



February 25, 2013

Mr. Anthony Ybarra, City Manager
City of South El Monte
1415 Santa Anita Avenue
South El Monte CA 91733

Dear Mr. Ybarra:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of South El Monte as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to Finance on August 1, 2012, for the period February 1, 2012 through August 1, 2012. Finance issued its determination related to those transferred assets on August 31, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance.

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.

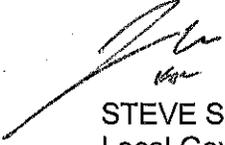
- Exhibit A, Item 1 – Finance no longer objects to the transfer. Finance originally objected to the transfer because the documentation provided was not sufficient to demonstrate the property is for low and moderate income housing purposes. The Agency provided additional documents showing the purchase was made using funds from the Low and Moderate Income Housing Fund. Therefore, the item is a housing asset pursuant to HSC section 34176 (e) (1).
- Exhibit D, Item 48 – Finance continues to object to the transfer. The loan does not qualify as a housing asset because the loan was issued on August 12, 2012. HSC section 34163 (a) prohibits a redevelopment agency from making loans with any entity after June 27, 2011. The Agency did not object to Finance's determination during the Meet and Confer process.

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 Sues, Dispute Resolution Supervisor or Mary Halterman, Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a long, sweeping underline that extends to the left.

STEVE SZALAY
Local Government Consultant

cc: Mr. Manual Mancha, Community Development Director
Ms. Kristina Burns, Manager, Community Redevelopment Administration Section,
Property Tax Division, Los Angeles County Auditor-Controller's Office
California State Controller's Office