



January 25, 2013

Ms. Betsy Adams, City Manager
City of Grand Terrace
22795 Barton Road
Grand Terrace, CA 92313

Dear Ms. Adams:

Subject: Housing Asset Transfer Form

This letter supersedes Finance's Housing Asset Transfer Form letter dated August 25, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), Grand Terrace Housing Authority (Authority) 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 25, 2012. Subsequently, the Agency requested a Meet and Confer session for one or more of the items denied by Finance. The Meet and Confer session was held on December 5, 2012.

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. Finance is no longer objecting to Exhibit A, Items 1 through 3 – Unimproved Lands. Additional documents were provided during the Meet and Confer process demonstrating the properties were purchased for low and moderate income housing purposes.

This is Finance's final determination related to the assets reported on your Form.

Please direct inquiries to Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,

Steve Szalay
Local Government Consultant

cc: Mr. Bernie Simon, Finance Director, City of Grand Terrace
Ms. Vanessa Doyle, Auditor Controller Manager, San Bernardino County
California State Controller's Office