



**OVERSIGHT
BOARD
AGENDA
REPORT**

SUBJECT: Transfer of Housing Asset Properties to the City of Cathedral City in its capacity as the Housing Successor Agency

DEPARTMENT: Administrative Services

MEETING DATE: November 14, 2013

SUBMITTED BY: Successor Agency

RECOMMENDATION: It is recommended that the Oversight Board adopt the attached Resolution:

1. Authorizing the conveyance of certain low and moderate income housing properties of the former Redevelopment Agency of the City of Cathedral City to the City of Cathedral City as the former Agency's housing successor agency.

BACKGROUND:

As of February 1, 2012, all redevelopment agencies throughout the State were required to dissolve as a result of the passage of ABX1-26 and the subsequent Matosantos case ruling by the California Supreme Court. On June 27, 2012, AB 1484 was also adopted as clean up legislation to ABX1-26. ABX1-26 and AB1484 are referred to in this report collectively as the "**Dissolution Law**."

Under the Dissolution Law, the assets of the former redevelopment agencies must be distributed to other entities. The former agencies' non-housing assets must be transferred to the appropriate successor agencies, while low and moderate income housing assets must be transferred to the public entities which assume the former agencies' housing obligations, i.e., the housing successor agencies. The City serves as both the former Redevelopment Agency's successor agency ("**Successor Agency**") and its housing successor agency ("**Housing Successor Agency**").

The former Redevelopment Agency acquired certain properties for low and moderate income housing purposes ("**Housing Parcels**") (identified on Exhibit A to the attached Resolution), and transferred them to the City's books and records as the Housing Successor Agency. The Housing Parcels' status as housing assets has been confirmed multiple times by the California Department of Finance ("**DOF**") and State Controller's Office ("**SOC**"), as described below.

The Dissolution Law required the Successor Agency to prepare a list of the former Redevelopment Agency's housing assets and submit the list to the DOF for approval. The Successor Agency prepared this list of housing assets, including the Housing

Parcels, and submitted it to the DOF in August 2012. The DOF approved the housing assets list in September 2012.

The Successor Agency also underwent a due diligence review of the former Redevelopment Agency's low and moderate income housing funds and assets ("Housing DDR"). The Housing Parcels were identified as housing assets of the former Redevelopment Agency in the Housing DDR, which was approved by the DOF in November 2012.

Most recently, the SCO completed its review of the former Redevelopment Agency's asset transfers to the City, including those relating to the Housing Parcels. The SCO issued its final audit report in March 2013, which confirmed the Housing Parcels transfer to the City.

Although the Housing Parcels have been internally transferred to the City's books, legal title to the Housing Parcels remains legally vested in the former Redevelopment Agency. The City's future ability to convey and/or develop the Housing Parcels requires that the City hold record legal title in its own name. To accomplish this, the Housing Parcels must be formally conveyed by deed to the City. In turn, this formal conveyance must be authorized by the Oversight Board. Successor Agency staff is therefore requesting that the Oversight Board adopt the attached Resolution authorizing conveyance of the Housing Parcels to the City. The Housing Parcels will continue to be subject to the redevelopment law requirements applicable to low and moderate income housing property.

The Dissolution Law provides that the Oversight Board's approval of the attached Resolution must occur at a public meeting held no less than ten (10) days after public notice of the proposed action is given. In this case, public notice was given on October 28, 2013.

Finally, the Oversight Board's approval is subject to the DOF's review and approval. Successor Agency staff will provide the DOF with notice of the Oversight Board's approval of the Resolution and the Resolution will not become final until the DOF has approved (or has been deemed to have approved) it.

Attachment: Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY AUTHORIZING THE CONVEYANCE OF FORMER REDEVELOPMENT AGENCY HOUSING PARCELS TO THE CITY OF CATHEDRAL CITY AS THE FORMER REDEVELOPMENT AGENCY'S HOUSING SUCCESSOR AGENCY IN ACCORDANCE WITH CALIFORNIA HEALTH & SAFETY CODE SECTIONS 34177 AND 34181

WHEREAS, in accordance with the provisions of the California Community Redevelopment Law (Health and Safety Code section 33000, *et seq.* ("CRL"), the City Council of the City of Cathedral City ("City") previously established the Redevelopment Agency of the City of Cathedral City, a public body, corporate and politic ("Agency"), to carry out the purposes of and exercise the powers granted to community redevelopment agencies in accordance with the CRL;

WHEREAS, the Agency established three redevelopment project areas, subsequently becoming a single Merged Project Area in 2006 (the "Project Area"), to carry out the redevelopment and revitalization of properties within the Project Area in accord with the approved redevelopment plan for the Project Area (the "Redevelopment Plan") adopted under the authority of the CRL;

WHEREAS, on February 1, 2012, the Agency was dissolved in accord with Assembly Bill IX26 (Stats. 2011, 1st Ex. Sess., Ch. 5) ("AB 26"), and its rights, powers, duties and obligations were transferred to a "successor agency" (as defined by CRL section 34171(j) and section 34173);

WHEREAS, in accord with AB 26, the City Council took official action electing to become the former Agency's successor agency ("Successor Agency") in accord with CRL section 34173;

WHEREAS, under CRL section 34173, the Successor Agency succeeded to all of the former Agency's rights and assets, including its housing assets;

WHEREAS, in accord with AB 26, the City Council took official action electing to become the successor to the former Agency's low and moderate income housing powers, duties, and obligations ("Housing Successor Agency");

