



August 25, 2012

Ms. Elizabeth Brubaker, Director
Housing & Neighborhood Revitalization
City of Lancaster
44933 N. Fern Avenue
Lancaster, CA 93534

Dear Ms. Brubaker:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Lancaster Housing Authority (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. Based on a sample of line items reviewed and the application of law, Finance is objecting to the following assets or transfers of assets identified on your Form:

- Exhibit A, item 63 – The Authority did not provide sufficient documentation to substantiate that the parking lot is for low and moderate income housing purposes.
- Exhibit A, items 263 and 320; Exhibit C, item 108 – The Assessor Parcel Numbers do not match the respective grant deeds provided. Therefore, we were unable to determine if the assets are for low and moderate income housing purposes.
- All other items listed on Exhibit A – The type and description of the assets were not clearly identified. As such, we could not determine the appropriateness of the transfers of the assets.

Except for items disallowed as noted above, Finance is not objecting to the remaining items, if any, listed on your Form. With respect to the items objected to above, please provide pertinent information to demonstrate that these items are for low and moderate income housing purposes. The additional information should be provided to Finance during the Meet and Confer process which should be requested within five business days of receiving this letter.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Szalay". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

STEVE SZALAY
Local Government Consultant

cc: Ms. Barbara Boswell, Finance Director, City of Lancaster
Ms. Kristina Burns, Program Specialist III, Los Angeles County Auditor Controller's
Office
California State Controller's Office