



August 31, 2012

Ms. Kelly Morariu, Assistant City Manager
City of Hayward
777 B Street
Hayward, CA 94541

Dear Ms. Morariu:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Hayward submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on August 1, 2012 for the period February, 1 2012 through August 1, 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 and 2 – The real properties were transferred to the City prior to February 1, 2012. HSC 34176 (a) (2) states the list shall include assets transferred between February 1, 2012, and the date upon which the list is created; therefore, these items should not have been included on Exhibit A.
- Exhibit D, Items 1 – Documents provided were not sufficient to demonstrate that the former Redevelopment Agency (Agency) housing funds were loaned to the City for payments related to the settlement agreement specified in the Form.
- Exhibit D, Items 106 and 107 – Loan agreements are between the Housing Authority of the City of Hayward and borrower, and are not assets of the Agency.

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.

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Please direct inquiries to Beliz Chappuie, Supervisor or Cindie Lor, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Szalay", with a stylized flourish at the end.

STEVE SZALAY
Local Government Consultant

cc: Mr. Omar Cortez, Housing development Specialist, City of Hayward
Ms. Carol S. Orth, Tax Analysis Division Chief, Alameda County
California State Controller's Office