



August 31, 2012

Mr. Robert Field, Executive Director
County of Riverside Economic Development Agency
P.O. Box 1180
Riverside, CA 92502

Dear Mr. Field:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Housing Authority of the County of Riverside 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 August 1, 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 – Documentation provided was not sufficient to demonstrate whether the Highgrove Family Apartments are for low and moderate income housing purposes pursuant to HSC section 34176 (e) (1).
- Exhibit C, Item 18 – Board resolution dated August 4, 2011 documents the commitment of low and moderate income housing funds to Paseo de Los Heroes III; however, no contract was in place for this encumbrance. HSC section 34163 (b) prohibits an agency from entering into a contract with any entity after June 27, 2011.

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 Beliz Chappuie, Supervisor or Mindy Patterson, Lead Analyst at (916) 445-1546.

Sincerely,


STEVE SZALAY
Local Government Consultant

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cc: Ms. Heidi Marshall, Deputy Executive Director, Housing Authority of the
County of Riverside
Ms. Pam Elias, Chief Accountant, Property Tax, Riverside County Auditor-Controller
Ms. Jennifer Baechel, Business Process Analyst, Riverside County Auditor-Controller
Ms. April Nash, Supervising Accountant, Riverside County Auditor-Controller
California State Controller's Office