WHEREAS, an oversight board ("Oversight Board") was formed for the Successor Agency in accord with CRL section 34179 and it exercises the powers and carries out the responsibilities given to it under Part 1.85 of Division 24 of the CRL;

WHEREAS, CRL section 34176(a)(1) and section 34177(g) require that the Successor Agency transfer all of the former Agency's housing assets to the Housing Successor Agency;

WHEREAS, the properties identified on the attached Exhibit A ("**Housing Parcels**") were acquired by the former Agency for low and moderate income housing purposes and thus are housing assets (as defined under CRL section 34176(e)(1)) of the former Agency;

WHEREAS, the Housing Parcels were transferred to the City's books and records as the Housing Successor Agency on February 1, 2012;

WHEREAS, CRL section 34176(a)(2) required the Housing Successor Agency to submit a list of the former Agency's housing assets ("**Housing Assets List**") to the California Department of Finance ("**DOF**"), which had the right to review and object to any asset included on the Housing Assets List;

WHEREAS, the Housing Successor Agency compiled and submitted the Housing Assets List (which included the Housing Parcels) to the DOF on August 1, 2012;

WHEREAS, on September 7, 2012, the DOF approved the Housing Assets List;

WHEREAS, CRL section 34179.5 required the Successor Agency to undergo specified due diligence reviews (each, a "**DDR**") of the Successor Agency's accounts, one of which examined all housing assets (including the Housing Parcels) transferred from the former Agency to the City's books and records ("**Housing DDR**");

WHEREAS, the Housing DDR was submitted to the DOF for review and approval in accord with CRL section 34179.6(c) and approved by the DOF on November 9, 2012;

WHEREAS, in February 2013, and in accord with CRL section 34167.5, the State Controller's Office ("**SCO**") undertook a review ("**SCO Transfer Review**") of all asset transfers which occurred after January 1, 2011, from the former Agency to the City, including the Housing Parcels transfer;

WHEREAS, on March 20, 2013, the SCO approved the SCO Transfer Review;

WHEREAS, although the Housing Parcels have been transferred for record keeping and accounting purposes to the City, record title remains in the former Agency's name;

WHEREAS, unless record title to the Housing Parcels is conveyed by deed to the City, the City's future ability to convey and/or develop the Housing Parcels for housing purposes will be impaired or precluded;

WHEREAS, CRL section 34181(c) authorizes the Oversight Board to direct the Successor Agency to convey the Housing Parcels to the Housing Successor Agency;

WHEREAS, CRL section 34181(f) requires that the conveyance be authorized by an Oversight Board resolution adopted at a public meeting held after no less than ten (10) days' notice to the public; and

WHEREAS, the Oversight Board has adopted this Resolution at a public meeting held no less than ten (10) days after public notice of the specific actions authorized by this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY AS FOLLOWS:

Section 1. Transfer of Housing Parcels to the City as the Housing Successor Agency. Following the effectiveness of this Resolution as described in Section 4, below, the Successor Agency is directed to convey fee simple title to the Housing Parcels to the City (as the Housing Successor Agency) for no consideration. The conveyance may be made by grant deed or by quitclaim deed. The Housing Parcels must be held, used, encumbered, and conveyed by the City consistent with and subject to the CRL's affordable housing requirements.

Section 2. Ratification of Prior Acts and Authority for Future Acts. The Successor Agency and its staff are authorized and directed to do any and all things, and to execute any and all documents, which they may determine to be necessary or advisable to effectuate this Resolution. All previously-taken acts and previously-executed documents are ratified.

Section 3. CEQA. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act (Public Resources Code section 21000 *et seq.*) ("CEQA"). Pursuant to the State CEQA Guidelines (14 Cal Code Regs section 15000 *et seq.*) (the "Guidelines"), the Oversight Board has determined that the approvals and authorizations given by this Resolution are not a project under CEQA and that the adoption of this Resolution is exempt therefrom because it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment (Guidelines section 15378(b)(5)). Further, it can be seen with certainty that there is no possibility that the approvals and authorization may have a significant effect on the environment because this Resolution does not authorize the development of land or permit any new use of land which will result in a significant effect on the environment and, thus, the action is exempt from CEQA (Guidelines section 15061(b)(3)). The Successor Agency is directed to prepare and post a notice of exemption pursuant to Guidelines section 15062.

Section 4. Effectiveness. This Resolution will become effective as provided by CRL section 34181(f).

The foregoing Resolution was duly and regularly adopted at a regular meeting of the Oversight Board to the Successor Agency of the Redevelopment Agency of Cathedral City held on _____, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

CHAIR

ATTEST:

Oversight Board Secretary

EXHIBIT A
DESCRIPTION OF HOUSING PARCELS

EXHIBIT "A"

**TO DEED TO THE CITY OF CATHEDRAL CITY
AS SUCCESSOR HOUSING AGENCY**

APN 660-360-004

Lot 53 in Fractional Section 32, Township 3 South, Range 5 East, San Bernardino Meridian, in the City of Cathedral City, County of Riverside, State of California, according to the official plat thereof.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on January 9, 2006, as Instrument No. 2006-0018836, in Official Records of Riverside County.

