



August 30, 2012

Mr. Art Gallucci, City Manager
City of Cerritos
1650 Stanton Drive
P.O. Box 3130
Cerritos, CA 90703

Dear Mr. Gallici:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Cerritos Housing Successor 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, Item 1 – The lease does not qualify as a housing asset because sufficient documentation was not provided and Finance is unable to determine the appropriateness of the transfers of the asset.
- Exhibit C, Items 1 through 4 – Encumbrances totaling \$97,300 are being used to fund administrative costs. In accordance with HSC section 34716 (e) (2), funds must be encumbered to build or acquire 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 Kylie Le, Supervisor or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Kristina.Burns, Manager, Community Redevelopment Administration Section, Property Tax Division, Los Angeles County Department of Auditor-Controller
California State Controller's Office