF distribution	City Attorney Michael B. Montgomery (626) 799-0500	True-up Payment Dispute
Watsonville + SA	2/20/13	Matosantos (DOF)		2013-80001414, Dept. 14 (Balonon) - Case Assignment sheet is not posted on website as of 2/25 but Balonon was listed when it was posted	Lynn Hutchins, Juliet Cox, Goldfarb & Lipman Oakland office (510) 836-6336	True-up Payment Dispute
West Sacramento + SA	2/15/13	Howard Newens, auditor Controller County of Yolo, Matosantos (DOF)	Smart Growth Investors II, LLC, Bridge District Riverfront, LLC, River Road Venture LLC	2013-80001406, Dept. 14 (Balonon)	Debra Fox, Michael Dean, Erika Randall Meyers Nave, Los Angeles office (213) 626-2906	ROPS I, II, and III Dispute re Bridge District redevelopment projects as EO's (involves Proposition 1C funding)

REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY

BOARD MEETING OF: April 15, 2013

AGENDA ITEM NUMBER: 3.3

APPROVED BY:


James S. Tansey
Executive Director

Subject: Report on Department of Finance Response to the Due Diligence Review of All Non-Housing and Other Accounts

Summary: The Oversight Board will be provided with an update on the Department of Finance (DOF) response to the Due Diligence Review of all non-housing and other accounts.

HISTORY/BACKGROUND

The Due Diligence Review (DDR#2) of all non-housing and other accounts was submitted to the DOF on December 15, 2012. As per the attached letter, they have determined that \$749,454.00 must be transmitted to the Madera County Auditor-Controller for distribution.

We are requesting a "Meet and Confer" based on the following issues:

1. Not allowing us to carry-over reserve funds in ROPS II for Debt Service. HSC 34171(d)(1)(A) states "A reserve may be held when required by bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the calendar year."
2. As of June 30, 2012, the Successor Agency had \$261,733 in accounts payable "Due to City." The DDR incorrectly omitted this balance as a restricted asset. The amount is comprised of Agency expenditures that are charged to the City accounting system for a couple of operational reasons and then reimbursed from the Agency. The greater percentage of \$261,733 is Agency payroll, which is run through the City's accounting system because the Agency's accounting system does not have a payroll module.

RECOMMENDATION

Information only – no action is required.

JET:sb

Attachment:

-April 1, 2013 DOF Correspondence-DDR of Other Funds and Accounts



**DEPARTMENT OF
FINANCE**

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

April 1, 2013

Mr. Jim Taubert, Executive Director
City of Madera
428 East Yosemite Avenue
Madera, CA 93638

Dear Mr. Taubert:

Subject: Other Funds and Accounts Due Diligence Review

Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Madera Successor Agency (Agency) submitted an oversight board approved Other Funds and Accounts (OFA) Due Diligence Review (DDR) to the California Department of Finance (Finance) on January 14, 2013. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Pursuant to HSC section 34179.6 (d), Finance has completed its review of your DDR, which may have included obtaining clarification for various items.

HSC section 34179.6 (d) authorizes Finance to adjust the DDR's stated balance of OFA available for distribution to the taxing entities. Based on our review of your DDR, the following adjustments were made:

- Balances retained for fiscal year 2012-13 obligations in the amount of \$2,406,456. The Agency requested to retain a total of \$5,915,344 for fiscal year 2012-13 obligations. In addition, during Finance's review of the OFA DDR, the Agency submitted two oversight board (OB) resolutions to Finance on March 20, 2012 requesting to change funding source for some obligations.
 - OB Resolution No. 13-05 authorizing payment of certain enforceable obligations from sources other than those listed on the Recognized Obligation Schedule (ROPS) for the period July 1, 2012 through December 31, 2012 (ROPS II).
 - OB Resolution No. 13-06 authorizing payment of certain enforceable obligations from sources other than those listed on the ROPS for the period January 1, 2013 through June 30, 2013 (ROPS III).

These OB resolutions authorized change in funding source from Redevelopment Property Tax Trust Fund (RPTTF) to Reserve Funds for certain obligations listed on ROPS II and ROPS III. Based on our review and application of the law, OB Resolution No. 13-05, which revised ROPS II funding source from RPTTF to Reserve Funds, is not allowed. The Agency is not allowed to revise the funding sources of obligations for a ROPS period that has ended. However, since it is currently the ROPS III period, OB

Resolution No. 13-06, which revised ROPS III funding source from RPTTF to Reserve Funds, is allowed.

