DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

December 14, 2012

Ms. Colleen O'Donoghue, Assistant Finance Director
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

Dear Ms. O'Donoghue:

Subject: Housing Asset Transfer Form

This letter supersedes Finance's Housing Asset Transfer Form letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Costa Mesa submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 31, 2012 for the period February 1, 2012 through July 31, 2012. Finance issued its determination related to those transferred assed on August 31, 2012. Subsequently, the City of Costa Mesa Housing Authority requested a Meet and Confer session on one or more items disputed by Finance. The Meet and Confer session was held on December 13, 2012.

Finance originally denied the following items: Exhibit D, Items 46 and 47 – Loans to Van and Mau Duong and George and Leslie Paquette, for $66,000 and $115,250, respectively, because the loans did not meet the purpose of low and moderate-income housing.

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, and is not objecting to any assets or transfer of assets identified on your Form. This is Finance's final determination related to the assets reported on your Form.

Please direct inquiries to Nichelle Thomas, Supervisor or Alex Watt, Lead Analyst at (916) 445-1546.

Sincerely,

Steve Szalay
Local Government Consultant

cc: Mr. Bobby Young, Finance Director, City of Costa Mesa
Ms. Willa Bouwens-Killeen, Principal Planner, City of Costa Mesa
Mr. Frank Davies, Property Tax Manager, Orange County
California State Controller's Office