



City of Arts & Innovation

News Release

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**CITY WORKS WITH CALIFORNIA STATE CONTROLLER TO COMPLETE
PROPERTY TRANSFERS
ONLY \$64,000 REMAINS AT QUESTION**

Riverside, California – Today the City of Riverside received its long-awaited Asset Transfer Review from the State Controller’s Office (SCO) allowing the City to complete the transfer of approximately 70 former Redevelopment Agency assets. The City attempted to transfer these properties to the Successor Agency, but was unable to obtain title insurance to complete the transactions. The Controller’s report provides the documentation that the City has requested to properly transfer these assets pursuant to State Law.

“We are really pleased that our work with the California State Controller has cleared the status of all but one of these properties, allowing us to complete the asset transfers,” said City Manager Scott Barber. “The one remaining property is valued at \$64,018 and we will continue to work to resolve the status of this property.”

The State Controller’s Office conducted an on-site audit last summer and issued a draft review report on October 4, 2012. The City responded on November 16, 2012 and Attachment 2 to the Report contains the SCO’s comments after review of the City response. Attachment 2 states that “The SCO is in agreement with the City on all but the properties discussed below.” This discussion is broken into five parts, as follows:

Part 1 identifies five properties that are subject to “enforceable obligations” (continued oversight by the Successor Agency to the former Redevelopment Agency) and the City requested that the SCO provide clarification that these properties are to be transferred to the Successor Agency. The Report contains this clarification and the City will now be able to complete this transfer to the Successor Agency.

Part 2 identifies four properties and states that “The SCO agrees with the City” with regard to these properties.

Part 3 lists four additional properties that were transferred to the City Housing Authority to help increase the supply of affordable housing with approval of the Successor Agency Oversight Board, which is comprised of agency representatives from the City,

County of Riverside, the Office of Education, Riverside City College, and the Flood Control District. The SCO is instead asking that these properties be transferred to the Successor Agency. As such, the City will be able to include them on the Long Range Management Plan for future disposition, but without serving the affordable housing needs within our community.

Part 4 lists twelve properties that were transferred to the City because they are public facilities. With regard to these properties, since this transfer was approved by the Oversight Board the SCO stated "No further action is necessary in relation to the transfer of asset finding."

Part 5 lists five additional properties that were disputed. The report states that "The SCO is in agreement with the City regarding the first three properties." The fifth property, located at 1910 University Avenue, is subject to an enforceable obligation and the report provides clarification that this property should be transferred to the Successor Agency for disposition pursuant to the enforceable obligation. The final property, identified as the "Main Street-Sinkhorn-Peitr property" was transferred to a third party ten years ago, in 2003; however the SCO disputes whether a portion of this property was transferred at that time. The disputed portion is valued at \$64,018 and the City will continue to work with the SCO to resolve the status of this property.

The City of Riverside continues to diligently work to unwind the obligations of the former Redevelopment Agency in full conformance with State law. The City has been awaiting the SCO report in order to complete the disposition of former Agency assets and this report provides the necessary direction to complete this process.

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