



August 30, 2012

Mr. Mark Lewis, City Administrator  
City of Chowchilla  
130 South Second Street  
Chowchilla, CA 93610

Dear Mr. Lewis:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Chowchilla 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 C, Item 2 – The encumbrances for Self-help enterprises totaling \$87,804 does not qualify as housing assets because the agreements were issued after June 27, 2011. HSC 34163 (a) (1) prohibits a redevelopment agency from entering into loan or grant agreements with any entity after June 27, 2011.

Loan Number	Grant Number	Approval Date	Amount
10882	10-STGB-6725	April 30, 2012	\$52,000
10808	10-STGB-6725	March 27, 2012	\$32,214
10884	10-STGB-6725	April 30, 2012	\$3,590
			<u>\$87,804</u>

Except for 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 Kylie Le, Supervisor or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY  
Local Government Consultant

cc: On following page

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cc: Mr. Wayne Padilla, Assistant City Administrator, City of Chowchilla  
Mr. Jim Boyajian, Assistant Auditor Controller, Madera County Auditor Controller's Office  
Mr. Karl Noyes, Assistant Auditor Controller, Madera County Auditor Controller's Office  
California State Controller's Office