DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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August 31, 2012

Ms. Carey K. Jenkins, Director of Housing
City of San Bernardino
Economic Development Agency
201 North E Street, Suite 301
San Bernardino, CA 92401

Dear Ms Jenkins:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of San Bernardino 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 August 1, 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 A, Items 3, 5, 7 through 18, 29 through 33 and 45 through 49 - These assets are not owned by the Agency, and therefore do not meet the definition of a housing asset.

- Exhibit A, Items 19 through 28, 35 through 37 and 52 through 67 - Sufficient documentation was not provided to confirm the properties meet the definition of a housing asset.

- Exhibit A, Item 34 - Sufficient documentation was not provided to demonstrate the property was purchased for low and moderate income housing purposes.

- Exhibit D, Items 5, 6, 30 through 36, 39, 52, 58, 64, and 66 - HSC section 34163 (b) prohibits a redevelopment agency from entering into contracts with any entity for any purpose after June 27, 2011.

Except for the items 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 Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Andrea Travis-Miller, Acting City Manager, City of San Bernardino
Mr. Samuel Hughes, City of San Bernardino
Mr. Larry Walker, Auditor-Controller, San Bernardino County
Ms. Vanessa Doyle, Property Tax Manager, San Bernardino County
Ms. Linda Santillano, Supervising Accountant, San Bernardino County
Ms. Franz Zyss, Accountant III, San Bernardino County
Mr. Albert Aleman, San Bernardino County
Ms. Ashley Schwenk, San Bernardino County
California State Controller's Office