



August 31, 2012

Mr. Chris Pahule, Assistant Director
Sacramento Housing and Redevelopment Agency
801 12th Street
Sacramento, CA 95814

Dear Mr. Pahule:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Sacramento County Successor Agency 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 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:

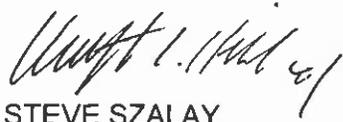
- Exhibit A, Items 2 and 4 – Vacant real property valued collectively at \$2.7 million. The grant deeds provided for these properties do not include a low and moderate income housing covenant. Therefore, we are unable to determine if it is for low and moderate income housing purposes.
- Exhibit C, Item 7 – Choice Neighborhoods Grant award in the amount of \$239,920. The grant was awarded to the Sacramento County Housing Authority, not the Redevelopment Agency of the County of Sacramento. Therefore, this grant is not a housing asset.

Except for the 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 Chikako Takagi-Galamba, Supervisor or Wendy Griffe, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Szalay".

STEVE SZALAY
Local Government Consultant

cc: Ms. Lori Miller, Finance Manager, Sacramento Housing and Redevelopment Agency
Mr. Ben Lamera, Assistant Auditor-Controller, Sacramento County Auditor-Controller
Ms. Kim Le, Senior Accounting Manager, Sacramento County Auditor-Controller
California State Controller's Office