



December 14, 2012

Ms. Leelee Thomas, Principal Planner
County of Marin
3501 Civic Center Drive, Suite 308
San Rafael, CA 94903

Dear Ms. Thomas:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

This letter supersedes Finance's original LMIHF DDR determination letter dated November 9, 2012. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the Marin County Successor Agency (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund (LMIHF) Due Diligence Review (DDR) to the California Department of Finance (Finance) on October 15, 2012. Finance issued a LMIHF DDR determination letter on November 9, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer Session was held on December 4, 2012.

Based on a review of additional or clarifying information provided to Finance during the Meet and Confer process, Finance is revising the adjustment made in our previous LMIHF DDR determination letter. Specifically, we are revising the adjustment for the following reason:

The \$128,386 Ridgeway Marin Apartments obligation was listed as an enforceable obligation on Recognized Obligation Payment Schedules (ROPS I) for the January through June 2012 period. The obligation is a tax increment pledge of the 20-percent set-aside. The obligation was not paid in the ROPS I period; however, it was paid in July 2012. Since the obligation was for a ROPS I approved item and paid in July 2012, we are no longer making the adjustment to the DDR.

The Agency's LMIHF balance available for distribution to the affected taxing entities has been revised to zero dollars.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated August 31, 2012 do not in any way eliminate the Controller's authority.

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Please direct inquiries to Beliz Chappuie, Supervisor or Mindy Patterson, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a long horizontal stroke extending to the left.

STEVE SZALAY
Local Government Consultant

cc: Ms. Amy Brown, Accounting Technician, County of Marin
Mr. Roy Given, Director of Finance, Marin County Auditor-Controller Office
California State Controller's Office