



August 31, 2012

Mr. Sol Blumenfeld, Assistant Executive Director
City of Culver City
9770 Culver Blvd.
Culver City, CA. 90232

Dear Mr. Blumenfeld:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Culver City Housing Authority 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 August 1, 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. 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:

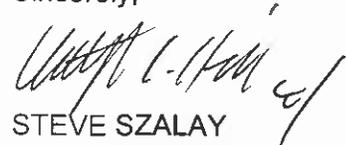
- Exhibit A, Item 3 – This item does not qualify as a housing asset because the asset was not developed, and initiation of development activities was not performed within five years of purchase. The property was purchased with low and moderate housing funds in December 2004, but the development and disposition agreement was entered into in January 2012, seven years after the purchase. HSC section 33334.16 requires initiation of activities consistent with the development of housing affordable to persons and families of low and moderate income within five years from acquiring a property interest. Failure to comply with the requirements, the property shall be sold and proceeds shall be deposited in the agency's Low and Moderate Income Housing Fund.
- Exhibit C, Item 1 and Exhibit D, item 7 – The Disposition and Development Agreement and Loan Agreement with Habitat for Humanity of Greater Los Angeles was executed on January 30, 2012. HSC section 34163 (b) prohibits an agency from entering into contracts with any entity after June 27, 2011.

Except for items disallowed as noted above, Finance is not objecting to the remaining items, if any, listed on your Form. With respect to the items objected to above, please provide pertinent information to demonstrate that these items are for low and moderate income housing purposes. The additional information should be provided to Finance during the Meet and Confer which should be requested within five business days of receiving this letter.

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Please direct inquiries to Kylie Le, Supervisor or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Szalay", written over a light blue horizontal line.

STEVE SZALAY
Local Government Consultant

cc: Mr. Tevis Barnes, Housing Administrator, Culver City
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office