



August 31, 2012

Ms. Kellee Fritzal, Deputy Director
Huntington Beach Housing Authority
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648-2702

Dear Ms. Fritzal:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Huntington Beach Housing Authority 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 asset or transfer of asset identified on your Form:

Exhibit C, Item 1 – An encumbrance related to an Owner Participation Agreement (OPA) between the former redevelopment agency and Makallon Atlanta Huntington Beach, LLC. Per Oversight Board Resolution 2012-04, this OPA has been terminated. Therefore, this encumbrance no longer exists.

Except for 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.

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

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Lori Ann Farrell, Director of Finance, City of Huntington Beach
Frank Davies, Administrative Manager, Orange County
California State Controller's Office