



August 31, 2012

Mr. Jorge Galvan, Planning and Development Director
City of Imperial
420 South Imperial Avenue
Imperial, CA 92251

Dear Mr. Galvan:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Imperial 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.

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:

The Agency could not provide sufficient documentation that supports the use of the following items for low and moderate-income housing purposes:

- Exhibit A, Item 1—Low-Mod housing valued at \$580,000.
- Exhibit C, Item 1—Mixed-Use properties valued at \$1 million.
- Exhibit D, Item 1—Funds totaling \$300,000.

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: Ms. Laura Gutierrez, Finance Director, City of Imperial
Mr. Douglas R. Newland, Auditor-Controller, Imperial County
California State Controller's Office