



December 14, 2012

Ms. Bonnie Luttrell, Director of Finance
City of Needles
817 Third Street
Needles, CA 92363

Dear Ms. Luttrell:

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), the City of Needles (City) submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 27, 2012 for the period February 1, 2012 through July 27, 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.

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, item 1 – single family residence. The City provided documentation to establish this item was "acquired for low-and-moderate-income housing purposes..." pursuant to HSC 34176 (e).

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 Danielle Brandon, Analyst at (916) 445-1546.

Sincerely,

Steve Szalay
Local Government Consultant

cc: Mr. David Brownlee, City Manager, City of Needles
Mr. Larry Walker, Auditor Controller, San Bernardino Auditor Controller
Ms. Vanessa Doyle, Property Tax Manager, San Bernardino Auditor Controller
Ms. Linda Santillano, Supervising Accountant, San Bernardino Auditor Controller
Ms. Franciliza Zyss, Accountant III, San Bernardino Auditor Controller
California State Controller's Office