



REVISED

March 27, 2013

Mr. Steve Valenzuela, Chief Financial Officer
CRA/LA – A Designated Local Authority
1200 West 7th Street, 2F
Los Angeles, CA 90017

Dear Mr. Valenzuela:

Subject: Housing Assets Transfer Form

This letter supersedes our previous letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Los Angeles Housing Department (LAHD) 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 A1 – Real Property: Items 20, 27, 28, 29, 40, 57, and 62, – The documentation provided and reviewed does not support these assets are used or required to be used for low and moderate housing purposes. Therefore, these assets do not meet the definition of a housing asset.
- Exhibit C1 - Encumbrances: Items 5, 8 and 19 – The documentation provided for these encumbrances, such as memorandums and unexecuted oversight board resolutions are not sufficient to determine these encumbrances are allowed for transfer. Further, no executed agreements were provided.

Similarly, Exhibit C1 – Commitments: Item 1 – Documentation provided for this commitment in the form of oversight board resolutions were not executed. Further, no executed agreements were provided.

- Exhibit D1 – Active Loans: Item 871488 – No loan agreement was provided for this line item.

If you disagree with Finance's determination, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

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http://www.dof.ca.gov/redevelopment/meet_and_confer/

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: Mr. David Riccitiello, Chief Executive Officer, CRA LA
Mr. Rushmore D Cervantes, Executive Officer, City of Los Angeles Housing Department
Ms. Kristina Burns, Manager, Los Angeles County Auditor Controller's Office
California State Controller's Office