



February 6, 2013

Ms. Marita Hawryluk, Assistant Director
County of Alameda
224 W. Winton Avenue, #110
Hayward, CA 94544

Dear Ms. Hawryluk:

Subject: Housing Assets Transfer Form

This letter supersedes Finance's Housing Asset Transfer Form letter dated August 30, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the County of Alameda as Housing Successor Agency (Agency) 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. Finance issued its determination related to those transferred assets on August 30, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance. The Meet & Confer session was held on January 25, 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 1 and 2 — Finance no longer objects to the transfer of the items. Finance originally objected to the transfers because the occupancy, resale, and refinancing restriction agreements with option to purchase at restricted price were executed after June 27, 2011. HSC section 34163 (b) prohibits an agency from entering into agreements, obligations, or contracts with any entity for any purpose after June 27, 2011. The Agency contends the items are housing assets because the homeowners that executed the affordability covenants in 2003 defaulted on their mortgages and the properties were sold in foreclosure. The affordability covenants survive the foreclosure under the mortgages allowing the former redevelopment agency to preserve their rights by requiring the new homeowners to execute and record the restrictive affordability covenants being requested for transfer. Therefore, the items meet the definition of a housing asset and are eligible for transfer per HSC section 34176 (e) (1).

This is Finance's final determination related to the assets reported on your Form. Finance is not objecting to the remaining items listed on your Form.

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

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Eileen Dalton, Redevelopment Director, County of Alameda Community
Development Agency
Ms. Carol S. Orth, Tax Analysis Division Chief, County of Alameda
California State Controller's Office