



DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

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

November 30, 2012

Ms. Cindy Russell, Finance Officer  
City of San Juan Capistrano  
32400 Paseo Adelanto  
San Juan Capistrano, CA 92675

Dear Ms. Russell:

Subject: Approval/Objection of Oversight Board Action

The City of San Juan Capistrano Successor Agency (Agency) notified the California Department of Finance (Finance) of its September 19, 2012 oversight board (OB) resolution on September 21, 2012. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Finance has completed its review of the Agency's OB Resolution No. 12-09-19-01 directing the Agency to transfer redevelopment assets that are designated for housing assets and governmental use properties to the San Juan Capistrano Housing Authority and the City of San Juan Capistrano. Based on our review and application of the law, we made the following determinations:

- Transfer of housing assets to the Housing Authority is approved.
- As summarized in the table below, some properties do not meet the criteria included in HSC section 34181 (a) that defines the assets constructed and used for a governmental purpose. HSC section 34191.3 suspended the requirements of HSC section 34181 (a) and the successor agency's ability to dispose of assets for non-governmental purposes, until Finance has issued a finding of completion and has approved a long range property management plan. Because the Agency has not met all statutory requirements, the disposition of non-governmental purpose properties by transfer is not permitted.

<i>Description</i>	<i>Purpose</i>	<i>Determination</i>
Historic Town Center Park	Governmental use	Approved
Blas Aguilar Adobe for historic preservation	Governmental use	Approved
Los Rios Park - Phase I	Governmental use	Approved
Los Rios Park - Phase II	Non-governmental use <sup>(1)</sup>	Denied
Kinoshita Farmland	Unable to determine <sup>(2)</sup>	Denied
Former Pacific Bell Community Theater	Non-governmental use	Denied
Remnant Property along Paseo Adelanto	Governmental use	Approved
Kord/Herrera	Governmental use	Approved
Texaco Parking Lot	Non-governmental use	Denied
Love Parking Lot	Non-governmental use	Denied
Mitchell Parking Lot	Non-governmental use	Denied
Veteran's Park	Governmental use	Approved
Mitchell Parking Lot	Non-governmental use <sup>(1)</sup>	Denied
Library Parking Lot	Governmental use	Approved
Property adjacent to the Regional Library	Governmental use	Approved

(1) Currently used as a temporarily parking lot by the general public.

(2) The former RD has 1/5, or approximately 4 acres of the land; however, the Agency cannot specify which 4 acres is their 1/5 interest.

The process and guidelines related to the disposition of former RDA assets are available at Finance's website below:

[http://www.dof.ca.gov/redevelopment/property\\_disposition/](http://www.dof.ca.gov/redevelopment/property_disposition/)

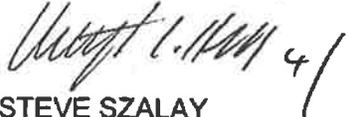
Furthermore, as authorized in HSC section 34167.5, the State Controller may audit asset transfers that occurred after January 1, 2011 between the RDA and the city that created the RDA, and may order the return of the assets if they are not contractually committed to a third party for the encumbrance or expenditures of these assets.

As authorized by HSC section 34179 (h), Finance is returning your OB action to the board for reconsideration.

Ms. Cindy Russell  
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Please direct inquiries to Justyn Howard, Assistant Program Budget Manager, at  
(916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Szalay", with a stylized flourish at the end.

**STEVE SZALAY**  
Local Government Consultant

cc: Ms. Michelle Bannigan, Assistant Finance Director, City of San Juan Capistrano  
Ms. Christy Jakl, Deputy City Clerk, City of San Juan Capistrano  
Mr. Frank Davies, Property Tax Manager, Orange County  
California State Controller's Office