



March 21, 2013

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

Dear Ms. Jacobs

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 30, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Norco as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to Finance on July 31, 2012, for the period February 1, 2012 through July 31, 2012. Finance issued its determination related to those transferred asset on August 30, 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 25, 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, Parcel No. 122-080-049 of Item 1 and all parcels identified in Item 3 – Finance no longer objects to the transfers of these items. The Agency provided documentation establishing the properties were purchased using funds from the Low and Moderate Income Housing Fund. Finance has determined these items are housing assets as defined in HSC section 34176 (e).

In addition, the following item continues to be denied by Finance and was not contested by the Agency:

- 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 The loan receivable listed is not a housing asset and shall be returned to the successor agency. The successor agency shall administer the loan receivable and any payments received shall be used to fund approved enforceable obligations or be disbursed to the affected taxing entities.

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.

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Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor or Danielle Brandon, Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a stylized flourish extending to the left.

STEVE SZALAY  
Local Government Consultant

cc: Mr. Andy Okoro, Deputy City Manager, City of Norco  
Ms. Pam Elias, Chief Accountant, Property Tax Division, Riverside County  
Ms. Jennifer Baechel, Business Process Analyst II, Riverside County  
Ms. April Nash, Supervising Accountant, Riverside County  
California State Controller's Office