



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

September 17, 2012

Mr. Joseph Villarreal, Executive Director
Housing Authority of the County of Contra Costa
P.O. Box 2759
3133 Estudillo Street
Martinez, CA 94553

Dear Mr. Villarreal:

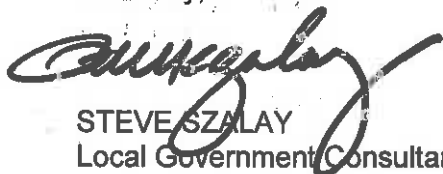
Pursuant to Health and Safety Code (HSC) section 34176, upon the dissolution of redevelopment agencies (RDAs), the city or county that operated the former RDA is afforded the opportunity to retain the responsibility for performing the former RDA's housing functions. If the city or county does not elect to retain this responsibility, and if there is a local housing authority in the territorial jurisdiction of the former RDA, the responsibility for performing the former RDA's housing functions automatically transfers to that local housing authority pursuant to HSC section 34176 (b) (2).

The Department of Finance (Finance) understands that the City of Hercules (City) has lawfully elected to not retain responsibility for performing the housing functions of the former Hercules RDA. We further understand that the City has notified the Housing Authority of the County of Contra Costa (Housing Authority) of this fact. Finally, we understand the Housing Authority has refused to assume responsibility for performing the former RDA's housing functions in accordance with HSC section 34176 (b) (2).

Assuming the foregoing is true and correct, Finance hereby notifies the Housing Authority that it has no legal basis for refusing to perform the duties required by HSC section 34176 (b) (2). If the Housing Authority continues in its refusal to perform these duties, Finance reserves the right to pursue any and all means legally available to compel the Housing Authority to perform its statutory duty. To this end, Finance respectfully requests the Housing Authority to notify us by September 17, 2012, of its intent to comply with HSC section 34176 (b) (2).

Thank you for your attention to this matter. If you have any questions, or if you have additional information that you believe Finance should consider in regard to this matter, please contact Justyn Howard, Assistant Program Budget Manager, at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant