



August 30, 2012

Mr. Jim Francis, Finance Director/CFO
City of Folsom
50 Natomas Street
Folsom, CA 95630

Dear Mr. Francis:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Folsom Housing Authority (Authority) 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:

No documentation was provided by the Authority to support the use of the following items for low and moderate income housing purposes:

- Exhibit A, Item 1 – Vacant property located at 1150 Sebley Street, valued at \$774,149.
- Exhibit C, Item 1 – Bond proceeds in the amount of \$9,632,898.

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 Nichelle Thomas, Supervisor or Wendy Griffe, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc. Mr. Scott Johnson, Planning Manager, Community Development
Ms. Stacey Tamagni, Financial Analyst
Mr. Ben Lamera, Assistant Auditor Controller, Sacramento County Auditor Controller
California State Controller's Office