SUPERIOR COURT OF CALIFORNIA

COUNTY OF SACRAMENTO

<table>
<tr><td>DATE/TIME:
JUDGE</td><td>: 11:00 a.m. May 24, 2013
: HON. EUGENE L. BALONON</td><td>DEPT. NO
CLERK</td><td>: 14
: MERCADO</td></tr>
<tr><td colspan="2">COUNTY OF SAN BERNARDINO, a public entity; SUCCESSOR AGENCY TO THE COUNTY OF SAN BERNARDINO REDEVELOPMENT AGNECY, a public entity,
Petitioners and Plaintiffs,

v.

ANA J. MATOSANTOS, in her official capacity as Director of the State of California Department of Finance; and DOES 1-50, inclusive,

Respondents and Defendants.</td><td colspan="2">Case No.: 34-2013-80001420</td></tr>
<tr><td colspan="2">Nature of Proceedings:</td><td colspan="2">Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief</td></tr>
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TENTATIVE RULING

The following is the Court's tentative ruling on the petition for writ of mandate and complaint for injunctive and declaratory relief (Petition), set for hearing in Department 14 on Friday, May 24, 2013, at 11:00 a.m. The tentative ruling shall become the final ruling of the Court, unless a party wishing to be heard so advises the clerk of this Department no later than 4:00 p.m. on the court day preceding the hearing, and further advises the clerk that such party has notified the other side of its intention to appear.

If oral argument is requested, it shall not exceed 20 minutes per side.

Petitioners, the County of San Bernardino (County) and the County in its capacity as Successor Agency to the former Redevelopment Agency of San Bernardino County (RDA) (Successor Agency), challenge determinations made by Respondent Department of Finance (DOF) regarding: (1) a $10 million loan from the County to the RDA (County Loan) and a related agreement between the RDA and County, and (2) what the County contends is a $4.9 million obligation to construct replacement housing.

Petitioners seek (1) a writ of mandate compelling DOF to recognize these items as enforceable obligations under the Dissolution Law,[1] (2) a writ of mandate requiring the

[1] The Court refers to AB 1X 26 and AB 1484 collectively as the Dissolution Law.

County Auditor-Controller to refund the monies that Petitioners remitted to it under protest pursuant to DOF's order, and (3) a court order imposing a constructive trust over monies that Petitioners may or will be required to remit to the County Auditor-Controller. Petitioners also assert related causes of action for declaratory and injunctive relief and a cause of action for conversion. The Petition is **DENIED**.

BACKGROUND

The Court considers the pleadings and documents submitted by Petitioners and Respondent in determining the relevant facts of the case.[2]

In February 2012, the former RDA dissolved, as provided by the Dissolution Law. The County elected to become Successor Agency, and was charged with winding down the RDA's affairs. (*See*, Health & Saf. Code,[3] § 34177(h).) As required by law, the Successor Agency began to submit to the DOF for approval Recognized Obligation Payment Schedules (ROPS) for upcoming six-month periods, listing proposed enforceable obligations of the former RDA, for which the Successor Agency must make payments.

If DOF approves listed ROPS items as enforceable obligations, a successor agency may receive funding to pay for those items from the Redevelopment Property Tax Trust Fund. (Health & Saf. Code, §, 34183.) As of this date, there have been three ROPS "cycles" during which successor agencies have submitted ROPS, DOF has approved or disapproved the items listed therein as enforceable obligations, and allowed successor agencies to receive funding to make payments due.

<u>County Loan and Agreement</u>

In 2005, the County loaned the RDA the $10 million County Loan to allow the RDA to fund improvements in the Cedar Glen community, which was destroyed by a fire. At some point, the RDA had placed $1.2 million of the County Loan monies into its Low and Moderate Income Housing Fund (Housing Fund). In 2009, the County and RDA also executed a $4.9 million Service Area 70-CG Agreement (Agreement) to assist the Cedar Glen community.

In prior ROPS "cycles," the Successor Agency's ROPS submissions listed the County Loan. DOF continually rejected the County Loan as an enforceable obligation.

In the third ROPS "cycle," the Successor Agency listed a $7.8 million and $1.2 million portion of the County Loan on its ROPS III schedule for the period of January 1 through

[2] Although Petitioners seek a writ of mandate and not a writ of administrative mandamus, they filed an "administrative record" of documents. DOF objects in a footnote to its opposition brief that Petitioners have not verified the documents' authenticity or that the documents encompass all communications between Petitioners and Respondents regarding the contested decisions. Other than this objection, DOF does not dispute the general facts, nor does it make specific objections to documents.

