

March 19, 2014

Mr. Eric Crockett, Assistant Director of Development  
City of Chula Vista  
276 Fourth Avenue  
Chula Vista, CA 91910

Dear Mr. Crockett:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of Chula Vista Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on July 10, 2013. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

HSC section 34191.5 defines the requirements of the LRPMP. Based on our review and application of the law, the Agency's LRPMP is not approved as follows:

It was determined the proceeds from the sale of the following properties would be retained for the Third Avenue Streetscape Master Plan Project (Project):

- Property No. 2 – 789 E Street – Assessor's Parcel Number (APN) 565-310-09-00, vacant land
- Property No. 3 – Bay Boulevard and E Street – APN 565-310-25-00, vacant land
- Property No. 10 – 201 3rd Street – APN 568-071-01-00, vacant land

Pursuant to HSC section 34191.5 (c) (2) (B), the LRPMP may direct the use of revenues generated from the sale of property for the purpose of fulfilling an enforceable obligation. However, this Project is not an enforceable obligation as defined in HSC section 34171 (d). The Project was placed on Recognized Obligation Payment Schedule (ROPS) for the period of January through June 2014; however, it is payable with unspent bond proceeds as allowed pursuant to HSC section 34191.4 (c). As such, the LRPMP's proposed use of revenues generated from the sale of property must either be used to fund an enforceable obligation pursuant to the HSC section 34171 (d), or remitted to the county auditor-controller for distribution to the affected taxing entities.

Pursuant to HSC section 34191.5, the LRPMP should include the necessary disposition of each property. However, no final disposition was addressed for the following property:

Property No. 9 – Otay Valley Road – APN 644-042-02-00, vacant land

HSC section 34191.5 (b) gives Finance the authority to approve or disapprove of a LRPMP. Consequently, Finance may approve or disapprove of the proposed permissible use of a

property. However, Finance is not authorized with the duty of selecting the proposed permissible use of a property for an Agency. Therefore, the LRPMP should address the permissible use for each property.

HSC section 34181 (a) authorizes an Oversight Board (OB) to direct the Agency to transfer ownership of those assets that were constructed and used for governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings to the appropriate public jurisdiction. The following properties are public parking lots and do not qualify as governmental use:

- Property 11– 232 Church Avenue – APN 568-071-21-00, public parking lot
- Property 12 – 230 Church Avenue – APN 568-071-22-00, public parking lot
- Property 13 – 281 Church Avenue – APN 568-162-08-00, public parking lot
- Property 14 – 287 Church Avenue – APN 568-162-09-00, public parking lot
- Property 15 – 281-285 Landis Avenue – APN 568-152-02-00, public parking lot
- Property 16 – 287 Landis Avenue – APN 568-152-03-00, public parking lot
- Property 17 – 311 F Street – APN 568-152-29-00, public parking lot
- Property 18 – 288 Center Street – APN 568-334-05-00, public parking lot
- Property 19 – 336 Church Avenue – APN 568-334-06-00, public parking lot
- Property 20 – 342 Church Avenue – APN 568-334-08-00, public parking lot
- Property 21 – 338 Church Avenue – APN 568-334-07-00, public parking lot
- Property 22 – 358 Church Avenue – APN 568-351-04-00, public parking lot
- Property 23 – 362 Church Avenue – APN 568-351-05-00, public parking lot

Therefore, as authorized by HSC section 34191.5 (b), Finance is not approving the LRPMP. The Dissolution Act does not allow a meet and confer for Finance's review of the LRPMP. Therefore, the Agency should revise the LRPMP to address the issues noted above and resubmit an OB approved revised LRPMP to Finance.

Please direct inquiries to Wendy Griffe, Supervisor, or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Mr. Phillip Davis, Assistant Director of Finance, City of Chula Vista  
Mr. Jon Baker, Senior Auditor and Controller Manager, San Diego County  
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State  
Controller's Office  
California State Controller's Office