



February 15, 2013

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

This letter supersedes Finance's Housing Asset Transfer Form letter dated November 2, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the San Jacinto Housing Authority as Housing Successor Agency (Agency) 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. Finance issued its determination related to those transferred assets on November 2, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance. The Meet and Confer session was held on February 6, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed.

Exhibit A, Items 1 and 2 – Vacant properties. Finance no longer objects to the transfer of Item 2; however, Finance continues to object to the transfer of Item 1. Finance originally objected to the transfers because 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.

The Agency did not object to Finance's determination for Item 1. However, the Agency contends Item 2 is a housing asset because it was purchased using funding from the Low and Moderate Income Housing Fund (LMIHF). The Agency provided additional documents showing the purchases of the parcels were paid out of the LMIHF. Therefore, the item is a housing asset pursuant to HSC section 34176 (e) (1).

This is Finance's final determination related to the assets reported on your Form. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Assets transferred deemed not to be a housing asset shall be returned to the successor agency.

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Please direct inquiries to Evelyn Sues, Dispute Resolution Supervisor or Mary Halterman, Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

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