

Bond Case Briefs

Municipal Finance Law Since 1971

GENERAL FUNDS - CALIFORNIA

National Asian American Coalition v. Newsom

Court of Appeal, Third District, California - April 2, 2019 - Cal.Rptr.3d - 2019 WL 1449743 - 19 Cal. Daily Op. Serv. 3094

Various organizations petitioned for writ of mandate and filed complaint for declaratory and injunctive relief against State officials, seeking the return funds they alleged were unlawfully diverted from the National Mortgage Special Deposit Fund to the General Fund.

The Superior Court granted the writ in part. Organizations and officials appealed. The Court of Appeal reversed in part. Officials petitioned for further review. The Supreme Court granted the petition, vacated the Court of Appeal's opinion, and transferred to the Court of Appeal in light of intervening statutory amendments.

The Court of Appeal held that:

- Public interest exception applied to give organizations standing to seek writ of mandate;
- National Mortgage Special Deposit Fund statute does not allow funds to be used to offset any General Fund expenditures;
- Director of Finance unlawfully diverted more than \$331 million from the National Mortgage Special Deposit Fund; and
- Appropriate remedy was writ of mandate ordering retransfer of wrongfully diverted funds.