



August 30, 2012

Ms. Angela Kraetsch, Director of Administrative Services
City of Arroyo Grande
300 East Branch Street
Arroyo Grande, CA 93420

Dear Ms. Kraetsch:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Arroyo Grande (City) 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.

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 1 and 2 – Vacant land. Documentation provided by the City did not support the use of these properties for low and moderate income housing.

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. Steven Adams, City Manager, City of Arroyo
Ms. Barbara Godwin, Property Tax Manager, County Auditor Controller
California State Controller's Office