



August 30, 2012

Ms. Marcela Piedra, Director  
Economic Development  
City of El Centro  
1249 West Main Street  
El Centro, CA 92243

Dear Ms. Piedra:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of El Centro 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:

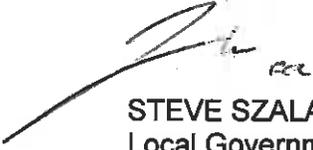
- Exhibit A, Items 2 through 7 – The vacant parcels were purchased with low and moderate income housing funds. Former Redevelopment Agency of the City of El Centro (Agency) resolution dated August 15, 2007 granted five year extension to develop the property. Since no contracts have been executed for the development of the parcels by the end of the extension term, the parcels should be returned to the successor agency to be sold in accordance with HSC 33334.16.
- Exhibit D, Item 1 - The loan agreement between the Agency and CIC El Centro Family Apts., L.P. was executed after June 27, 2011. HSC section 34163 (b) prohibits an agency from entering into agreements, obligations, or contracts with any entity for any purpose after June 27, 2011.

Except for items disallowed as noted above, Finance is not objecting to the remaining items 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.

Ms. Piedra  
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Please direct inquiries to Beliz Chappuie, Supervisor or Cindy Lor, Lead Analyst at  
(916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Szalay", with a long, sweeping underline that extends to the left.

**STEVE SZALAY**  
Local Government Consultant

cc: Mr. Ruben A. Duran, City Manager, City of El Centro  
Mr. Douglas R. Newland, Auditor-Controller, Imperial County  
California State Controller's Office