



August 30, 2012

Mr. Michael Matsumoto, Director of Finance  
City of Pico Rivera  
6615 Passons Boulevard  
Pico Rivera, CA 90660

Dear Mr. Matsumoto:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Pico Rivera 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, Item 1 – The vacant land does not qualify as a housing asset because the grant deed provided does not support that this asset is used for low and moderate income housing purposes.
- Exhibit C, Item 1 – Cash totaling \$2.2 million was transferred to the housing entity in order to fund bond payments. HSC Section 34716 (e) (2) states funds must be encumbered to build or acquire low and moderate income housing.

Except for the 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 this receiving this letter.

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

Sincerely,



STEVE SZALAY  
Local Government Consultant

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cc: Ms. Kristina Burns, Manager, Community Redevelopment Administration Section,  
Property Tax Division, Los Angeles County Department of Auditor-Controller  
California State Controller's Office