[3] All future statutory references shall be to the Health and Safety Code, unless otherwise specified.

June 30, 2013. (AR, Vol. III, 1276.) On December 18, 2012, DOF found that the County Loan was not an enforceable obligation, and confirmed this determination in a January 10, 2013[4] letter. (AR, Vol. VI, 1303; *see also* AR, Vol. III, 1173-1175.) However, DOF also noted that it could be deemed an enforceable obligation in the future, pursuant to Section 31941.4(b). (*Ibid.*)

In January 2012, the RDA listed the Agreement on the Enforceable Obligations Payment Schedule (EOPS), which predated the ROPS submissions. DOF reviewed the EOPS and determined that the Agreement was not an enforceable obligation. (Memorandum of Points and Authorities (MPAs), pp. 4-5.) Apparently, Petitioners did not contest the DOF's determination, but listed the Agreement on the ROPS IV submission for the period of July 1, 2013 though December 31, 2013. (*Id.* at p. 4, Opposition, p. 9.)

Monies from Housing Fund

The County became "Housing Successor" to the former RDA and assumed the RDA's housing assets, including the Housing Fund.

On December 21, 2012, DOF directed the County to remit to the County Auditor-Controller assets from the Housing Fund, pursuant to the due diligence review process, established by Section 34179.6(c). These assets included the $1.2 million portion of the County Loan placed in the Housing Fund, and $4.9 million in the Housing Fund that was designated to replace between 34 and 48 housing units. (*See,* AR, Vol. V, 1956.)

On January 3, 2013, the County remitted the monies due from the Housing Fund. It paid most of the $4.9 million under protest, but withheld $365,132, which the County spent on land for the $4.9 million replacement housing obligation. It also withheld the $1.2 million amount from the County Loan. (*See*, AR, Vol. IV 1340-1344.)

DISCUSSION

Petitioners seek a writ of mandate pursuant to Code of Civil Procedure section 1085 to review DOF's determinations. The applicable standard of review is whether DOF abused its discretion. (*See Ridgecrest Charter Sch. v. Sierra Sands Unif. Sch. Distr.* (2005) 130 Cal.App.4th 986, 1003.) The Court "exercise[s] limited review in ordinary mandamus proceedings. [It] may not reweigh the evidence or substitute [its] judgment for that of the agency. [It] uphold[s] an agency action unless it is arbitrary, capricious, lacking in evidentiary support, or was made without due regard for the petitioner's rights." (*Ibid.* (quoting *Sequoia Union High Sch. Distr. v. Aurora Charter High Sch.* (2003) 112 Cal.App.4th 185, 195).)

When the agency's action depends solely upon the correct interpretation of a statute, it is a question of law, upon which the Court exercises independent judgment. (*California Correctional Peace Officers' Assn. v. State* (2010) 181 Cal.App.4th 1454, 1460.) In conducting this review, courts "are guided by the principle that an administrative

[4] The letter's date of January, 10, 2012 appears to be a typographical error.

[agency's] interpretation [of controlling statutes] … will be accorded great respect by the courts and will be followed if not clearly erroneous." (*Ibid*. (citations and internal quotations omitted).)

The Court **GRANTS** Petitioners' and Respondent's unopposed requests for judicial notice.

1. **DOF Did Not Abuse its Discretion in Concluding that the County Loan Was Not an Enforceable Obligation**

DOF found that the County Loan was not an enforceable obligation, because it was an agreement between the County and the RDA. (Sections 34171(d)(2); 34178(a).)

Section 34171(d)(2) expressly excludes from an enforceable obligation "any agreements, contracts, or arrangements between the city, county…that created the redevelopment agency and the former redevelopment agency." (Section 34171(d)(2).)

Petitioners contend that Section 31471(d)(2) does not apply to the County Loan because it is between the County, RDA *and* third party beneficiaries. Petitioners argue that the County Loan is made for the express benefit of a narrow class of third parties beneficiaries—namely, the service ratepayers of the Cedar Glen redevelopment area.

The Court disagrees. Were the Court to accept Petitioner's argument, multitudes of contracts between a sponsoring entity and former redevelopment agency would be interpreted as creating third party beneficiaries, as they benefit the public.

