



August 30, 2012

Ms. Shelly Gunby, Director of Financial Management
City of Winters
318 First Street
Winters, CA 95694

Dear Ms. Gunby:

Subject: Housing Assets Transfer Form

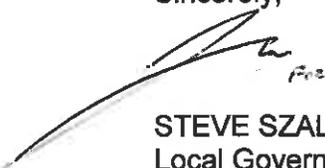
Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Winters submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 31, 2012 for the period February 1, 2012 through July 31, 2012.

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 Exhibit C, Item 1, an Indenture of Trust for \$1,144,000. HSC section 34176 (e) (2) states funds that are encumbered by an enforceable obligation to build or acquire low and moderate income housing are considered to be housing assets. However, there are no contracts to build or acquire property. Therefore, this item is not a transferable housing asset.

Except for the item 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 Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Dan Maguire, Housing and Economic Development Manager, City of Winters
Mr. Howard Newens, CPA, Auditor-Controller, Yolo County
California State Controller's Office