DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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January 28, 2015

Mr. Dean Martin, Interim Administrative Services Director
City of Banning
99 East Ramsey Street
Banning, CA 92220

Dear Mr. Martin:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the Banning Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on October 1, 2013. The Agency subsequently submitted a revised LRPMP to Finance on July 29, 2014. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on April 26, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP.

However, the following issue was noted during our review, but does not require a revised plan to be submitted:

- Property No. 5 – The Agency notified Finance in December 2014 of a correction made to their LRPMP. The Assessor's Property Number 541-150-029 is owned by the City of Banning not the Agency and that it was erroneously listed as part of property No. 5 on the LRPMP. Therefore, it was not necessary to include it in the LRPMP.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Agency actions taken pursuant to a Finance approved LRPMP which requires the Agency to enter into a new agreement are subject to oversight board (OB) approval per HSC section 34181 (f). Any OB action approving a new agreement in connection with the LRPMP should be submitted to Finance for approval.

Pursuant to HSC section 34167.5, 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. Should the Controller claw back real property assets not contemplated in the existing approved LRPMP, the LRPMP must be revised to include these additional real assets. The revised LRPMP must be approved by the OB and Finance before the disposition of the clawed back assets can occur.

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

Sincerely,

for

JUSTYN HOWARD
Acting Program Budget Manager

cc: Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State Controller's Office
California State Controller's Office