Therefore, of the \$5,915,344 requested to retain for fiscal year 2012-13 obligations, \$3,508,888 is allowed to be retained. Specifically, the \$2,007,911 RPTTF distribution received for ROPS II period and \$1,475,377 reserve funds for ROPS III period obligations are allowed to be retained. The remaining difference of \$2,406,456 is not allowed to be retained since the amount is for ROPS III obligations that will be paid with RPTTF distribution the Agency received from the Madera County Auditor-Controller's Office in January 2013 which is not part of the OFA balance.

- Balances retained for future obligations in the amount of \$4,258,342. The Agency's request to retain unencumbered OFA balances for the amount to cover future obligations is not allowed. Finance has only approved funding through the January through June 2013 Recognized Obligation Payment Schedule (ROPS III) period, the Agency's fund balances are only encumbered to the extent they have been approved on a ROPS through the June 30, 2013 period. The cash flow analysis provided by the Agency does not demonstrate an immediate need to retain these unencumbered OFA balances, nor does it suggest available funding will be insufficient to service the Agency's bond debt.

Should a deficit occur in the future, HSC provides successor agencies with various methods to address short term cash flow issues. These may include requesting a loan from the city pursuant to HSC section 34173 (h), requesting the accumulation of reserves on the ROPS when a future balloon or uneven payment is expected, or subordinating pass-through payments pursuant to HSC section 34183 (b). The Agency should seek counsel from their oversight board to determine the solution most appropriate for their situation if a deficiency were to occur.

Since the Agency has not demonstrated an immediate need to retain unencumbered OFA balances and possesses alternatives to address short term cash flow shortages, Finance deems it is not necessary for the Agency to retain \$4,258,342 in OFA unencumbered balances.

If you disagree with Finance's adjusted amount of OFA balances available for distribution to the taxing entities, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's OFA balance available for distribution to the affected taxing entities is \$749,454 (see table below).

OFA Balances Available For Distribution To Taxing Entities	
Available Balance per DDR*:	\$ (5,915,344)
Finance Adjustments:	
Unallowed balances retained for fiscal year 2012-13 obligations	2,406,456
Unallowed balances retained for future obligations	4,258,342
Total OFA available to be distributed:	\$ 749,454

*Available balance adjusted for actuals instead of zero as reported on DDR.

Mr. Jim Taubert
April 1, 2013
Page 3

Absent a Meet and Confer request, HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient. Upon submission of payment, please provide proof of payment to Finance within five business days.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, the successor agency is required to take diligent efforts to recover such funds. A failure to recover and remit those funds may result in offsets to the other taxing entity's sales and use tax allocation or to its property tax allocation. If funds identified for transmission are in the possession of a private entity, HSC 34179.6 (h) (1) (B) states that any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter do not in any way eliminate the Controller's authority.

Please direct inquiries to Beliz Chappuie, Supervisor or Todd Vermillion, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Bob Wilson, Redevelopment Manager, City of Madera
Mr. Brent Richardson, Deputy City Attorney, City of Madera
Ms. Sandi Brown, Agency Secretary, City of Madera
Mr. Jim Boyajian, Auditor-Controller, Madera County
California State Controller's Office

REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

BOARD MEETING OF:

March 15, 2013

AGENDA ITEM NUMBER:

3.4

APPROVED BY:

Jason T. Tuck
Executive Director

Subject: Discussion Regarding Department of Finance Determination on the Recognized Obligation Payment Schedule 13-14A

Summary: The Oversight Board will be provided with an update on the Recognized Obligation Payment Schedule 13-14A covering the period from July 1, 2013 through December 31, 2013.

HISTORY/BACKGROUND

The ROPS 13-14A was submitted to the Department of Finance (DOF) on February 25, 2013. As per the attached letter, they have determined that the following do not qualify as enforceable obligations.

- Various housing operation costs. It is DOF opinion that "Since the City assumed the housing functions of the RDA, all housing administrative and operating costs associated with these functions are the responsibility of the housing successor."
- Riverside Villas storm drainage project. No construction contract has been executed; therefore, the item is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

DOF has approved the Yosemite and Elm Traffic Signal project as an enforceable obligation but will not allow the carryover of reserves into FY 2014 to fund the project in the 13-14A ROPS period. A meet and confer will be requested to discuss different options to fund this project.

Also during the "meet and confer" we will be requesting a legal opinion on our housing replacement obligations associated with the courthouse and Riverwalk Subdivision projects.

RECOMMENDATION

Information report – no action is required.

