



November 2, 2012

Ms. Sharon Paisley, Development Director
San Jacinto Housing Authority
595 South San Jacinto Avenue, Building A
San Jacinto, CA 92583

Dear Ms. Paisley:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the San Jacinto 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 A, Items 1 and 2, Vacant properties. A low and moderate income housing purpose has not been adequately established for these properties. Resolution No. RDA 09-08, provided in support of Item 1, states "the Agency has subsequently determined that development of a housing project on the Property is not a viable project for the Agency to carry out at this time". Resolution No. RDA 08-14, provided in support of Item 2, does not mention a low and moderate income housing purpose for the property.

Except for 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 the date of this letter.

Please direct inquiries to Nichelle Thomas, Supervisor or Wendy Griffe, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: On following page

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cc: Mr. Thomas Prill, Acting Finance Director, City of San Jacinto
Ms. Pam Elias, Chief Accountant, Riverside County
California State Controller's Office