DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
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August 31, 2012

Mr. John Bahorski, City Manager
City of Cypress
5275 Orange Avenue
Cypress, CA 90630

Dear Mr. Bahorski:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Cypress submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 26, 2012 for the period February 1, 2012 through July 26, 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:

There are no documents supporting an intent to use the land for low-mod housing purposes for the following items:

- Exhibit A, Item 1 – This property was acquired with low and moderate income housing fund. However, it is currently being leased to Frutos Farms to grow crops.

- Exhibit E, Item 1 – A license payment for vacant land which corresponds to the item above.

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 Clarke, Redevelopment Project Manager
Frank Davies, Administrative Manager, Orange County Auditor-Controller
California State Controller's Office