APN 660-360-005

The West one-half of the Northwest quarter of the Southeast quarter of the Southwest quarter of Section 32, Township 3 South, Range 5 East, San Bernardino Meridian, in the City of Cathedral City, County of Riverside, State of California, according to the official plat thereof.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on January 9, 2006, as Instrument No. 2006-0018837, in Official Records of Riverside County.

APN 660-360-006

Lot 51 in Fractional Section 32, Township 3 South, Range 5 East, San Bernardino Meridian, in the City of Cathedral City, County of Riverside, State of California, according to the official plat thereof.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on January 9, 2006, as Instrument No. 2006-0018838, in Official Records of Riverside County.

APN 660-360-012

Government Lot 62 in the South one-half of the Southwest quarter of Section 32, Township 3 South, Range 5 East, San Bernardino Meridian, in the City of Cathedral City, County of Riverside, State of California, according to the official plat thereof.

EXCEPT all oil, gas and other mineral deposits, together with the right to prospect for, mine and remove same, reserved pursuant to the provisions of an Act approved June 1, 1938 (52 Stat. 609,43 USCA 315) in the Patent from the United States of America recorded April 16, 1959, as Instrument No. 32349, in Official Records.

Said land is described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on June 26, 2009, as Instrument No. 2009-0328018, in Official Records of Riverside County.

APN 670-197-005

Lot 81 of Rancho Vista Estates No. 3, as shown by map on file in Book 29, at Pages 87 and 88, of Maps, Records of Riverside County, California.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276426, in Official Records of Riverside County, and in the Quitclaim Deed to the Cathedral City Redevelopment Agency, recorded on March 28, 2007, as Instrument No. 2007-0210497, in Official Records of Riverside County.

APN 675-030-022 and 050:

Lot "C" as shown on Tract Map No. 27097-3, on file in Book 250, at Pages 66 through 69, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed from Playa Del Sol Development Company, Inc., recorded on April 29, 2004, as Instrument No. 2004-0315812, in Official Records of Riverside County, California.

APN 675-030-039

Lot 1 as shown on Tract Map No. 27097-3, on file in Book 250, at Pages 66 through 69, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed from Playa Del Sol Development Company, Inc., recorded on April 29, 2004, as Instrument No. 2004-0315816, in Official Records of Riverside County, California.

APN 675-030-047

Lot 2 as shown on Tract Map No. 27097-3, on file in Book 250, at Pages 66 through 69, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed from Playa Del Sol Development Company, Inc., recorded on April 29, 2004, as Instrument No. 2004-0315815, in Official Records of Riverside County, California.

APN 675-030-049

Lot "B" as shown on Tract Map No. 27097-3, on file in Book 250, at Pages 66 through 69, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed from Playa Del Sol Development Company, Inc., recorded on April 29, 2004, as Instrument No. 2004-0315811, in Official Records of Riverside County, California.

APN 675-242-005

Lot 725 of Palm Springs Panorama No. 2, as shown by map on file in Book 39, at Pages 79 through 82, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276424, in Official Records of Riverside County, and in the Quitclaim Deed to the Cathedral City Redevelopment Agency, recorded on March 28, 2007, as Instrument No. 2007-0210498, in Official Records of Riverside County.

APN 675-271-036

Lot 11 of Palm Springs Panorama, as shown by map on file in Book 38, at Pages 83 through 86, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276420, in Official Records of Riverside County, and in the Quitclaim Deed to the Cathedral City Redevelopment Agency, recorded on March 28, 2007, as Instrument No. 2007-0210499, in Official Records of Riverside County.

APN 675-271-037

Lot 12 of Palm Springs Panorama, as shown by map on file in Book 38, at Pages 83 through 86, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276387, in Official Records of Riverside County.

APN 675-271-040

Lot 15 of Palm Springs Panorama, as shown by map on file in Book 38, at Pages 83 through 86, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on November 10, 2004, as Instrument No. 2004-0898615, in Official Records of Riverside County.

APN 675-271-041

Lot 13 of Palm Springs Panorama, as shown by map on file in Book 38, at Pages 83 through 86, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276418, in Official Records of Riverside County, and in the Quitclaim Deed to the Cathedral City Redevelopment Agency, recorded on March 28, 2007, as Instrument No. 2007-0210500, in Official Records of Riverside County.

APN 675-271-042

Lot 14 of Palm Springs Panorama, as shown by map on file in Book 38, at Pages 83 through 86, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276419, in Official Records of Riverside County, and in the Quitclaim Deed to the Cathedral City Redevelopment Agency, recorded on March 28, 2007, as Instrument No. 2007-0210501, in Official Records of Riverside County.

APN 675-292-010

Lot 1140 of Palm Springs Panorama No. 2, as shown by map on file in Book 39, at Pages 79 through 82, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Tax Deeds to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on July 6, 2006, as Instrument No. 2006-0496627, and on July 12, 2006, as Instrument No. 2006-0506994, both in Official Records of Riverside County.

APN 675-302-015

Lot 1254 of Palm Springs Panorama No. 2, as shown by map on file in Book 39, at Pages 79 through 82, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276417, in Official Records of Riverside County, and in the Quitclaim Deed to the Cathedral City Redevelopment Agency, recorded on March 28, 2007, as Instrument No. 2007-0210502, in Official Records of Riverside County.

