



August 31, 2012

Ms. Barbara Collins, Housing Manager  
City of Santa Monica  
1685 Main Street  
Santa Monica, CA 90401

Dear Ms. Collins:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Santa Monica (City) 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.

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 the following assets or transfer of assets identified on your Form:

- Exhibit C, Items 1 through 6 and Exhibit D, Items 27, 59, 63, 72, and 74 – The encumbrances do not qualify as housing assets. The regulatory agreements executed after June 27, 2011 are between the City and a third party. HSC section 34171 (d) (2) states that agreements between the city that created the redevelopment agency and the former redevelopment agency are not enforceable obligations. Also, HSC section 34163 (b) prohibits an agency from entering into contracts with any entity for any purpose after June 27, 2011.
- Exhibit C, Item 8 – The encumbrance for senior low and moderate housing does not qualify as a housing asset because these contracts are between the City and a third party. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency are not enforceable obligations.

Except for the 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.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Szalay". The signature is written in a cursive style with a large initial "S" and a trailing flourish.

STEVE SZALAY  
Local Government Consultant

cc: Mr. Jim Kemper, Housing Administrator, City of Santa Monica  
Ms. Kristina Burns, Manager, Community Redevelopment Administration Section,  
Property Tax Division, Los Angeles County Auditor-Controller's Office  
California State Controller's Office