



# City of Anaheim COMMUNITY DEVELOPMENT

September 18, 2012

Honorable Thomas J. Borris  
Presiding Judge of the Superior Court  
700 Civic Center Drive West  
Santa Ana, CA 92701

Re: Orange County Grand Jury Report,  
*"The Dissolution of Redevelopment: Where Have We Been? What Lies Ahead?"*

Dear Judge Borris:

On behalf of Anaheim Mayor Tom Tait, I am responding to certain findings and recommendations contained in the Orange County Grand Jury Report, *"The Dissolution of Redevelopment: Where Have We Been? What Lies Ahead?"*, as required by Roy B. Baker III, Foreman, 2011-2012 Orange County Grand Jury in his letter dated June 15, 2012.

Finding #1 - *"As of the date of dissolution of redevelopment (February 1, 2012), all city operated redevelopment agencies, except Mission Viejo and Seal Beach, were exceeding the administrative costs limit of 5% of the tax increment distributed related to the ROPS as authorized by ABX1 26"*. As reported by the Grand Jury, Anaheim agrees with this finding.

Finding #2 - *"Of the agencies surveyed, only Costa Mesa and Santa Ana reported having a citizen involvement committee along the line of a Project Area Committee as authorized by Section 33385 of the Health and Safety Code"*. As reported by the Grand Jury, Anaheim agrees with this finding.

Finding #3 - *"Historically, external oversight over redevelopment has been missing or ineffective in monitoring redevelopment agency compliance and performance. The newly formed oversight boards offer a potential to improve on that record by providing critical evaluation of existing projects and management of the successor agency debt"*. As reported by the Grand Jury, Anaheim agrees with this finding.

Recommendation #1 - *"All successor agencies should review administrative costs to ensure compliance with the limit of five percent of the tax-increment or less as required by ABX1 26 and develop a plan to reduce these costs to three percent of the tax increment received or less in 2012-2013. If these percentages fall below \$250,000, the agencies are allowed to claim the higher amount"*. Anaheim has completed implementation of this Grand Jury recommendation as reflected in ROPS I and II, approved by the State of California, Department of Finance.

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Recommendation #2 – "*Successor agencies and oversight boards should review the Recognized Obligations Payment Schedule with a view toward limiting the range of projects and obligations thereby retiring the enforceable obligation debt as quickly as possible*". Anaheim has completed implementation of this Grand Jury recommendation as reflected in ROPS I and II, approved by the State of California, Department of Finance.

Recommendation #4 – "*Successor agencies and oversight boards should critically review the Recognized Obligations Payment Schedule (ROPS) to evaluate the need for debt owed to the city*." Anaheim has completed implementation of this Grand Jury recommendation as reflected in ROPS I and II, approved by the State of California, Department of Finance.

Recommendation #5 – "*Successor agencies and oversight boards should critically review the Recognized Obligations Payment Schedule (ROPS) to evaluate the need for incentive payments to commercial entities*". Anaheim has completed implementation of this Grand Jury recommendation as reflected in ROPS I and II, approved by the State of California, Department of Finance.

In compliance with Penal Code 933.05(a) and (b), this concludes Anaheim's response to certain findings and recommendations of the Orange County Grand Jury associated with their report, "*The Dissolution of Redevelopment: Where Have We Been? What Lies Ahead?*" Should you have any questions, please contact me.

Sincerely,



John E. Woodhead IV  
Executive Director  
Anaheim Community Development

Cc: Anaheim City Council  
Anaheim City Manager  
Anaheim City Attorney  
Orange County Grand Jury