

Bond Case Briefs

Municipal Finance Law Since 1971

REDEVELOPMENT AGENCIES - CALIFORNIA

City of Montclair v. Cohen

Court of Appeal, Third District, California - February 6, 2018 - Cal.Rptr.3d - 2018 WL 718532 - 18 Cal. Daily Op. Serv. 1351 - 2018 Daily Journal D.A.R. 1276

In separate actions, following enactment of Dissolution Law to dissolve redevelopment agencies, cities petitioned for writs of mandate, seeking review of Department of Finance's disallowance of housing entity administrative cost allowance.

The Superior Court, Sacramento County, granted petition while - in a separate action - the Superior Court, Sacramento County, denied petition. Department appealed in former case and city appealed in latter case.

The Court of Appeal held that housing authorities which were compelled to assume housing functions of former redevelopment agencies were controlled by city and thus were not eligible for housing entity administrative cost allowance.

Under Dissolution Law, providing for dissolution of redevelopment agencies, housing authority which was compelled to assume housing functions of former redevelopment agency, due to city's purported election not to, was controlled by city and thus was not eligible for housing entity administrative cost allowance, which was unavailable to city, where city appointed the city council as housing authority's governing board and designated city's finance department to prepare housing authority's annual budgets.

Under Dissolution Law, providing for dissolution of redevelopment agencies, housing authorities which were compelled to assume housing functions of former redevelopment agencies, due to county or city's purported election not to, were controlled by their respective county or city and thus were not eligible for housing entity administrative cost allowance, which was unavailable to counties and cities, where authorities were either a component unit of county or city or were required to financially report to county or city for purposes of comprehensive annual financial report.