



June 9, 2014

Mr. Al Savay, Community Development Director
City of San Carlos
600 Elm Street
San Carlos, CA 94070

Dear Mr. Savay:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of San Carlos Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on May 8, 2013. The Agency subsequently submitted a revised LRPMP to Finance on September 17, 2013. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on April 18, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. Our approval of the LRPMP also took into account the corresponding Agency letter dated May 6, 2014, which specified that a compensation agreement was obtained from each of the taxing entities approving the sale of 1245 San Carlos Avenue to the Developer of the Wheeler Plaza Project (Project) for \$1. The taxing entities found that the Project will be of substantial benefit to the City of San Carlos, the regional community, and all of the affected taxing entities.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Agency actions taken pursuant to a Finance approved LRPMP which requires the Agency to enter into a new agreement are subject to oversight board (OB) approval per HSC section 34181 (f). Any OB action approving a new agreement in connection with the LRPMP should be submitted to Finance for approval.

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Please direct inquiries to Wendy Griffe, Supervisor, or Medy Lamorena, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Tracy Kwok, Financial Services Manager, City of San Carlos
Mr. Bob Adler, Auditor-Controller, San Mateo County
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State
Controller's Office
California State Controller's Office