DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

August 31, 2012

Mr. Curtis Yakimow, Director of Admin Services
Town of Yucca Valley
570910 29 Palms Hwy
Yucca Valley, CA 92284

Dear Mr. Yakimow:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Town of Yucca Valley Housing Authority 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 C, Item 1 – The Exclusive Negotiation Agreement was executed on January 1, 2011 with the intent to initiate a project. The Disposition and Development Agreement executed on March 20, 2012 was between Yucca Valley and the developer, not the former redevelopment agency. This item was denied by Finance during the Recognized Obligation Payment Schedule I and II reviews, dated April 20, 2012 and May 18, 2012, respectively. Therefore, this item is not a valid encumbrance.

- Exhibit C, Item 6 – Unspent low and moderate income housing fund bond proceeds are not considered an encumbered asset. This item should not have been included in Exhibit C.

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 receiving 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: Mr. Larry Walker, Auditor Controller, San Bernardino County
Ms. Vanessa Doyle, Property Tax Manager, San Bernardino County
Ms. Linda Santillano, Supervising Accountant, San Bernardino County
Ms. Franciliza Zyss, Accountant III, San Bernardino County
Mr. Albert Aleman, San Bernardino County
Ms. Ashley Schwenk, San Bernardino County
California State Controller's Office