



August 31, 2012

Mr. Armando Sanchez, Redevelopment Consultant
South San Francisco
400 Grand Avenue
South San Francisco, CA 94080

Dear Mr. Sanchez:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of South San Francisco 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 included obtaining clarification for various items. Based on a sample of line items reviewed and the application of law, Finance is objecting to Exhibit C, Item 1 in the amount of \$2,381,531.91. HSC section 34176 (e) (2) defines a housing asset as any funds that are encumbered by an enforceable obligation (EO) to build or acquire low and moderate income housing. It is our understanding there is no current valid contract for this line item; therefore it is not an EO.

Except for the item disallowed as noted above, Finance is not objecting to the remaining items 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 Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Mr. Marty VanDuyn, Assistant City Manager, City of South San Francisco
Mr. Bob Adler, Auditor-Controller, San Mateo County
Ms. Shirley Tourel, Deputy Controller, San Mateo County
Ms. Robyn Rose, Senior Internal Auditor, San Mateo County
California State Controller's Office