



March 22, 2013

Ms. Laura M. Hoffmeister, Assistant to the City Manager
City of Clayton
6000 Heritage Trail
Clayton, CA 94517

Dear Ms. Hoffmeister:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 30, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Clayton as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to Finance on July 31, 2012, for the period February 1, 2012 through July 31, 2012. Finance issued its determination related to those transferred asset on August 30, 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 was held February 8, 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 C, Item 2 – Legal contracts totaling \$45,000. Finance continues to object to the transfer of this Item. The Agency provided two legal contracts for this item; however, both of the contracts were executed after June 27, 2011 and neither contracts were specifically related to housing functions. Per HSC section 34176 (e) (2), to qualify as a housing asset, funds must be encumbered by an enforceable obligation entered into prior to June 27, 2011 to build or acquire low and moderate income housing – the contracts provided are neither. Therefore, this Item is not a housing asset.

This is Finance's final determination related to the assets reported on your Form. Except for item 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.

Ms. Laura Hoffmeister
March 22, 2013
Page 2

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a long horizontal stroke extending to the left.

STEVE SZALAY
Local Government Consultant

cc: Mr. Gary Napper, City Manager, City of Clayton
Mr. David Woltering, Community Development Director
Mr. Bob Campbell, Auditor Controller, Contra Costa County
California State Controller's Office