JET:sb

Attachment:
-DOF letter dated 04/10/13



EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ www.dof.ca.gov

April 10, 2013

Mr. Jim Taubert, Executive Director
City of Madera
428 East Yosemite Avenue
Madera, CA 93638

Dear Mr. Taubert:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Madera Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14A) to the California Department of Finance (Finance) on February 25, 2013 for the period of July through December 2013. Finance has completed its review of your ROPS 13-14A, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

- Item Nos. 19, 20, 21, 26, and 31 – Various housing operation costs in the amount of \$52,699. According to the Agency, these are housing obligations that the Agency intended to fund with Low and Moderate Income Housing Funds (LMIHF). Finance disallowed balances requested to be retained for these obligations in the Agency's LMIHF Due Diligence Review. Therefore, there are no LMIHF funds available. Further, HSC section 34176 (a)(1) states if a city elects to retain the authority to perform housing functions previously performed by a redevelopment agency (RDA), all rights, powers, duties, obligations, and housing assets shall be transferred to the city as the housing successor. Since the City assumed the housing functions of the RDA, all housing administrative and operating costs associated with these functions are the responsibility of the housing successor. Therefore, these are housing obligations of the housing successor and are not eligible for Reserve Balance funding.
- Item No. 38 – Riverside Villas project in the amount of \$289,324. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding that no contracts have been executed for the line item. Therefore, the item is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item No. 63 – 428 Yosemite Plaza related purchase order (PO) in the amount of \$6,109. A PO dated December 2010 showed that the RDA had ordered three benches and two trash receptacles for the property. According to the Agency, the order has not been received and the Agency never followed up with the vendor regarding the status of the

order. The PO prices quoted expired in January 2011 and no documentation was provided to demonstrate the status of the shipment and the expected delivery date. Therefore, this item is not an enforceable obligation and not eligible for Bond Proceeds funding.

- Item No. 82 – Elm and Yosemite Traffic Signal project in the amount of \$412,500. The Agency is requesting reserve balance funding for the project work that was originally part of a development agreement between the RDA and the developer. However, due to contamination found near the location, the work was delayed. The Agency is intending to put out to bid a contract for the remaining work for the traffic signal location and currently there is no expenditure contract in place. HSC section 34177 (b) allows reserves required for indentures, trust indentures, or similar documents governing the issuance of outstanding RDA bonds. The statute does not currently recognize contingent or unknown obligations, thus creation of reserves for the \$412,500 in anticipated project costs is not permissible. Funding may be allowed from RPTTF in a subsequent ROPS period once the expenditure contract has been established. Therefore, this item is not eligible for reserve balance funding at this time.
- Funding source change for various items. The Agency requested to change fund source from RPTTF to Reserve Balance for certain line items.
 - Item No 3: The Agency's request to reduce \$978,403 RPTTF funding to \$916,891 RPTTF and change \$61,512 to reserve balance is approved. The Agency intends to use the bond reserve approved on previous ROPS to make bond payments.
 - Item Nos. 4, 5, 6 and 7: The change in fund source is approved since these are bond related obligations and funds are available from the Agency's bond reserve funds.
 - Item Nos. 10, 24, 27, 38, and 83: The change in fund source from RPTTF to Reserve Balance is denied. The Agency's request to use unspent RPTTF received for ROPS III as "reserve funds" to pay Item Nos. 10, 24, 27, 38, and 83 on ROPS 13-14A is not allowed. Any unspent RPTTF remaining from the Agency's ROPS III RPTTF distribution will be applied as a "Prior Period Adjustment" by the County Auditor Controller (CAC) towards the Agency's approved ROPS 13-14B RPTTF amount. Further, any unobligated reserve funds was required to be remitted to the CAC for distribution to the taxing entities during Finance's Due Diligence Review determinations. Funding for these items remain RPTTF, as originally reported on ROPS 13-14A.

Except for items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 13-14A. This determination applies only to items where funding was requested for the six month period. If you disagree with the determination with respect to any items on your ROPS 13-14A, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

Mr. Jim Taubert
April 10, 2013
Page 3

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$2,290,194 as summarized below:

For the period of July through December 2013	
Total RPTTF funding requested for obligations*	\$ 2,454,518
Minus: Six-month total for items denied or reclassified as administrative cost	
Item 38	289,324
Total approved RPTTF for enforceable obligations	\$ 2,165,194
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	125,000
Minus: ROPS II prior period adjustment	0
Total RPTTF approved for distribution: \$ 2,290,194	

*Balance reflects adjusted total after taking into account approved change in fund source from RPTTF to Reserve Balance for certain line items noted on page 2.

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. The amount of RPTTF approved in the above table includes the prior period adjustment that was self-reported by the Agency. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the above table includes only the prior period adjustment that was self-reported by the Agency.

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14A Forms by Successor Agency/>.

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Mr. Jim Taubert
April 10, 2013
Page 4

Please direct inquiries to Beliz Chappue, Supervisor or Todd Vermillion, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Bob Wilson, Business Manager, City of Madera
Mr. Jim Boyajian, Assistant Auditor-Controller, County of Madera
California State Controller's Office

