DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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October 21, 2014

Mr. Chris Constantin, Treasurer
City of Chico
P.O. Box 3420
411 Main Street
Chico, CA 95927

Dear Mr. Constantin:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of Chico Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on October 21, 2013. The Agency subsequently submitted a revised LRPMP to Finance on June 3, 2014 and September 23, 2014, respectively. 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 October 3, 2014. 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. Our approval also took into account the following clarification provided by the Agency:

- Humboldt Road Burn Dump-Landfill/Open Space – Retained by the Agency to be transfer for governmental use. Parcels 5 through 8 (Property) represent a closed landfill that is subject to long-term post closure monitoring due to contaminated soil on the site. The LRPMP notes that the Property will be retained by the Agency for fulfillment of post closure monitoring for the subject term of 30 years and transferred to the governmental agency for governmental use consistent with open space zoning. However, the Agency and the Oversight Board (OB) are encouraged to seek options to expeditiously wind down its affairs as required under HSC section 34177 (h). Such an option could include assigning administration of the post closure monitoring of the property and transferring it to the sponsoring entity prior to the ending of the subject term of 30 years, once all of the Agency's obligations have been paid off, and disposal of all other properties has occurred.

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 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.

Please direct inquiries to Beliz Chappuie, Supervisor, or Chikako Takagi-Galamba, Manager at (916) 445-1546.

Sincerely,

for

JUSTYN HOWARD
Acting Program Budget Manager

cc: Ms. Barbara Martin, Budget and Treasury Manager, City of Chico
Ms. Maria Solis, Auditor-Accountant, Butte County
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State Controller's Office
California State Controller's Office