A governmental intent to confer a direct contractual right on a third party "cannot be inferred simply from the fact that the third persons were intended to enjoy the benefits." (*Martinez v. Socoma Companies., Inc.* (1974) 11 Cal.3d 394, 401; *see also*, *Dateline Builders, Inc. v. City of Santa Rosa* (1983) 146 Cal.App.3d 520, 526-527.) The County Loan does not name the Cedar Glen ratepayers as third-party beneficiaries, nor do the circumstances surrounding the County Loan suggest that the parties intended them to be third-party beneficiaries.

Petitioners ask the Court to reinterpret Section 34171(d)(2) and find the County Loan to be an enforceable obligation. This statute qualifies the limitation on contracts between the sponsoring entity and redevelopment agency. It states that "loan agreements entered into between the redevelopment agency and the…county that created it, within two years of the date of creation of the redevelopment agency" are enforceable obligations. (Section 34171(d)(2).) Petitioners invite the Court to read Section 34171(d)(2) as creating an enforceable obligation, because the County Loan was made within two years of the establishment of the RDA's project area, not the date of the RDA's formation. The Court declines to do so.

Section 34171(d)(2)'s limitation to loan agreements entered into "within two years of the date of creation of the redevelopment agency" is plain and unambiguous. (*See*, *Green v.*

State of California (2007) 42 Cal.4th 254, 260.) If the Legislature intended to include loan agreements made within two years of establishing a redevelopment agency project area, it would have said so. (*City of Ontario v. Superior Court* (1993) 12 Cal.App.4th 894, 902.) Moreover, the fact that Section 34178(b)(2)[5] uses slightly different language does not render Section 34171(d)(2) so ambiguous as to require the Court to construe it differently.

Accordingly, DOF did not abuse its discretion in determining that the County Loan and the Agreement were not enforceable obligations.

Petitioners also contest DOF's earlier finding that the Agreement is not an enforceable obligation. Petitioners state that DOF rejected the Agreement as an enforceable obligation when the former RDA submitted an EOPS. Petitioners cite to no documentation other than an e-mail for this assertion. Nor have Petitioners alleged any current determination by DOF; indeed the Petition suggests that DOF has not made any determination on a ROPS submission with regard to the Agreement. Petitioners have not met their burden of pleading.

Petitioners also argue, without any citation to the record, that DOF will require Petitioners to remit the $9 million portion of the County Loan and $4.9 million from the Agreement to the County Auditor-Controller for distribution to County taxing entities. There is no evidence that the DOF has made such a determination yet, and the Court does not consider this claim.

2. DOF Did Not Abuse its Discretion in Ordering Remittance of the $1.2 Million Portion of the County Loan in the Housing Fund

On December 21, 2012, DOF ordered the County to remit unencumbered monies from the Housing Fund to the County Auditor-Controller for eventual disbursement to various County entities. These monies included the $1.2 million portion of the County Loan and $4.9 million amount to develop housing.

In some portions of the briefs, Petitioners argue that DOF ordered remittance of a portion of the County Loan, which Petitioners list as $9 million. The Court can find no evidence that DOF made this request. The Court assumes that Petitioners challenge remittance of the $1.2 County Loan portion from the Housing Fund.

Petitioners argue that DOF abused its discretion in ordering remittance of these monies, because such an order violates the California Constitution. The Court disagrees.

Petitioners submit that the County Loan issued from the County's General Fund which was primarily comprised of ad valorem property taxes, and sales and use tax. Thus,

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[5] Section 34178(b)(2) provides that "[a] written agreement between a redevelopment agency and the city, county…that created it that provided loans or other startup funds for the redevelopment agency that were entered into within two years of the formation of the redevelopment agency" is not invalid and may bind the successor agency.

Petitioners argue, the practical effect of DOF's order is to unconstitutionally re-allocate these taxes from the County to taxing entities.

Petitioners cite Proposition 1A (Cal. Const., art. XIII, § 25.5(a)(1), (3)) and Proposition 22 (*Id.* at § 24). Proposition 1A prevents the Legislature from statutorily modifying the manner in which ad valorem property taxes are allocated, so as to reduce the total amount of property taxes in a county that is allocated among the local agencies. (*Id.* at § 25.5(a)(1), (3)) Proposition 22 prevents the Legislature from reallocating, transferring, borrowing, or otherwise using or restricting the use of the proceeds of local tax revenue. (*Id.* at XIII, § 24.)

