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Controller Finds \$170 million in Inappropriate RDA Transfers in Oakland

SACRAMENTO – State Controller John Chiang today announced completing his [review](#) of the assets transferred by the City of Oakland's redevelopment agency (RDA) prior to its dissolution. The review determined that approximately \$170 million in properties and cash were transferred without legal authority and must now be remitted by Oakland to the newly-created RDA successor agency.

"With the concurrence of the courts, State lawmakers have redirected these funds to be spent on schools, public safety and other local public services," said Chiang. "With Oakland's cooperation, we will make sure that the assets of its now-closed redevelopment agency are used to retire appropriate local debt and begin funding critical services throughout Alameda County."

The Controller's review is mandated by two recent pieces of legislation, ABx1 26 and AB 1484, which shut down all RDAs statewide by February 2012 and created "successor agencies" to pay off any RDA-related debts.

Each successor agency – governed by a locally-appointed oversight board – must receive all RDA assets including those transferred to a city, county or other public agency after January 1, 2011, unless the assets were committed to a private third party by June 28 of that year.

Successor agency oversight boards may return assets and property if they serve a legitimate government purpose and the State Department of Finance has no objection. The Controller's review found more than \$341.8 million in unallowable transfers from Oakland's dissolved RDA, but that the City had contacted the successor agency and received retroactive approval for \$171.8 million of the transfers.

Now, the Controller's report only requires the remaining \$170 million be sent to the successor agency. After all RDA debts are paid, the agency will distribute excess cash to schools, public safety, and other local services.

The State's recently-enacted budget expects that RDA dissolution will send an additional \$1.4 billion to counties, \$1.1 billion to cities and more than \$500 million to special districts over the next two fiscal years. On an ongoing basis, it is estimated that \$675 million will be distributed to local governments annually.

To date, the Controller has completed 68 RDA asset reviews. Read more about the Controller's role in conducting asset reviews [here](#), and see a [list](#) of completed reviews.

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