



January 14, 2013

Mr. Roger Hunt, Assistant Director
County of Tulare
5961 South Mooney Blvd.
Visalia, CA 93277

Dear Mr. Hunt:

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), County of Tulare as Successor Housing Entity (Entity) 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. Finance issued its determination related to those transferred assets on August 31, 2012. Subsequently, the Entity requested a Meet and Confer session for one or more of the items denied by Finance. The Meet and Confer session was held on December 19, 2012.

HSC section 34176 (e) defines a housing asset. 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 as follows:

- Exhibit A, Items 1, 4 and 5 – Finance objected to the transfer because documentation provided was not sufficient to demonstrate that the properties are for low and moderate income housing purposes pursuant to HSC 34176 (e) (1). Based on additional documentation provided during the Meet and Confer process, Finance no longer objects to the transfers.
- Exhibit D, Items 52 and 53 – Loan receivables in the amount of \$380,200. Finance continues to object to the transfer of \$380,200. The loan agreements were executed after June 27, 2011. HSC section 34163 (b) prohibits an agency from entering into an agreement with any entity after June 27, 2011.
 - Item No. 52 – According to the Entity, the former redevelopment agency's (RDA) funds were to be used as leverage funds under the County of Tulare's agreements with the State for the Home Investment Partnership Program (HOME). However, Finance noted that the RDA's funds were not specifically identified in the HOME grant agreement executed in July 2010 between the County of Tulare and the Department of Housing and Community Development. In addition, the Regulatory Agreement between the former RDA and a third party was dated January 2012. HSC section 34163 (b) prohibits an agency from

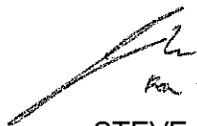
entering into an agreement with any entity after June 27, 2011. Therefore, the item is not an enforceable obligation and funds are not eligible for transfer.

- o Item No. 53 – The Entity contends the Community Development Block Grant (CDBG) agreement executed in April 2010 identified the RDA's funds as leverage funds and thus established the loan as an enforceable obligation. However, the Loan Agreement was not executed until August 30, 2011. HSC section 34163 (b) prohibits an agency from entering into an agreement with any entity after June 27, 2011. Therefore, the item is not an enforceable obligation and funds are not eligible for transfer.

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

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

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Sharla Allison, Chief Accountant, County of Tulare
Ms. Rita A. Woodard, Auditor-Controller, County of Tulare
Ms. Sandra Sabin, Grant Specialist II, County of Tulare
California State Controller's Office