First, the County, not the Legislature, "re-allocated" its General Fund when it loaned the money to the former RDA. Petitioners suggest that the Dissolution Law forbids remittance of any assets of the RDA that, at one point, were paid for, by another entity, with a portion of property taxes. The Court disagrees.

Further, DOF may demand that unencumbered monies (that contain local property taxes) be remitted to the County Auditor-Controller during the wind-down of the RDA's affairs, without offending the California Constitution.

DOF ordered that the County remit unencumbered monies from the Housing Fund pursuant to the due diligence review process established by the Dissolution Law. The California Supreme Court, in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, considered Assembly Bill IX 26, the first component of the Dissolution Law, and its relationship to Propositions 1A and 22. The Court concluded that Proposition 22 neither implicitly nor explicitly rescinded the Legislature's power to dissolve redevelopment agencies. (*Id.*, at pp. 241, 261.) "The protection granted [by Proposition 22]…is conditioned on the redevelopment agencies' existing and having property tax increment allocated to them. (*Id.*, at 262.) "Proposition 22's limit on state restrictions of redevelopment agencies' use of their funds is best read as limiting the Legislature's powers during the operation, rather than the dissolution, of redevelopment agencies." (*Id.*, at 263.)

Accordingly, DOF did not abuse its discretion in ordering remittance of monies from Housing Fund, because it did so according to the provisions of the Dissolution Law.

3. DOF did not Abuse its Discretion in Concluding that the $4.9 Million Earmarked for Constructing Affordable Housing is Not an Enforceable Obligation

Petitioners also challenge DOF's order that the County, as Housing Successor, remit the $4.9 million earmarked to construct between 34 and 48 replacement housing units that the RDA eliminated.

There is some dispute as to the actual number of housing units to be replaced. Petitioners state that the RDA purchased and destroyed 48 residences; DOF states that by 2007, the

RDA destroyed approximately 30 units, and 4 units in 2008. However, as of January 20, 2012, no housing units were replaced, although Section 33413 required that the units be replaced within 4 years of their removal. (Opposition, p. 10; Section 33413.)

The former RDA obtained an estimate of $4.9 million to provide replacement housing from a consultant. The document cited by Petitioners indicates that an estimate was not made until January 13, 2012. (AR, Vol. VI, 1765.) The RDA earmarked $4.9 million for this purpose. On January 1, 2012, the RDA listed this amount on its EOPS. On March 19, 2012, DOF initially rejected this amount as an enforceable obligation. After discussion between the parties, DOF approved it on April 16, 2012.

On June 27, 2012, AB 1484 passed, adding new provisions to the Dissolution Law. Among other things, AB 1484 established a due diligence review process for remittance of unobligated assets from the Housing Fund.

In the "summer of 2012," the County, acting as Housing Successor, spent $361,000 of the $4.9 million on a parcel of land designated for the replacement housing.

On August 23, 2012, the Successor Agency submitted ROPS III, listing a replacement housing obligation of approximately $4.5 million, to reflect the money spent on the parcel. On October 16, 2012, DOF found that the $4.9 million was not an enforceable obligation. On December 21, 2012, DOF issued a final determination on this issue, ordering that the entire $4.9 million be remitted to the County Auditor-Controller.

Petitioners argue that the $4.9 million is an enforceable obligation, because the County as the Housing Successor has a statutory obligation to construct replacement housing. DOF argues that this amount is not an enforceable obligation, because the Dissolution Law eliminated the RDA, which had the statutory duty to provide replacement housing. DOF also argues that in the absence of any executed contracts to provide replacement housing, there are no enforceable obligations. Thus, it argues, the County must remit this money.

Section 33413 mandates that the a RDA rehabilitate, develop, or construct low to moderate income housing units that it caused to be destroyed, within four years of the destruction or removal.

The County elected to become the Housing Successor to the RDA. By doing so, all "rights, powers, duties, obligations, and housing assets" of the RDA transferred to the County. (Health & Saf. Code, § 34176.) The County also retains the housing assets and performs the "housing functions" of the former RDA. (*Ibid*.)

Petitioners argue that the County, as Housing Successor, must now construct replacement housing. Petitioners characterize this duty as an "obligation under state law," and thus an enforceable obligation. (*Id*., at § 34171(d)(1)(C).) Accordingly, Petitioners argue that the County should be entitled to retain the $4.9 million for replacement housing.

