



February 15, 2013

Mr. John Bahorski, City Manager
City of Cypress
5275 Orange Avenue
Cypress, CA 90630

Dear Mr. Bahorski:

Subject: Housing Assets Transfer Form

This letter supersedes Finance's Housing Asset Transfer Form letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Cypress as Housing Successor Agency (Agency) 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. Finance issued its determination related to those transferred assets on August 31, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance. The Meet and 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, Item 1 – Vacant Land. This property was acquired with Low and Moderate Income Housing Fund (LMIHF). Finance originally objected to the transfer of this item because it is currently being leased to Frutos Farms to grow crops. Finance no longer objects to the transfer of this item. Finance determined this item was purchased in December 30, 2003 using funds from LMIHF and is therefore a housing asset.
- Exhibit E, Item 1 – A license payment for vacant land which corresponds to the item noted above. Finance no longer objects to the transfer of this item. This item represents an license agreement with Frutos Farms to allow the temporary use of the land to grow crops. Because the property is to be transferred to the Agency, the license agreement is also eligible for transfer as a housing asset.

This is Finance's final determination related to the assets reported on your Form. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Assets transferred deemed not to be a housing asset shall be returned to the successor agency.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a stylized flourish extending to the left.

STEVE SZALAY
Local Government Consultant

cc: Mr. Steven Clarke, Redevelopment Project Manager, City of Cypress
Mr. Frank Davies, Administrative Manager, Orange County Auditor-Controller
California State Controller's Office