



August 31, 2012

Ms. Karin Schnaider, Finance Director
City of Sierra Madre
232 West Sierra Madre Boulevard
Sierra Madre, CA 91024

Dear Ms. Schnaider:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Sierra Madre 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 Exhibit A, Item 2 – Land. This item does not qualify as a housing asset because the documentation provided was not sufficient to support that the asset will be used for low and moderate housing purposes.

Except for the item 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.

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

Sincerely,



FSK

STEVE SZALAY
Local Government Consultant

cc: Mr. Danny Castro, Development Services Director, City of Sierra Madre
Ms. Kristina Burns, Manager, Community Redevelopment Administration Section,
Property Tax Division, Los Angeles County Auditor-Controller's Office
California State Controller's Office