

Redevelopment Dissolution

Pursuant to the Redevelopment Dissolution Law (AB X1 26), enacted in June 2011, all redevelopment agencies in the State were dissolved. In connection with winding down the affairs of the dissolved agencies, successor agencies and oversight boards were constituted and housing successors were designated to assume the housing obligations and functions of the former redevelopment agencies.

RWG has drawn on its extensive experience advising redevelopment agencies to assist cities and successor agencies in winding down the affairs of the dissolved redevelopment agencies. While many wind-down activities have been completed, such as the preparation of long-range property management plans, some activities are still ongoing and some challenges still remain. We continue to advise cities and successor agencies with respect to the disposition of successor agency properties, the repayment of city loans, the implementation of agreements entered into by former redevelopment agencies, such as disposition and development agreements (DDAs) and pass-through agreements entered into with taxing entities, the expenditure of proceeds of bonds issued by former redevelopment agencies, the refunding of such bonds, and the preparation of Recognized Obligations Payment Schedules (ROPS), including Last and Final ROPS. We also continue to advise housing successors with respect to developing housing asset properties acquired from the former redevelopment agencies and expending moneys in the Low and Moderate Income Housing Asset Fund in compliance with SB 341.

We have represented cities and successor agencies in litigation under the Redevelopment Dissolution Law involving various issues:

- ▶ On behalf of the City of Tustin and its Successor Agency, we obtained a favorable judgment requiring the State of California to recognize a \$33.5 million public works contract as an enforceable obligation such that Tustin was owed millions of dollars borrowed by the former redevelopment agency.
- ▶ On behalf of the City of Brea and its Successor Agency, we obtained a stipulated judgment under which the State of California agreed not to impose civil penalties on, or to withhold sales and use tax revenues from, Brea even though its Successor Agency had remitted to the Auditor Controller only \$800,000 of more than \$15.5 million demanded by the State. The State also agreed to accept the \$800,000 as final payment of the total amount demanded.

TEAM

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- ▶ On behalf of the Cities of Moorpark, Tehachapi, and Wasco, we have negotiated favorable settlement agreements with respect to pass-through payments to third-party public entities.