



August 31, 2012

Mr. Paul Melikian, Administrative Services Director  
City of Reedley  
1733 Ninth Street  
Reedley, CA 93654

Dear Mr. Melikian:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Reedley 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 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 included obtaining clarification for various items. Based on our review and application of law, Finance is objecting to the following assets or transfer of assets identified on your Form:

- Exhibit C, Item 10 – Reported encumbrances for \$5,000 to pay Sanborn & Sanborn Accountancy Corporation for a due diligence audit. This item is not a housing asset and shall be returned to the successor agency.
- Exhibit D, Item 2 – Reported loans or grant receivables for a \$54,000 loan for the purchase of commercial property with no apparent housing components. Commercial property is not a housing asset.

Except for the items disallowed as noted above, Finance is not objecting to the remaining items 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 Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY  
Local Government Consultant

cc: On the following page

Mr. Paul Melikian  
August 31, 2012  
Page 2

Ms. Darlene Mata, Planning Director, Reedley  
Ms. Vicki Crow, CPA, Auditor-Controller, Fresno County  
California State Controller's Office