



September 6, 2012

Ms. Karin Helvey, Finance Director
City of Gridley
685 Kentucky Street
Gridley, CA 95948

Dear Ms. Helvey:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Gridley submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on August 7, 2012 for the period February 1, 2012 through August 7, 2012.

HSC section 34176 (e) defines a housing asset. Assets transferred deemed not to be a housing asset shall be returned to the successor agency. Finance has completed its review of your Form, which may have included obtaining clarification for various items. Based on a sample of line items reviewed and the application of law, Finance is objecting to Exhibit D, Item 1. Documentation provided was not sufficient to determine whether this loan was entered into prior to June 28, 2011. HSC section 34163 (a) prohibits an agency from entering into agreements with any entity after June 27, 2011.

Except for items disallowed as noted above, Finance is not objecting to the remaining of items, if any, listed on your Form. If you disagree with our determination with respect to any items on the Form, you may request a Meet and Confer within five business days of receiving this letter.

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

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Maria Solis, Auditor - Accountant, Office of the Auditor-Controller, Butte County
Ms. Veda Musler, Manager of Property Tax, Office of the Auditor-Controller, Butte County
California State Controller's Office