



March 14, 2013

Ms. Anochar Clark, Senior Financial Analyst
City of Moreno Valley
14177 Fredrick Street
Moreno Valley, CA 92552

Dear Ms. Clark:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

This letter supercedes Finance's determination issued on December 15, 2012.

Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Moreno Valley Successor Agency (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund Due Diligence Review (DDR) to the California Department of Finance (Finance) on October 15, 2012. Finance issued a LMIHF DDR determination letter on November 16, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer Session was held on December 5, 2012. Based on a review of additional or clarifying information provided to Finance, pursuant to HSC section 34179.6 (d), Finance has completed its review of the Agency's DDR and is authorized to issue this determination.

Based on our final review, Finance made no adjustments to the Low and Moderate Income Housing Fund (LMIHF) balance available for allocation to the affected taxing entities. As a result, Finance concludes there are no unencumbered LMIHF balances available for distribution and, as a result, the Agency is not required to remit any funds.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated September 7, 2012 do not in any way eliminate the Controller's authority.

Please direct inquiries to Beliz Chappuie, Supervisor or Mindy Patterson, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

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cc: Mr. Richard Teichert, Financial & Administrative Services Director, City of Moreno Valley
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
Auditor Controller
California State Controller's Office