Section 34171(d)(1)(C) defines an "enforceable obligation" to include:

> "Payments required by the federal government, preexisting obligations to the state or *obligations imposed by state law*, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies' employees, …." (Section 34171(d)(1)(C) (emphasis added).)

DOF counters that while the former RDA may have been statutorily obligated to provide replacement housing, "to the extent" that any statutory obligations survived the Dissolution Law, they transferred to the County as Housing Successor. DOF contends that if the County determines that Section 33413 applies to it, the County must find other funds to construct replacement housing. DOF also argues that Section 34171(d)(1)(C), which defines an enforceable obligation, applies to *actual* payments that a successor agency must make, not a general statutory obligation.

The Court reviews the statutes cited by the parties, Sections 33413, 34176 and 34171. The statutes do not clearly answer whether a statutory obligation to construct affordable housing is an "enforceable obligation" for which a successor agency may keep or receive monies to fulfill.

Section 34176 allows the creating entity to become a RDA's housing successor. It orders that all "rights, powers, duties, obligations, and housing assets" are transferred to the creating entity. Section 34176 allows a creating entity to assume "housing functions" and "obligations" of the RDA, but it does not define what those are. It also states that the housing successor "*may* enforce the affordability covenants and perform related activities pursuant to the applicable provisions of the Community Redevelopment Law (Part 1 (commencing with Section 33000)), including, but not limited to Section 33418." (Section 34176(c).)

Thus, Section 34176 transfers the RDA's "obligations" to the housing successor, allows it to assume undefined "housing functions," and provides that it "may" perform functions related to affordability covenants.

However, Section 34189 appears to relieve the housing successor from creating replacement housing not provided by a former RDA. Section 34189 of the Dissolution Law, which AB 1484 amended, provides that "all provisions of the Community Redevelopment Law that depend on the allocation of tax increment…shall become inoperative." (Section 34189 (c).) The RDA's duty to construct replacement housing came from tax increment funding. (*See*, Sections 33334.2, 33334.3.) Section 34189 further provides that to the extent that a provision in Part 1[6] (commencing with section 33000) conflicts with "this part" [governing RDA's dissolution], "this part shall control and shall eliminate and restrict the acts for which former RDAs had "authority."

[6] "Part 1" includes Section 33413, requiring RDAs to construct replacement housing.

The cited statutes do not expressly discuss whether a housing successor must provide replacement housing eliminated by the RDA. Accordingly, the Court examines these statutes in the context of the Dissolution Law and Community Redevelopment Law provisions. (*See*, *California Correctional Peace Officers' Assn.*, *supra*, 181 Cal.App.4th at pp. 1461.)

The purpose of the Dissolution Law is to eliminate RDAs and provide that the successor agencies expeditiously wind down the RDA's affairs. The Dissolution Law also prevents a successor agency from creating new enforceable obligations under the authority of the Community Redevelopment Law or beginning new redevelopment work except in compliance with an enforceable obligation. (Section 34177(a).)

The Court also notes that at the time the County assumed its role as the Housing Successor, the RDA had not fulfilled its statutory obligation to provide replacement housing within four years for most of the units. Indeed, according to the document cited by Petitioners, the RDA had not even begun the process of estimating replacement costs until the statutory deadline to provide replacement housing for most units passed. Petitioners do not contend that the RDA ever entered into any material contracts, agreements, or other similar documents to timely provide replacement housing.

Petitioners' argument would allow the County as Housing Successor—at any time—to incur new enforceable obligations and perform housing functions years beyond the statutorily-mandated time for compliance, because the RDA declined to make any earlier meaningful attempt to fulfill its statutory obligations. Deeming an unmet statutory obligation of the former RDA, without any accompanying contract, agreement, or similar document, to be an enforceable obligation under Section 34171(d)(1)(C), could keep former RDAs and their projects perpetually alive through the successor agency or housing successor. This contradicts the Dissolution Law's directive that successor agencies expeditiously wind down the affairs of the dissolved RDAs, so that tax increment funds may be distributed to other entities.

Thus, the Court concludes that DOF did not abuse its discretion in determining that the $4.9 million was not an enforceable obligation, and that the County must remit this amount from the Housing Fund.

4. Estoppel

Petitioners argue that DOF is nonetheless estopped from finding that the entire $4.9 million must be remitted, because DOF previously concluded that this amount was an enforceable obligation, and the County spent $361,000 on land for replacement housing.

