

Bond Case Briefs

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REDEVELOPMENT AGENCIES - CALIFORNIA

City of Grass Valley v. Cohen

Court of Appeal, Third District, California - November 20, 2017 - Cal.Rptr.3d - 2017 WL 5563097 - 17 Cal. Daily Op. Serv. 11, 106

City, as successor agency for dissolved redevelopment agency, brought mandamus and declaratory judgment action against Department of Finance, seeking to compel Department to recognize enforceability of certain agreements involving redevelopment agency.

The Superior Court denied city's petition in part. City appealed and Department cross-appealed.

The Court of Appeal held that:

- City was required to exhaust administrative remedies before seeking writ commanding Department to consider whether certain transfers were enforceable obligations, and
- Whether or not new statutory definition, under Dissolution Law, of an enforceable obligation applied to particular agreement was an issue within Department's discretion to decide in first instance.

City, as successor to dissolved redevelopment agency, was required to exhaust administrative remedies before seeking writ commanding Department of Finance to consider whether certain transfers, under agreement executed by redevelopment agency, constituted transfers for goods and services, in determining whether transfers were enforceable obligations under the Dissolution Law, even though provision of Dissolution Law providing for city to meet and confer with Department stated that city "may" request such process. Exhaustion of administrative remedies was generally a prerequisite to judicial review, and administrative process might have resolved or at least narrowed the dispute.

Whether or not new statutory definition, under Dissolution Law, of what constituted an enforceable obligation between a redevelopment agency and its creator applied to particular agreement regarding highway project was an issue within Department of Finance's discretion to decide in the first instance, by way of administrative review process, rather than an issue to be considered in first instance by Court of Appeal, on appeal of trial court decision in city's action for judicial review, where issue was one that properly would have gone first to Department had the new definition been in existence at time of administrative process.