



August 23, 2012

Ms. Lori Stone, Executive Director  
March Joint Powers Authority  
23555 Meyer Drive  
Riverside, CA 92518

Dear Ms. Stone:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the March Joint Powers Housing Agency (Agency) submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 25, 2012 for the period February 1, 2012 through July 25, 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 included obtaining clarification of the items reported. Based on our review and the application of law, Finance is objecting to asset transfers identified on your Form.

- Exhibit C, Item 1 – The Transitional Veterans Housing encumbrance does not qualify as a housing asset because the agreement supporting the asset is not enforceable. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. On February 1, 2012 the underlying reimbursement agreement was signed. Therefore, the \$8.4 million is not an housing asset reportable on Exhibit C of the Form and shall be returned to the successor agency.
- Exhibit C, Item 2 – The \$2.0 million Transitional Housing Relocation encumbrance does not qualify as a housing asset because the agreement supporting the asset is not enforceable. The documentation provided did not demonstrate that the funding was obligated prior to June 27, 2011. Therefore, the \$2.0 million is not an encumbrance housing asset reportable on Exhibit C of the Form and shall be returned to the successor agency.

If you disagree with our determination, you may request a Meet and Confer within five business days of receiving this letter.

Please direct inquiries to Kylie Le, Supervisor or Derk Symons, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY  
Local Government Consultant

cc: On following page

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cc: Ms. April Nash, Auditor-Controller's Office, County of Riverside  
Ms. Jennifer Baechel, Auditor-Controller's Office, County of Riverside  
Ms. Pam Elias, Auditor Controller's Office, County of Riverside  
California State Controller's Office