



February 15, 2013

Mr. Robert Field, Executive Director
County of Riverside Economic Development Agency
P.O. Box 1180
Riverside, CA 92502

Dear Mr. Field:

Subject: Housing Assets Transfer Form

This letter supersedes Finance's Housing Asset Transfer Form letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the County of Riverside Economic Development Agency as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on August 1, 2012, for the period February 1, 2012 through on August 1, 2012. Finance issued its determination related to those transferred assets on August 31, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance. The Meet and Confer session was held on February 1, 2013.

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 A, Item 1 – Highgrove Family Apartments. Finance no longer objects to the transfer of this Item. The Agency provided adequate documentation establishing this Item is a for low and moderate income housing purposes pursuant to HSC section 34176 (e) (1). Finance notes that the Assessor Parcel Number (APN) noted on the Form has a typographical error. The APN should reflect 255-070-013; not 255-070-018.

In addition, Finance continues to object to the transfer of the following item not disputed by the Agency:

- Exhibit C, Item 18 – Board resolution dated August 4, 2011 documents the commitment of low and moderate income housing funds to Paseo de Los Heroes III; however, no contract was in place for this encumbrance. HSC section 34163 (b) prohibits an agency from entering into a contract with any entity after June 27, 2011.

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

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Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor or Danielle Brandon, Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a long horizontal stroke extending to the left.

STEVE SZALAY
Local Government Consultant

cc: Ms. Heidi Marshall, Deputy Executive Director, Housing Authority of the
County of Riverside
Ms. Pam Elias, Chief Accountant, Property Tax, Riverside County Auditor-Controller
Ms. Jennifer Baechel, Business Process Analyst, Riverside County Auditor-Controller
Ms. April Nash, Supervising Accountant, Riverside County Auditor-Controller
California State Controller's Office