



August 25, 2012

Mr. Brian Desatnik, Director of Community Development
City of Claremont
207 Harvard Avenue
Claremont, CA 91711

Dear Mr. Desatnik:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Claremont submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 26, 2012 for the period February 1, 2012 through July 26, 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 assets or transfers of assets identified on your Form:

- Exhibit A, Items 1, 2, and 3 are not encumbered by low and moderate income housing covenants and do not qualify as housing assets. It is our understanding that although the three properties are listed separately, they are all part of one large parcel of land. Currently, there are no plans to develop the properties into low and moderate income housing. In addition, the three properties are the subject of a purchase and sale agreement that does not include a covenant within the agreement. The parcels of land have been in escrow since 2010.

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 Evelyn Suess, Supervisor or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: On following page

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cc: Mr. Colin Tudor, Interim Assistant City Manager, City of Claremont
Mr. Adam Pirrie, Finance Director, City of Claremont
Ms. Kristina Burns, Program Specialist III, Los Angeles County Auditor-Controller's
Office
California State Controller's Office