



January 14, 2013

Ms. Marcela Piedra, Director
Economic Development
City of El Centro
1249 West Main Street
El Centro, CA 92243

Dear Ms. Piedra:

Subject: Housing Asset Transfer Form

This letter supersedes Finance's Housing Asset Transfer Form letter dated August 30, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of El Centro as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 31, 2012, for the period February 1, 2012 through July 31, 2012. Finance issued its determination related to those transferred assets on August 30, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed.

Exhibit D, Item 1 – Loan agreement between the Agency and CIC El Centro Family Apts., L.P. Finance initially objected to the transfer because the agreement was executed after June 27, 2011. HSC section 34163 (b) prohibits an agency from entering into agreements, obligations, or contracts with any entity for any purpose after June 27, 2011. However, based on additional information provided indicating the loan was approved in March 2011, Finance is no longer objecting to the transfer of this item.

In addition, per Finance's Housing Asset Transfer Form letter dated August 30, 2012, Finance continues to object to the transfer of the following assets not disputed by the Agency:

Exhibit A, Items 2 through 7 – The vacant parcels were purchased with low and moderate income housing funds. A resolution of the former redevelopment agency of the City of El Centro dated August 15, 2007 granted a five-year extension to develop the property. Since no contracts have been executed for the development of the parcels by the end of the extension term, the parcels should be returned to the Agency to be sold in accordance with HSC section 33334.16.

This is Finance's final determination related to the assets reported on your Form. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your

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Form. Assets transferred deemed not to be a housing asset shall be returned to the successor agency.

Please direct inquiries to Evelyn Sues, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a stylized flourish extending to the left.

Steve Szalay
Local Government Consultant

cc: Mr. Ruben A. Duran, City Manager, City of El Centro
Mr. Douglas R. Newland, Auditor-Controller, Imperial County
California State Controller's Office