



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

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August 22, 2012

Mr. Andy Heath, Administrative Services Director
City of Auburn
1225 Lincoln Way
Auburn, CA 95603

Dear Mr. Heath:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Auburn Housing Agency submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 23, 2012 for the period February 1, 2012 through July 23, 2012.

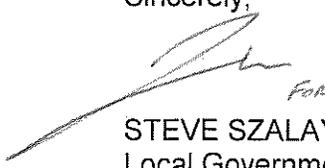
HSC section 34176 (e) defines a housing asset. Assets transferred deemed not to be a housing asset shall be returned to the Successor Agency. Finance has completed its review of your Form, which may have included obtaining clarification for various items.

Based on a sample of line items reviewed and the application of law, Finance is objecting to Exhibit A, Item 1. Finance was provided an agreement dated November 14, 1994 for the purchase of the Blocker Drive Property and the related Grant Deed dated June 23, 1997 to show that the former redevelopment agency purchased and owned the property. However, the documents provided are not sufficient to demonstrate this property meets the housing asset definition per HSC section 34176 (e). Specifically, the purchase agreement does not clearly define that the land was for Low-and Moderate-Income Housing (LMIH). In addition, no contracts have been executed for a LMIH project.

Except for the item 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 Beliz Chappuie, Supervisor or Cindie Lor, Lead Analyst at (916) 445-1546.

Sincerely,


STEVE SZALAY
Local Government Consultant

cc: Ms. Jane Goulding, Managing Accountant Auditor, Placer County
California State Controller's Office