



August 31, 2012

Mr. Eric Frost, Administrative Services Director
City of Visalia
P.O. Box 5078
707 W. Acequia Avenue
Visalia, CA 93278

Dear Mr. Frost:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Visalia 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, Items 2, 3, 5, and 7 - Land: Items 2, 3, and 7 were purchased with low and moderate income housing (LMIH) funds; however, they are intended for the Community Campus and parking use. Documentation was not provided to support LMIH purpose for item 5. HSC section 34176 (e) (1) defines a housing asset as real property that was acquired for LMIH purposes.
- Exhibit D, Items 18 and 19 - Loans: Documentation provided was not sufficient to demonstrate loans were issued prior to June 27, 2011. HSC section 34163 (b) prohibits an agency from entering into a contract with any entity for any purpose 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.

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Please direct inquiries to Beliz Chappuie, Supervisor or Cindie Lor, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Szalay", with a stylized flourish at the end.

STEVE SZALAY
Local Government Consultant

cc: Ms. Ruth Pena, Financial Analyst, City of Visalia
Ms. Rita A. Woodard, Auditor-Controller, County of Tulare
Ms. Sharla Allison, Chief Accountant, County of Tulare
California State Controller's Office