

# **MADERA REDEVELOPMENT AGENCY**

## **ASSET TRANSFER REVIEW**

### Review Report

*January 1, 2011, through January 31, 2012*



**JOHN CHIANG**  
California State Controller

December 2012



**JOHN CHIANG**  
**California State Controller**

December 12, 2012

Jim Taubert, Executive Director  
Madera Redevelopment Agency/Successor Agency  
428 East Yosemite Avenue  
Madera, CA 93638

Dear Mr. Taubert:

Pursuant to Health and Safety (H&S) code section 34167.5, the State Controller's Office (SCO) reviewed all asset activities of the Madera Redevelopment Agency after January 1, 2011. As you know, this statutory provision explicitly states that, "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 was to include an assessment of whether any asset transfers were allowable and whether assets should be returned to the Madera 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 any rights to payment of any kind.

Our review found that asset transfer did not occur between the city that created the agency or any other local agency and the Madera Redevelopment Agency.

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

Sincerely,

*Original signed by*

**JEFFREY V. BROWNFIELD**  
Chief, Division of Audits

JVB/bf

cc: Steve Szalay, Local Government Consultant  
California Department of Finance  
Brett Frazier, Chairperson  
Oversight Board of the Successor Agency of the Madera RDA  
Marcia Hall, Auditor-Controller  
Madera County  
Richard J. Chivaro, Chief Legal Counsel  
Executive Office, State Controller's Office  
Moises Laurel, Audit Manager  
Division of Audits, State Controller's Office  
Radu Stefan, Auditor-in-Charge  
Division of Audits, State Controller's Office

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# Asset Transfer Assessment Review Report

## Summary

The State Controller's Office (SCO) reviewed the assets of the Madera Redevelopment Agency for the period of January 1, 2011, through January 31, 2012. Our review was to include, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and any rights to payments of any kind from any source.

Our review disclosed that asset transfer did not occur between the city that created the agency or any other local agency and the Madera Redevelopment Agency.

## 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.

On June 27, 2012, the Governor signed a trailer bill, AB 1484, which clarified provisions of ABX1 26 and imposed new tasks on county auditor-controllers and successor agencies related to RDA dissolution.

ABX1 26 and AB 1484 were 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 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 at which the RDA ceases to operate, or January 31, 2012, whichever is earlier.

## **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 Madera Redevelopment Agency personnel to gain an understanding of the Madera Redevelopment Agency operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the Madera Redevelopment Agency and the City of Madera.
- 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.).

AB 1484 was passed on June 27, 2012 adding H&S Code section 34178.8, which states “. . . the Controller shall review the activities of successor agencies in the state to determine if an asset transfer has occurred after January 31, 2012. . . .”

## **Conclusion**

Our review found that no asset transfers occurred between the city that created the agency or any other local agency and the Madera Redevelopment Agency.

## **View of Responsible Official**

Jim Taubert, Executive Director, Madera Redevelopment Successor Agency agreed with the results of the review.

## **Restricted Use**

This report is solely for the information and use of the City of Madera, the Madera Redevelopment Agency, Successor Agency Oversight Board, and the SCO; 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  
Chief, Division of Audits

December 12, 2012

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

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