



March 22, 2013

Mr. Eric Frost, Administrative Services Director
City of Visalia
P.O. Box 5078
707 W. Acequia Avenue
Visalia, CA 93278

Dear Mr. Frost:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Visalia as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to Finance on August 1, 2012, for the period February 1, 2012 through August 1, 2012. Finance issued its determination related to those transferred asset 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 20, 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, Items 2 and 3 - Land: Finance no longer objects to the transfer of these items. The Agency provided documentation to establish the items were acquired using fund from the Low and Moderate Income Housing Fund. Therefore, these items are housing assets pursuant to HSC 34176 (e).
- Exhibit D, Items 18 and 19 - Loans: Finance no longer objects to the transfer of these items. The Agency provided a loan agreement between the former redevelopment agency and Habitat for Humanity that was entered into prior to June 27, 2011 funded using funds from the Low and Moderate Income Housing Fund (LMIHF). Therefore, Finance has determined this is a housing asset as defined in HSC section 34176 (e).

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

- Exhibit A, Items 5 and 7 - Land: According to Agency staff, Item 7 was purchased with funds from LMIHF; however, it is intended for the Community Campus and parking use. Documentation was not provided to support low to moderate income housing purpose

for item 5. Therefore, these items are not housing assets per HSC section 34176 (e) (1).

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.

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. Ruth Pena, Financial Analyst, City of Visalia
Ms. Rita A. Woodard, Auditor-Controller, County of Tulare
Ms. Sharla Allison, Chief Accountant, County of Tulare
California State Controller's Office