



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. ■ GOVERNOR

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February 25, 2013

Ms. Darlene Thompson, Finance Director
City of Tulare
411 E. Kern Avenue
Tulare, CA 93274

Dear Ms. Thompson:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Tulare as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to Finance on August 1, 2012, for the period February 1, 2012 through August 1, 2012. Finance issued its determination related to those transferred assets on August 31, 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 11, 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 D, Items 53 and 54 – Finance no longer objects to the transfer of Item 54; however, Finance continues to object to the transfer of Item 53. Finance originally objected to the transfers because there was no supporting documentation provided for Item 53 and the promissory note for Item 54 was executed after June 27, 2011. HSC Section 34163 (b) prohibits a redevelopment agency from entering into agreements, incur obligations, or make commitments with any entity for any purpose after June 27, 2011.

The Agency did not dispute Finance's determination for Item 53. Therefore, Finance maintains the item is not a housing asset. The Agency contends Item 54 is a housing asset because the Item is not a new agreement but a reassignment of a previous agreement to the new owners. The Agency provided documents showing the original loan agreements were entered into prior to June 27, 2011 and the loans were made from the Low and Moderate Income Housing Fund. Therefore, Item 54 is a housing asset pursuant to HSC section 34176 (e) (3).

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.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a long, sweeping underline that extends to the left.

STEVE SZALAY
Program Budget Manager

cc: Ms. Rita A. Woodard, Auditor-Controller, County of Tulare
Ms. Sharla Allison, Chief Accountant, County of Tulare
California State Controller's Office