APN 675-362-012

Lot 495 of Palm Springs Panorama No. 2, as shown by map on file in Book 39, at Pages 79 through 82, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276411, in Official Records of Riverside County, (although the legal description in such deed described the wrong lot and tract), and in the Quitclaim Deed to the Cathedral City Redevelopment Agency, recorded on March 28, 2007, as Instrument No. 2007-0210302, in Official Records of Riverside County (the wrong legal description was used again in this Quitclaim Deed). A corrected Tax Deed of Tax Defaulted Property, with the correct legal description, was recorded by the Tax Collector on February 8, 2012, as Instrument No. 2012-0057290, in Official Records of Riverside County, naming the City of Cathedral City as Grantee.

APN 677-291-021

Lot 518 of Palm Springs Country Club Estates, Unit 3, as shown by map on file in Book 34, at Pages 73 and 74 of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed to the Cathedral City Redevelopment Agency, recorded on May 31, 1995, as Instrument No. 173545, in Official Records of Riverside County.

APN 677-291-022

Lot 78 of Palm Springs Country Club Estates, as shown by map on file in Book 22, at Pages 40 through 44, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed to the Cathedral City Redevelopment Agency, recorded on July 27, 1993, as Instrument No. 289112, in Official Records of Riverside County.

APN 677-331-003

Lot 239 of Palm Springs Country Club Estates, as shown by map on file in Book 22, at Pages 40 through 44, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed executed by Randal V. Alhadeff, to the Cathedral City Redevelopment Agency, recorded on July 27, 1993, as Instrument No. 289108, in Official Records of Riverside County.

APN 677-332-003

Lot 625 of Palm Springs Country Club Estates, Unit No. 4, as shown by map on file in Book 37, at Pages 14 and 15, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed to the Cathedral City Redevelopment Agency, executed by Michael L. Gonzales, recorded on January 16, 2008, as Instrument No. 2008-0025250, in Official Records of Riverside County.

APN 677-373-008

Lots 38 and 39 of Palm Springs Country Club Estates, as shown by map on file in Book 22, at Pages 40 through 44, inclusive, of Maps, Records of Riverside County, California;

Together with the Easterly 129.94 feet of Lot 101 of Tract No. 2139, as shown by map on file in Book 41, at Pages 91 through 96, inclusive of Maps, Records of Riverside County.

Said land is described as "Parcel 3" in the Corporation Grant Deed recorded on December 24, 1992, as Instrument No. 489932, in Official Records of said Riverside County, and in the Grant Deed recorded on April 28, 1995, as Instrument No. 134125, in said Official Records, and in the Quitclaim Deed recorded on June 10, 1996, as Instrument No. 213193, in said Official Records.

APN 677-382-005 and 006

Lot 357 of Palm Springs Country Club Estates, Unit 2, as shown by map on file in Book 32, at Pages 17 and 18 of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed to the Cathedral City Redevelopment Agency, recorded on March 8, 1993, as Instrument No. 85884, in Official Records of Riverside County.

APN 677-382-007

Lot 113 of Palm Springs Country Club Estates, as shown by map on file in Book 22, at Pages 40 through 44, inclusive, of Maps, Records of Riverside County, California.

Said land is described in the Default Judgment and Final Order of Condemnation filed in the Superior Court of the County of Riverside and recorded on January 27, 2005, as Instrument No. 2005-0077532, in Official Records of Riverside County, California.

Said land is also described in the Grant Deed to the Redevelopment Agency of the City of Cathedral City, recorded on April 21, 2005, as Instrument No. 2005-0314799, in Official Records of Riverside County.

APN 677-382-008

Lot 356 of Palm Springs Country Club Estates, Unit 2, as shown by map on file in Book 32, at Pages 17 and 18 of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed to the Redevelopment Agency of the City of Cathedral City, recorded on June ??, 2001, as Instrument No. 2001-280309, in Official Records of Riverside County.

APN 677-383-001 and 002

Lots 1 and 2 of Palm Springs Country Club Estates, as shown by map on file in Book 22, at Pages 40 through 44, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed to the Cathedral City Redevelopment Agency, recorded on October 15, 1993, as Instrument No. 404957, in Official Records of Riverside County.

APN 677-393-003

Lot 16 of Palm Springs Country Club Estates, as shown by map on file in Book 22, at Pages 40 through 44, inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed to the Redevelopment Agency of the City of cathedral City, recorded on March 5, 2004, as Instrument No. 2004-0156180, in Official Records of Riverside County.

APN 677-410-009:

Lot "A" of Tract No. 26598-1, as shown by map on file in Book 242, at Pages 14 through 17, inclusive, Records of Riverside County, California.

Lot "A" was offered to the City of Cathedral City in fee simple, in the Owners Certificate on the map of Tract No. 26598-1, and was accepted on behalf of the City by the City Clerk, on said map. The land is also described in the Quitclaim Deed to the Cathedral City Redevelopment Agency recorded on March 26, 2007, as Instrument No. 2007-0210303, in Official Records of Riverside County, California.

APN 677-441-011 and 012

Lots 245 and 246 of Palm Springs Outpost, Unit No. 5, as shown by map on file in Book 26, at Page 88, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed to the Redevelopment Agency of the City of Cathedral City, executed by Joseph Kwasny, recorded on October 27, 2003, as Instrument No. 2003-846568, in Official Records of Riverside County.

APN 677-442-015

Lot 189 of Palm Springs Outpost, Unit No. 5, as shown by map on file in Book 26, at Page 88, of Maps, Records of Riverside County, California;

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on November 10, 2004, as Instrument No. 2004-0898616, in Official Records of Riverside County.

