



February 15, 2013

Mr. Don Reynolds, Project Manager
City of Salinas
65 W. Alisal Street
Salinas, CA 93901

Dear Mr. Reynolds:

Subject: Housing Assets Transfer Form

This letter supersedes Finance's Housing Asset Transfer Form letter dated October 1, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Salinas as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on September 4, 2012, for the period February 1, 2012 through September 4, 2012. Finance issued its determination related to those transferred assets on October 1, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance. The Meet and Confer session was held on February 4, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed.

Exhibit A, Items 7, and 9 through 11 – Real Properties Held for Resale. Finance no longer objects to the transfers. Finance originally objected to the transfers because sufficient documentation was not provided demonstrating properties were specifically acquired for low and moderate income housing purposes. The Agency contends the items are housing assets because the properties were purchased with funds from the Low and Moderate Income Housing Fund (LMIHF). The Agency provided additional documents showing the purchases were paid out of the LMIHF. Therefore, the items are housing assets pursuant to HSC section 34176 (e) (1).

This is Finance's final determination related to the assets reported on your Form. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Assets transferred deemed not to be a housing asset shall be returned to the successor agency.

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Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Steve Szalay', with a stylized flourish extending to the left.

STEVE SZALAY
Local Government Consultant

cc: Ms. Grace Aston, Planning Manager, City of Salinas
Mr. Matt Pressey, Finance Director, City of Salinas
Ms. Julie Aguero, Auditor Controller Analyst II, County of Monterey
California State Controller's Office