



August 30, 2012

Ms. Brenda Jacobs, City Clerk
City of Norco
2870 Clark Avenue
Norco, CA 92860

Dear Ms. Jacobs

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Norco Successor Agency 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, Parcel No. 122-080-049 of Item 1 and all parcels identified in Item 3 – No documentation was provided to support that these properties were purchased for low and moderate income housing purposes.
- Exhibit D, Item 121 – Loan agreement for \$29,250. HSC section 34163 (b) prohibits a redevelopment agency from entering into an agreement with any entity after June 27, 2011. It is our understanding that this agreement was dated July 18, 2011.

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 Chikako Takagi-Galamba, Supervisor or Wendy Griffe, Lead Analyst at (916) 445-1546.

Sincerely,


STEVE SZALAY
Local Government Consultant

cc: On following page