



February 25, 2013

Ms. Inez Kiriu, Finance Director
City of Galt
380 Civic Drive
Galt, CA 95632

Dear Ms. Kiriu:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Galt as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to Finance on August 1, 2012, for the period February 1, 2012 through August 1, 2012. Finance issued its determination related to those transferred assets on August 31, 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 January 30, 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 3 and 5 through 7 – Finance no longer objects to the transfer of these covenants. The Agency provided adequate documentation establishing the covenants were in place prior to June 27, 2011.
- Exhibit A, Item 4 - This property is not, nor was it ever owned by the former Redevelopment Agency. This property is currently with the City of Galt and should be removed from the Form. As such, Finance continues to object to the transfer of this item. The Agency concurs with our determination.
- Exhibit D, Items 1, 6, 10 and 19 – Finance no longer objects to the transfer of this item. The Agency provided documentation establishing these loans were made from the Low to Moderate Income Housing Fund.

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.

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

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Chris Erias, Senior Planner, City of Galt
Mr. Ben Lamera, Assistant Auditor-Controller, Sacramento County
Ms. Kim Le, Senior Accounting Manager, Sacramento County
California State Controller's Office