



August 30, 2012

Mr. Dale Hutchinson, Administrator
City of Long Beach
333 W. Ocean Blvd
Long Beach, CA 90802

Dear Mr. Hutchinson:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Long Beach submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 31, 2012 for the period February 1, 2012 through July 31, 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, Item 3 – Parking lot on 4th and Elm does not qualify as a housing asset. The declaration of covenants, conditions, and restrictions states that the lots and city blocks acquired shall be continuously occupied or held vacant and available for tenants with low income. However, insufficient documentation was not provided to determine if the parking lot is used for low mod housing purposes.
- Exhibit A, item 13 – Land for resale for low mod housing does not qualify as a housing asset because the agreement provided was insufficient to determine that this asset was acquired for low mod housing purposes.
- Exhibit C, Item 36 – The encumbrance for Atlantic workforce housing groundwater monitoring staff costs does not qualify as a housing asset because the agreement provided was insufficient to determine this asset supports low mod housing purposes.
- Exhibit D, Items 18, 24, 32, 36, 42, 44, 45 through 49, 50, 52 through 54, 56, 58 through 61, 63, 64, 66 through 70, 72, 74 through 76, and 99 – These loans do not qualify as housing assets because these loans were issued after June 27, 2011. HSC section 34163 (b) prohibits a redevelopment agency from entering into loans with any entity after June 27, 2011.

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.

Mr. Hutchinson
August 30, 2012
Page 2

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a long horizontal stroke extending to the left.

STEVE SZALAY
Local Government Consultant

cc: Ms. Kristina Burns, Program Specialist III, Los Angeles County Auditor Controller's
Office
California State Controller's Office