



March 2, 2013

Ms. Elizabeth Brubaker, Director
Housing & Neighborhood Revitalization
City of Lancaster
44933 N. Fern Avenue
Lancaster, CA 93534

Dear Ms. Brubaker:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 25, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Lancaster Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to 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 on one or more items that was objected to by Finance. The Meet and Confer session was held on October 18, 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.

- Exhibit A, Item 63 – Finance continues to object to the transfer. Finance originally objected to the transfer because the Agency did not provide sufficient documentation to substantiate that the parking lot is for low and moderate income housing purposes. Based on additional documentation provided, the parking lot was not acquired using Low and Moderate Income Housing Funds nor was it acquired for low and moderate income housing purposes. The parking lot is used as public parking adjacent to a Department of Motor Vehicles (DMV) office. Therefore, the item is not a housing asset pursuant to HSC section 34176 (e) (1).
- All other items listed on Exhibit A – Finance originally objected to the transfers of all other items listed on Exhibit A (in addition to Item 63 noted above) because the type and description of the assets were not clearly identified. As such, we could not determine the appropriateness of the transfers of the assets. During the Meet and Confer process, the Agency provided additional information and based on our review, Finance continues to object to the following items on Exhibit A:
 - Item 62 – The parking lot was not acquired using Low and Moderate Income Housing Funds nor was it acquired for low and moderate income housing

purposes. The parking lot is used as public parking adjacent to a DMV office. Therefore, the item is not a housing asset pursuant to HSC section 34176 (e) (1).

- Items 116 and 117– The parcels were not acquired using Low and Moderate Income Housing Funds nor were they acquired for low and moderate income housing purposes. The parcels were used to construct public parking for utilization by merchants and downtown customers. Therefore, the items are not housing assets pursuant to HSC section 34176 (e) (1).
- Exhibit A, Items 263 and 320 and Exhibit C, Item 108 – Finance no longer objects to the transfers of Exhibit A, Items 263 and 320 and Exhibit C, Item 108. Finance originally objected to the transfers because the Assessor Parcel Numbers do not match the respective grant deeds provided. Therefore, we were unable to determine if the assets are for low and moderate income housing purposes.

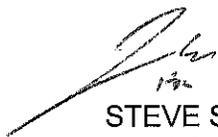
During the Meet and Confer process, the Agency provided additional documents showing Exhibit A, Items 263 and 320 were purchased with funds from the Low and Moderate Income Housing Fund or has a Restrictive Covenant recorded on the property. Therefore, Exhibit A, Items 263 and 320 are housing assets pursuant to HSC section 34176 (e) (1).

For Exhibit C, Item 108, the Agency provided the purchase order dated June 13, 2011, for concrete work related to building low and moderate income housing. Therefore, Exhibit C, Item 108 is a housing asset pursuant to HSC section 34176 (e) (2).

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.

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

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Barbara Boswell, Finance Director, City of Lancaster
Ms. Kristina Burns, Program Specialist III, Los Angeles County Auditor Controller's Office
California State Controller's Office