



# Controller Betty T. Yee

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## Controller Completes RDA Reviews for Fresno, Palm Desert, and Marysville

**SACRAMENTO** – State Controller John Chiang today announced completing his review of the assets transferred by Redevelopment Agencies (RDAs) in the cities of [Fresno](#), [Palm Desert](#) and [Marysville](#). In the City of Fresno, the review found that \$41.5 million in assets were inappropriately transferred to the City's housing agency. Those properties should have been transferred to the RDA's successor agency, which is run by an oversight board of local appointees and is responsible for handling former RDA assets. The Controller's Office has ordered Fresno to reverse the transfers and place the assets under the local oversight board's authority.

The review found no inappropriate transfers in the cities of Palm Desert or Marysville.

The Controller's reviews are mandated by AB1x 26 and AB 1484. These recently-enacted laws require all RDAs to cease operations by February 1, 2012. Their assets and liabilities must be transferred to a "successor agency" and placed under the direction of an oversight board to dispose of the assets, pay off obligations, and redistribute excess cash to fund schools, public safety, and other local public services.

The law requires that all RDA assets transferred to a city, county or other public agency after January 1, 2011, must be returned to its successor agency, unless the assets were committed to a private third party by June 28 of that year. All properties contained in today's order fall into that timeline, and must be sent to the RDA successor agency.

Existing law empowers a successor agency's oversight board, made up of local appointees, to return assets and property to a local government if it serves a legitimate governmental purpose and if there is no objection by the State Department of Finance. The City of Fresno had argued that the properties it kept did meet such a purpose. Based on that presumption, it inappropriately bypassed the legally-required approval process entrusted to the local oversight board and the State Department of Finance. There are no legal provisions allowing a city or county to keep assets without oversight board authorization.

To date, the Controller has completed 25 asset reviews. As required by AB1x 26 and AB 1484, the Controller will perform reviews of all remaining redevelopment agencies across the State.

Read more about the Controller's role in conducting asset reviews , and see a list of completed reviews .

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