



March 2, 2013

Ms. Amelia Soto, Project Manager
City of Carson
701 E Carson Street
Carson, CA 90745

Dear Ms. Soto:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 29, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Carson as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to Finance on July 30, 2012, for the period February 1, 2012 through July 30, 2012. Finance issued its determination related to those transferred assets on August 29, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance. The Meet and Confer session was held on February 25, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed.

- Exhibit A, Items 1 through 6 and 12 through 15 – Finance no longer objects to the transfers of Items 2 and 12 through 15; however, Finance continues to object to the transfers of Items 1 and 3 through 6. Finance originally objected to the transfers because the general ledger documents provided do not match the amounts shown on Exhibit A and supporting documents were not provided for Items 1 and 3 through 6.

During the Meet and Confer process, the Agency provided additional documents showing Items 2 and 12 through 15 were purchased with funds from the Low and Moderate Income Housing Fund. Therefore, Items 2 and 12 through 15 are housing assets pursuant to HSC section 34176 (e) (1).

For Items 1 and 3 through 6, the Agency did not have supporting documents to show the properties were acquired for low and moderate income housing purposes. Additionally, the Agency stated that the development was to be mixed-use; however, the oversight board did not consider the overall value to the community as well as the benefit to taxing entities of keeping the entire development intact or dividing the title and control over the property between the housing successor and the successor agency or other public or private agencies pursuant to HSC section 34176 (f). Therefore, Items 1 and 3 through 6 are not housing assets pursuant to HSC section 34176 (e) (1).

However, Finance notes that to the extent the Agency would like to continue with the development of Items 1 and 3 through 6 for affordable housing purposes, HSC section 34191.5 (c) (2) states that one of the property disposition options available to the successor agency of the former redevelopment agency is the retention of property for future development purposes pursuant to an approved Long Range Property Management Plan. If this option is selected, HSC section 34180 (f) (1) states that the city, county, or city and county must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to HSC section 34188, for the value of the property retained.

This is Finance's final determination related to the assets reported on your Form. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Assets transferred deemed not to be a housing asset shall be returned to the successor agency.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor or Mary Halterman, Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Jeff F. Westbrook, Manager, City of Carson
Ms. Kristina Burns, Manager, Los Angeles County Auditor Controller's
Office
California State Controller's Office