APN 677-443-004

Lot 171 of Palm Springs Outpost, Unit No. 5, as shown by map on file in Book 26, at Page 88, of Maps, Records of Riverside County, California;

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276386, in Official Records of Riverside County.

APN 677-443-005

Lot 170 of Palm Springs Outpost, Unit No. 5, as shown by map on file in Book 26, at Page 88, of Maps, Records of Riverside County, California;

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276388, in Official Records of Riverside County.

APN 677-445-014

Lot 221 of Palm Springs Outpost, Unit No. 5, as shown by map on file in Book 26, at Page 88, of Maps, Records of Riverside County, California;

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on November 10, 2004, as Instrument No. 2004-0898617, in Official Records of Riverside County.

APN 677-510-061

Parcel "A" as described in the Corrected Certificate of Compliance for Lot Line Adjustment No. 2011-462, recorded on April 26, 2012, as Instrument No. 2012-0188795, in Official Records of Riverside County, California.

APN 678-081-019

Lot 542 of Palm Springs Highlands Unit No. 3, as shown by map on file in Book 37, at Pages 77 and 78, of Maps, Records of Riverside County, California;

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on November 10, 2004, as Instrument No. 2004-0898618, in Official Records of Riverside County.

APN 680-251-055

Lot 11 of Desert Retreat Estates, as shown by map on file in Book 26, at Pages 18 and 19, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed to the City of Cathedral City Redevelopment Agency, recorded on November 17, 1995, as Instrument No. 385999, in Official Records of Riverside County.

APN 680-252-022

Lot 66 of Ramon Palms No. 2, as shown by map on file in Book 24, at Page 25 of Maps, Records of Riverside County, California;

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276416, in Official Records of Riverside County, and in the Quitclaim Deed to the Cathedral City Redevelopment Agency, recorded on March 28, 2007, as Instrument No. 2007-0210304, in Official Records of Riverside County.

APN 680-301-001

Lot 100 of Cathy Estates, as shown by map on file in Book 27, at Page 70, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed to the Cathedral City Redevelopment Agency, executed by Sara A. Miller, Successor Trustee, recorded on August 19, 2005, as Instrument No. 2005-0683134, in Official Records of Riverside County.

APN 680-301-002

Lot 101 of Cathy Estates, as shown by map on file in Book 27, at Page 70, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed to the Cathedral City Redevelopment Agency, executed by Sara A. Miller, Successor Trustee, recorded on August 19, 2005, as Instrument No. 2005-0683135, in Official Records of Riverside County.

APN 680-302-021

Lot 21 of Cathy Estates, as shown by map on file in Book 27, at Page 70 of Maps, Records of Riverside County, California;

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276410, in Official Records of Riverside County, and in the Quitclaim Deed to the Cathedral City Redevelopment Agency, recorded on March 28, 2007, as Instrument No. 2007-0210305, in Official Records of Riverside County.

APN 680-401-008

Lot 38 of El Rancho Grande, as shown by map on file in Book 29, at Pages 85 and 86 of Maps, Records of Riverside County, California;

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276385, in Official Records of Riverside County.

APN 680-401-010

Lot 40 of El Rancho Grande, as shown by map on file in Book 29, at Pages 85 and 86 of Maps, Records of Riverside County, California;

Said land is described in the Grant Deed to the City of Cathedral City Redevelopment Agency, executed by Ben Van Ingen and Anna Van Ingen, and recorded on May 8, 1996, as Instrument No. 167973, in Official Records of Riverside County.

APN 680-421-031

Lot 199 of Palm Springs Outpost No. 2, as shown by map on file in Book 25, at Pages 61 and 62 of Maps, Records of Riverside County, California;

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276414, in Official Records of Riverside County, and in the Quitclaim Deed to the Cathedral City Redevelopment Agency, recorded on March 28, 2007, as Instrument No. 2007-0210306, in Official Records of Riverside County.

APN 680-432-011

Lot 330 of Palm Springs Outpost No. 2, as shown by map on file in Book 25, at Pages 61 and 62 of Maps, Records of Riverside County, California;

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on April 16, 2004, as Instrument No. 2004-0276413, in Official Records of Riverside County, and in the Quitclaim Deed to the Cathedral City Redevelopment Agency, recorded on March 28, 2007, as Instrument No. 2007-0210308, in Official Records of Riverside County.

APN 680-442-039

Lot 209 of Ramon Palms No. 3, as shown by map on file in Book 24, at Page 91 of maps, Records of Riverside County, California.

Said land is also described in the Grant Deed from Jack Kemp, Secretary of the United States Housing and Urban Development Department, recorded on February 26, 1991, as Instrument No. 63141, in Official Records of Riverside County, California.

APN 680-482-018

The North one-half of Lot 100 of Rancho Vista Estates No. 2, as shown by map on file in Book 22, at Page 39, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed to the City of Cathedral City Redevelopment Agency, recorded on January 16, 2004, as Instrument No. 2004-0033716, in Official Records of Riverside County, and in the Quitclaim Deed to the Cathedral City Redevelopment Agency, recorded on March 28, 2007, as Instrument No. 2007-0210307, in Official Records of Riverside County.

