



February 6, 2013

Ms. Laura Weyant, City Manager
City of Firebaugh
1133 P Street
Firebaugh, CA 93622

Dear Ms. Weyant:

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), the City of Firebaugh as Housing 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. Finance issued its determination related to those transferred assets 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 January 28, 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 1 and 2 – Finance continues to object to the transfer of these items. Finance originally objected to the transfers because documentation provided was not sufficient to demonstrate properties were acquired for low and moderate income housing purposes. The Agency contends the items are housing assets because the former redevelopment agency (RDA) purchased the properties with the intent to develop an affordable housing project. However, no further documentation was provided (such as RDA board meeting agendas and minutes, staff reports, resolutions, or affordability covenants recorded on the properties) dated prior to June 27, 2011 to demonstrate the properties were purchased with the intent to develop affordable housing. Therefore, the items are not housing assets eligible for transfer to the housing successor entity pursuant to HSC section 34176 (e).
- Exhibit F, Items 1 and 2 – Finance continues to object to the transfer of these. Finance originally objected to the transfers because rental income received from properties identified as Exhibit A, Items 1 and 2 above, do not qualify as housing assets. The Agency contends the items are housing assets because these are the rents associated with the properties listed above. However, because the aforementioned properties are deemed to be non-housing assets, the rental income associated with the properties are also not housing assets eligible for transfer.

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 Mary Halterman, Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a small '12a' written below it.

STEVE SZALAY
Local Government Consultant

cc: Mr. George Gomez, Accounting Financial Manager, Fresno County
Ms. Robin Cook, Senior Accountant, Fresno County
California State Controller's Office