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City of Huntington Beach to Receive \$25 Million Reimbursement from the State of California

The City of Huntington Beach is pleased to announce that it will be submitting for full payment of \$22,400,000, plus interest, from the State of California for reimbursement on the City's old Waterfront Loan. In February, the Superior Court ruled in favor of the City in the *City of Huntington Beach v. State of California, Department of Finance* case worth tens of millions of dollars (Superior Court case: 34-2018-80002876). Since then, the City received a letter from the State's Department of Finance dated May 19, 2023 stating "Finance no longer denies this item. In compliance with the Judgement, the Agreement for the Purchase and Sale of Property (Waterfront Loan) dated September 19, 1988 between the City and the former Redevelopment Agency of the City of Huntington Beach is considered an enforceable obligation, and future requests for funding of supported outstanding amounts will be allowable." This statement confirms that the State has chosen not to file an Appeal and there are no barriers for the City to now collect these dollars from the State.

"This is a great legal victory for the City of Huntington Beach, which is returning slightly over \$30 million in total back to the City's taxpayers," said Mayor Tony Strickland. "I am grateful for the diligent and hard work of the City Attorney and his staff. Like so many in our community, I find this to be one more reason why we are proud of Huntington Beach – we fight for the community, and we win."

The City began this lawsuit in 2018 in pursuit of reimbursement for old redevelopment loans and repayment obligations by the State of California. Prior to recent court rulings in favor of the City, the State had denied the City repayment of these loans. The February Court ruling granting the City's request of slightly over \$25,000,000 (Waterfront Loan plus interest), is in addition to a 2021 Court ruling granting the City an award of repayment/reimbursement of another \$5,200,000 loan, which the City recently submitted to the Department of Finance for a total repayment of \$6,800,000 (Emerald Cove Loan plus interest).

City Attorney Michael Gates said "I am pleased there are now no barriers to the City immediately collecting the taxpayer money that was improperly denied by the State for many years. I love fighting for Huntington Beach and this is another, and substantial, win that fighting for the City has produced – a win for the City that most said before was improbable."

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