As Petitioners note, equitable estoppel may be asserted against the government in limited circumstances. (*See*, *City of Long Beach v. Mansell* (1970) 3 Cal.3d 462.) The government may be bound by estoppel in the same manner as a private party when the requisite elements are present and the injustice which would result from a failure to

uphold an estoppel is of sufficient dimension to justify any effect upon public interest or policy which would result from the raising of an estoppel. (*Id*., at pp. 496–497.)

The elements for equitable estoppel against a private party are: (1) the party to be estopped was apprised of the facts, (2) the party to be estopped intended by conduct to induce reliance by the other party, or acted so as to cause the other party reasonably to believe reliance was intended, (3) the party asserting estoppel was ignorant of the facts, and (4) the party asserting estoppel suffered injury in reliance on the conduct. (*City of Long Beach v. Mansell*, *supra*, at p. 489.)

Petitioners argue that the County reasonably relied on DOF's determination that the $4.9 million was an enforceable obligation when the County purchased the parcel for $361,000. The Court is not persuaded that DOF is estopped from ordering that the entire $4.9 million be remitted to the County Auditor-Controller.

Petitioners knew that the state of the law regarding the County's obligation to provide replacement housing was unsettled. At one point, DOF found that the $4.9 million was not an enforceable obligation in March 2012. DOF then reached the opposite conclusion, "due to the statutory obligation in Section 33413." (AR, Vol. III, 1207.)

However, AB 1464 took effect on June 27, 2012. AB 1464 amended various components of the Dissolution Law. In particular, AB 1464 required successor agencies to conduct a due diligence review of its assets to determine unobligated funds that could be transferred to taxing entities. (*See*, Section 34179.5.) For the due diligence review of its Housing Fund, successor agencies were required to itemize the following: (1) "any amounts that are legally restricted as to purpose and cannot be provided to taxing entities," which could include bond proceeds, grant funds, or funds with conditions placed on their use; (2) the values of non-cash assets, such as land; and (3) "any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation." (Section 34179.5(c)(5)(B), (C), (D).)

It was reasonable to infer that AB 1464 could affect DOF's future determinations whether the $4.9 million was an enforceable obligation. DOF argues that it interpreted Section 34179.5(c)(5)(D) to mean that an enforceable obligation must flow from a specific contract, and is not a general statutory obligation to provide housing.

Petitioners do not specify the date that the County purchased the parcel. Rather, Petitioners state that the County purchased it in the "summer of 2012" and recorded the deed on August 16, 2012. (MPAs, pp. 26-27, fn 17.) The law changed on June 27, 2012, and added provisions that the County could reasonably assume may alter DOF's interpretation of whether the County must remit monies in its Housing Fund that were not designated for satisfying a particular contract. Although it is unclear when the County bought the parcel, it knew at the time that the law either had changed, or was at least unsettled. It also knew that that DOF had earlier that year determined that the $4.9 million was not an enforceable obligation, but reversed its determination. Petitioners

have not shown that the County reasonably relied on DOF's earlier determination when it purchased the parcel.

Thus, DOF is not estopped from concluding that the entire $4.9 million is unencumbered monies in the Housing Fund, which must be remitted.

5. The $4.9 Million Paid Under Protest May be Distributed to the Taxing Entities, Per the Dissolution Law

Petitioners reiterate the argument that DOF's order that the County remit the $4.9 million to the County Auditor-Controller is an unconstitutional violation of Propositions 1A and 22. For the reasons discussed earlier, the Court disagrees. Petitioners argue that the $4.9 million was deposited into the RDA's Housing Fund when the RDA existed and was authorized to receive tax increment funding. However, the RDA no longer exists and the Legislature may enact provisions providing for the dissolution and winding down of the RDA's affairs. Accordingly, DOF's determination is not unconstitutional.

DISPOSITION

The petition for writ of mandate is **DENIED**. As each of Petitions' other causes of action for declaratory, injunctive, or other relief are predicated upon Petitioners' causes of action for a writ of mandate, Petitioners' complaint for declaratory and injunctive relief is dismissed.

Counsel for the Respondent DOF is directed to prepare a formal order and judgment, incorporating this ruling as an exhibit; submit them to opposing counsel for approval as to form; and thereafter submit them to the Court for signature and entry of judgment in accordance with Rule of Court 3.1312.