



September 11, 2012

Ms. Maribel Reyna, City Manager
City of Delano
1015 Eleventh Avenue
Delano, CA 93216

Dear Ms. Reyna:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Housing Authority of the City of Delano submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on August 17, 2012 for the period February 1, 2012 through August 17, 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, Items 1 and 2. These are duplicated items reported on Exhibit C, Low Mod Encumbrances and Exhibit D, Loans/Grant Receivables. The underlying agreements for Items 1 and 2 are loan receivables reportable on Exhibit D. Therefore, these items should not be reported on Exhibit C.

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 Kylie Le, Supervisor or Brian Dunham, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Rosa Rios, Finance Director, City of Delano
Ms. Ann K. Barnett, Auditor-Controller, Kern County
California State Controller's Office