DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

August 25, 2012

Ms. Joyce Powers, Community Development Director
City of Grand Terrace
22795 Barton Road
Grand Terrace, CA 92313

Dear Ms. Powers:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Grand Terrace Housing Authority 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:

- Exhibit A, Items 1, 2 and 3 – Finance was provided quit claim deeds for the related properties (dated January 3, 2012) that show properties were transferred from the Grand Terrance Community Redevelopment Agency to the Grand Terrace Housing Authority. However, the documents provided are not sufficient to demonstrate these properties meet the housing asset definition per HSC section 34176 (e). Specifically, the quit claim deeds do not clearly define that the properties are for low and moderate income housing purposes.

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 Evelyn Suess, Supervisor or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,

for

STEVE SZALAY
Local Government Consultant

cc: On following page