APN 687-196-001

That portion of Lots 127 and 128 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California, described as follows:

Beginning at the Northwest corner of Lot 127; thence Southerly on the Westerly line of said lot, 95 feet; thence, Easterly, parallel with the Southerly line of Lots 127 and 128, to the easterly line of Lot 128; thence Northerly on the Easterly line of Lot 128, to the Northeasterly corner thereof; thence Northwesterly on the Northerly line of Lots 128 and 127, to the Point of Beginning.

Said land is also described as Parcel 3 in the Judgment and Final Order of Condemnation recorded on February 25, 2000, as Instrument No. 2000-068557, in Official Records of Riverside County, California, and as described in the Quitclaim Deed recorded on March 28, 2007, as Instrument No. 2007-0210310, in Official Records of Riverside County.

APN 687-196-002 and 003

The South 54.73 feet of Lots 127 and 128 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California.

Said land is also described as Parcel 2 in the Judgment and Final Order of Condemnation recorded on February 25, 2000, as Instrument No. 2000-068557, in Official Records of Riverside County, California, and as described in the Quitclaim Deed recorded on March 28, 2007, as Instrument No. 2007-0210310, in Official Records of Riverside County.

APN 687-196-004

Lot 129 and the West sixty-seven hundredths of a foot (West 0.67 feet) of Lot 130 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California.

Said land is also described as Parcel 1 in the Judgment and Final Order of Condemnation recorded on February 25, 2000, as Instrument No. 2000-068557, in Official Records of Riverside County, California, and as described in the Quitclaim Deed recorded on March 28, 2007, as Instrument No. 2007-0210310, in Official Records of Riverside County.

APN 687-196-005

Lot 130 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California;

EXCEPTING THEREFROM the Westerly 0.67 feet thereof.

Said land is described in the Grant Deed executed by Harry Brent Rutberg, Trustee, Frederick Rutberg and Morrine Rutberg, Trustees, and Fred Rutberg and Morrine Rutberg, and recorded on September 18, 1998, as Instrument No. 399060, in Official Records of Riverside County, California.

APN 687-196-006

Lot 131 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California;

Said land is described in the Grant Deed executed by Harry Brent Rutberg, Trustee, Frederick Rutberg and Morrine Rutberg, Trustees, and Fred Rutberg and Morrine Rutberg, and recorded on September 18, 1998, as Instrument No. 399060, in Official Records of Riverside County, California.

APN 687-197-002

The North 56 feet of Lot 158 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California.

Said land is described in the Grant Deed executed by Helenann Holmes, and recorded on April 20, 2001, as Instrument No. 2001-168514, in Official Records of Riverside County, California.

APN 687-197-006:

The Southerly 61.5 feet of Lot 156 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California.

Said land is described in the Grant Deed executed by Roger Smith and Marsha L. Smith, and recorded on March 16, 2005, as Instrument No. 2005-0205672, in Official Records of Riverside County, California.

APN 687-197-007:

Lot 155 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California.

Said land is described in the Grant Deed executed by Roger Smith and Marsha Smith, and recorded on May 6, 2005, as Instrument No. 2005-0360456, in Official Records of Riverside County, California.

APN 687-197-014:

Lot 148 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California.
EXCEPTING THEREFROM the South 75 feet thereof.

Said land is described in the Grant Deed executed by Jose Romero and Maria Romero, and recorded on February 26, 1999, as Instrument No. 078023, in Official Records of Riverside County, California.
(This Deed erroneously describes all of Lot 148)

APN 687-198-001:

Lot 147 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California;

Said land is described in the Grant Deed executed by Harry Brent Rutberg, Trustee, Frederick Rutberg and Morrine Rutberg, Trustees, and Fred Rutberg and Morrine Rutberg, and recorded on September 18, 1998, as Instrument No. 399060, in Official Records of Riverside County, California.

APN 687-198-002 through 006:

Lots 142 through 146, inclusive, of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California;

Said land is described in the Grant Deed executed by Harry Brent Rutberg, Trustee, Frederick Rutberg and Morrine Rutberg, Trustees, and Fred Rutberg and Morrine Rutberg, and recorded on September 18, 1998, as Instrument No. 399060, in Official Records of Riverside County, California.

APN 687-212-001

The North half of Lot 163 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is described as Parcel 1 in the Grant Deed executed by GTE California Incorporated, and recorded on October 19, 1995, as Instrument No. 349086, in Official Records of Riverside County, California.

APN 687-212-002 and 003:

Those portions of Lot 163 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California, described as follows:

Parcel 1: The Southwest quarter of said Lot 163 of Cathedral City,
EXCEPTING THEREFROM the Westerly 50 feet thereof.

Parcel 2: The West 50 feet of the South half of said Lot 163 of Cathedral City.

Said land is also described in the Grant Deed executed by Sam Stickles and Vikki Stickles, Trustees, and recorded on September 29, 1995, as Instrument No. 327139, in Official Records of Riverside County.

APN 687-212-004:

The West 50 feet of the East 100 feet of the South half of Lot 163 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California.

Said land is described in the Grant Deed executed by Betty Boutin, and recorded on July 28, 1995, as Instrument No. 244539, in Official Records of Riverside County, California.

APN 687-212-005:

The Easterly 50 feet of the South half of Lot 163 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed executed by Arcadio Salinas, Jr., and Maria Irma Salinas, and recorded on December 8, 1995, as Instrument No. 407713, in Official Records of Riverside County.

APN 687-213-001:

The West 43 feet of the Northwest quarter Lot 202 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California.

