



August 30, 2012

Mr. Tyrell Staheli, Administrative Services Director
City of Ridgecrest
100 W California Avenue
Ridgecrest, CA 93555

Dear Mr. Staheli:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), Ridgecrest Housing Authority 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 D, Items 3 through 8 – Loans totaling \$3 million do not qualify as housing assets because these loans were issued after June 27, 2011. HSC 34163 (a) (1) prohibits a redevelopment agency from entering into agreements, obligations, or contracts with any entity for any purpose after June 27, 2011.
- Exhibit D, Item 38 – Loan in the amount of \$50,978 does not qualify as a housing asset because documents supporting this asset were not provided.

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 receiving this letter.

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

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Ann Barnett, Auditor-Controller-County Clerk, Kern County
California State Controller's Office