



August 30, 2012

Mr. John S. Raymond
Director of Community and Economic Development
City of Palm Springs
P.O. Box 2743
3200 E Tahquitz Canyon Way
Palm Springs, CA 92262

Dear Mr. Raymond:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Palm Springs 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.

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 the following assets or transfer of assets identified on your Form:

- Exhibit D, Item 49 – This loan was issued on August 3, 2011 under an Owner Participation Agreement. HSC section 34163 (b) prohibits an agency from entering into agreements, obligations, or contracts with any entity for any purpose after June 27, 2011.

Except for the item disallowed as noted above, Finance is not objecting to the remaining 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: On following page

Name
Date
Page 2

cc: Mr. Dale Cook, Community Development Administrator, City of Palm Springs
Ms. Pam Elias, Division Chief Accountant Property Tax Division, Riverside County
Auditor-Controller Office
Ms. April Nash, Supervising Accountant, Riverside County Auditor -Controller Office
Ms. Jennifer Baechel, Business Process Analyst II, Riverside County Auditor-Controller
California State Controller's Office