Said land is described in the Grant Deed executed by Lydia G. Jimenez, and recorded on October 18, 2006, as Instrument No. 2006-0766372, in Official Records of Riverside County, California.

APN 687-213-003 and 004:

The following described portions of Lot 202 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 of Maps, Records of Riverside County, California

Parcel 1: The North 45 feet of the South 95 feet of the Westerly 100 feet of said Lot 202 of Cathedral City;

Parcel 2: The South 50 feet of the West 100 feet of said Lot 202 of Cathedral City.

Said land is described in the Grant Deed executed by Gershwin Malcom Haltman and Ellen Eloise Haltman, Trustees, and recorded on May 6, 2005, as Instrument No. 2005-0364208, in Official Records of Riverside County, California.

APN 687-213-007:

The West half of the Southeast quarter of Lot 202 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed executed by Servando Cortez and Anabel Teran, and recorded on April 12, 2006, as Instrument No. 2006-0259758, in Official Records of Riverside County.

APN 687-213-008:

The East one-half of the Southeast one-quarter of Lot 202 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described as "Parcel 1" in the Grant Deed executed by SS & M, LLC, and recorded on October 15, 2002, as Instrument No. 2002-573556, in Official Records of Riverside County.

APN 687-213-010:

The West 50 feet of the Southerly 95 feet of the Westerly rectangular 100 feet of Lot 201 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed executed by William H. De La Campa, and recorded on September 19, 2002, as Instrument No. 2002-520039, in Official Records of Riverside County.

APN 687-213-011:

The North half of the West 100 feet of Lot 201 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

EXCEPTING THEREFROM the West 50 feet.

Said land is also described in the Grant Deed executed by Arturo Tomas Martinez Justo, and recorded on June 30, 2008, as Instrument No. 2008-0356797, in Official Records of Riverside County.

APN 687-214-002:

The Northerly rectangular 95 feet of the Easterly rectangular 100 feet of Lot 198 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described as "Parcel 7" in the Grant Deed executed by SS & M, LLC, and recorded on October 15, 2002, as Instrument No. 2002-573556, in Official Records of Riverside County.

APN 687-214-007:

The Southerly 58 feet of the Northerly 102 feet of the Easterly 56 feet of Lot 197 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Tax Deed to Purchaser of Tax-Defaulted Property, executed by the Tax Collector of the County of Riverside, and recorded on January 11, 2005, as Instrument No. 2005-0027742, in Official Records of Riverside County.

APN 687-214-008:

The Southerly 88.00 feet of the East half of Lot 197 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described as "Parcel 8" in the Grant Deed executed by SS & M, LLC, and recorded on October 15, 2002, as Instrument No. 2002-573556, in Official Records of Riverside County.

APN 687-215-001:

The North 35 feet of the West 75 feet of Lot 203 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed executed by Alberto Mata Sifuentes and Maria Guadalupe Sifuentes, and recorded on November 21, 1995, as Instrument No. 388559, in Official Records of Riverside County.

APN 687-215-002:

The Westerly 75 feet of the Southerly 60 feet of the Northwest quarter of Lot 203 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed of Administration, executed on behalf of the Riverside County Public Administrator, and recorded on December 7, 1999, as Instrument No. 1999-532990, in Official Records of Riverside County.

APN 687-215-003:

The East 25 feet of the Northwest one-quarter of Lot 203 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed executed by Kelly Desselle-Pontrelli and John Pontrelli, and recorded on June 18, 1996, as Instrument No. 223949, in Official Records of Riverside County.

APN 687-215-004:

The Southwest quarter of Lot 203 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed executed by James W. Condon and John A. Kennedy, and recorded on July 1, 1996, as Instrument No. 244158, in Official Records of Riverside County.

APN 687-215-006:

The East half of the Northeast quarter of Lot 203 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed executed by Nelson B. Soto and Lestalee Soto, Trustees, and recorded on July 31, 2008, as Instrument No. 2008-0421862, in Official Records of Riverside County.

APN 687-216-014:

The East 50 feet of the North half of the East 100 feet of Lot 208 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed executed by Woodrow Potts and Rosella Potts, and recorded on January 15, 2004, as Instrument No. 2004-0030853, in Official Records of Riverside County.

APN 687-241-027:

The East 50.00 feet of the South 95.00 feet of Lot 217 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed executed by Ralph R. Fairweather and Muriel A. Fairweather, Trustees, and recorded on March 14, 2003, as Instrument No. 2003-180144, in Official Records of Riverside County.

APN 687-241-038:

The East 50 feet of the West 100 feet of the North half of Lot 230 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California.

Said land is also described in the Grant Deed executed by William H. De La Campa, and recorded on November 20, 2001, as Instrument No. 2001-574097, in Official Records of Riverside County.

APN 687-241-047:

That portion of the Easterly 100 feet of Lot 231 of Cathedral City, as shown by map on file in Book 13, at Pages 24, 25, and 26 inclusive, of Maps, Records of Riverside County, California, lying Westerly of the Westerly line of that certain perpetual easement conveyed to the Riverside County Flood Control and Water Conservation District by Deed recorded March 18, 1947, in Book 826 at Page 140 of Official Records, Riverside County Records.

Said land is also described in the Grant Deed executed by Joyce Engel, Conservator, and recorded on February 7, 2003, as Instrument No. 2003-092288, in Official Records of Riverside County.

