



March 21, 2013

Ms. Paula Chamberlain, Finance Director
City of Pomona
505 South Garey Avenue
Pomona, CA 91766

Dear Ms. Chamberlain:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Pomona as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on August 1, 2012, for the period February 1, 2012 through August 1, 2012. Finance issued its determination related to those transferred asset 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 February 4, 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, Items 13 and 14 – Finance continues to object to the transfers. Finance originally objected to the transfers because the Agency did not provide sufficient supporting documents to demonstrate rightful ownership of the property. Further, documents provided do not specify the properties are for low and moderate income housing purposes. The Agency contends the items are housing assets because they were purchased in conjunction with Exhibit A, Items 9 through 12 for future development of affordable housing. However, the Agency did not purchase the properties out of the Low and Moderate Income Housing Fund (LMIHF) and did not have documents showing the properties were acquired for low and moderate income housing purposes. Therefore, the items are not housing assets pursuant to HSC section 34176 (e) (1).

However, Finance notes that to the extent the Agency would like to continue with the development of Items 13 and 14 for affordable housing purposes, HSC section 34191.5 (c) (2) states that one of the property disposition options available to the successor agency of the former redevelopment agency is the retention of property for future development purposes pursuant to an approved Long Range Property Management Plan. If this option is selected, HSC section 34180 (f) (1) states that the city, county, or city and county must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to HSC section 34188, for the value of the property retained.

- Exhibit B, Items 7 through 9 – Finance no longer objects to the transfers. Finance originally objected to the transfers because the Agency did not provide sufficient supporting documents to show these assets were purchased for low and moderate income housing purposes. The Agency contends the items are housing assets because the vehicles are used by the Housing Rehabilitation Specialists to conduct on-site inspections for compliance with health and safety. The Agency provided additional documents showing the purchases were paid out of the LMIHF. Therefore, the items are housing assets pursuant to HSC section 34176 (e) (1).

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: Mr. Mark Lazzaretto, Community Development Director, City of Pomona
Ms. Kristina Burns, Manager, Community Redevelopment Administration Section,
Property Tax Division, Los Angeles County Auditor Controller's Office
California State Controller's Office