



August 29, 2012

Mr. Steve Matarazzo, City Administrator
Sand City Successor Agency
1 Sylvan Park
Sand City, CA 93955

Dear Mr. Matarazzo:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Sand City Housing Agency submitted Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 30, 2012 for the period February 1, 2012 through July 30, 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 transfer identified on your Form: Exhibit D, Items 3 and 4. These items relate to previously underfunded low and moderate housing set-aside requirements. HSC section (c) (4) suspended the set-aside requirement.

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.

Please direct inquiries to Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Linda Scholink, Director of Administrative Services, City Clerk
Ms. Julie Aguero, Auditor-Controller Analyst II
California State Controller's Office