///////



DEPARTMENT OF
FINANCE

BUSINESS ITEM #1

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET • SACRAMENTO, CA • 95814-3706 • WWW.DOF.CA.GOV

September 7, 2012

Ms. Tami Scott, Accounting Services Director
City of Cathedral City
68-700 Avenida Lalo Guerrero
Cathedral City, CA 92234

Dear Ms. Scott:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Cathedral City submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on August 1, 2012 for the period February 1, 2012 through August 1, 2012.

Finance has completed its review of your Form, which may have included obtaining clarification for various items. Based on a sample of line items reviewed and the application of law, Finance is not objecting to any assets or transfers of assets identified on your Form.

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

Sincerely,


STEVE SZALAY
Local Government Consultant

cc: Mr. Kevin Biersack, Accounting Services Manager, City of Cathedral City
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
Auditor-Controller
Ms. April Nash, Supervising Accountant, Riverside County Auditor-Controller
Ms. Jennifer Baechel, Business Process Analyst II, Riverside County Auditor-Controller
California State Controller's Office



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET • SACRAMENTO, CA • 95814-3706 • WWW.DOF.CA.GOV

November 9, 2012

Ms. Tami Scott, Administrative Services Director
City of Cathedral City
68700 Avenida LaLo Guerrero
Cathedral City, CA 92234

Dear Ms. Scott:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Cathedral City Successor Agency (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund Due Diligence Review (DDR) to the California Department of Finance (Finance) on October 11, 2012. 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.

Based on our review, Finance made no adjustments to the Low and Moderate Income Housing Fund (LMIHF) balance available for allocation to the affected taxing entities. As a result, there are no unencumbered LMIHF balances available for distribution.

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 and Finance's Housing Assets Transfer letter dated September 7, 2012 do not in any way eliminate the Controller's authority.

Finally, we note that failure to return assets that were deemed an unallowable transfer, and which were ordered returned to the Agency by the Controller or by Finance, would be a violation of Penal Code section 424.

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

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: On following page

Ms. Tami Scott
November 9, 2012
Page 2

cc: Mr. Kevin Biersack, Accounting Services Manager, City of Cathedral City
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
Auditor-Controller
California State Controller's Office



JOHN CHIANG
California State Controller

March 20, 2013

Andy Hall, City Manager
City of Cathedral City
68-700 Avenida Lalo Guerrero
Cathedral City, CA 92234

Dear Mr. Hall:

Pursuant to Health and Safety (H&S) Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Cathedral City Redevelopment Agency to the City of Cathedral City or any other public agency after January 1, 2011. This statutory provision states, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether it should be turned over to the Cathedral City Redevelopment Successor Agency.

Our review applied to all assets including but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. We also reviewed and determined whether any unallowable transfers of assets to the City or any other public agencies have been reversed.

Our review found that the Cathedral City Redevelopment Agency transferred a total of \$121,816,469 in assets to the Successor Agency as required.

If you have any questions, please contact Steven Mar, Bureau Chief, Local Government Audits Bureau, at (916) 324-7226.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/bf

**CATHEDRAL CITY
REDEVELOPMENT AGENCY**

ASSET TRANSFER REVIEW

Review Report

January 1, 2011, through January 31, 2012



JOHN CHIANG
California State Controller

March 2013

cc: Tami E. Scott, Administrative Services Director
City of Cathedral City
Kevin Biersack, Accounting Services Manager
City of Cathedral City
Kathy DeRosa, Chairman Oversight Board
City of Cathedral City
Steven Szalay, Local Government Consultant
Department of Finance
Richard J. Chivaro, Chief Legal Counsel
State Controller's Office
Scott Freesmeier, Audit Manager
Division of Audits, State Controller's Office
Ernesto Pangilinan, Auditor-in-Charge
Division of Audits, State Controller's Office

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Asset Transfer Review Report

Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the Cathedral City Redevelopment Agency after January 1, 2011. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payments of any kind from any source.

Our review found that the Cathedral City Redevelopment Agency transferred a total of \$121,816,469 in assets to the Successor Agency as required.

Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA Successor Agencies to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (*California Redevelopment Association et al. v. Matosantos*), upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

ABX1 26 was codified in the Health and Safety Code (H&S Code) beginning with section 34161.

In accordance with the requirements of H&S Code section 34167.5, the State Controller is required to review the activities of redevelopment agencies (RDAs), "to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency, or any other public agency, and the redevelopment agency," and the date on which the RDA ceases to operate, or January 31, 2012, whichever is earlier.

The SCO has identified transfers of assets that occurred after January 1, 2011, between the Cathedral City Redevelopment Agency, the City of Cathedral City, and/or other public agencies. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal order to ensure compliance with this order.

**Objectives, Scope,
and Methodology**

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA, or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the City of Cathedral City Council, Cathedral City Redevelopment Agency, the Successor Agency, and Oversight Board.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

Conclusion

Our review found that the Cathedral City Redevelopment Agency transferred a total of \$121,816,469 or 100% in assets to the Successor Agency as required.

**Views of
Responsible
Officials**

At an exit conference on February 20, 2013, we discussed the review results with Tami E. Scott, Administrative Services Director and Kevin Biersack, Accounting Services Manager. At the exit conference, we stated that the final report will include the views of responsible officials.

Restricted Use

This report is solely for the information and use of the City of Cathedral City, the Successor Agency, and the Oversight Board; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

March 20, 2013

State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874

<http://www.sco.ca.gov>

S13-RDA-956