



August 31, 2012

Ms. Michele Byrd, Director  
City of Oakland  
Housing and Community Development  
150 Frank H. Ogawa Plaza, Suite 6353  
Oakland, CA 94612

Dear Ms. Byrd:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Oakland 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 assets or transfer of assets identified on your Form:

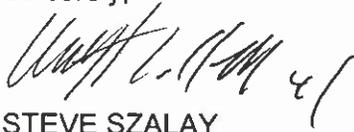
- Exhibit A, Items 5 and 9 through 11 – Land for Low Mod Housing. Documents provided were not sufficient to demonstrate whether the properties are for low and moderate income housing purposes pursuant to HSC section 34176 (e) (1).
- Exhibit D, Item 18 and 19 – Loan Receivable. The City of Oakland (City) and the former Redevelopment Agency of the City of Oakland (Agency) committed loans for the California Hotel Project: \$3,168,000 in City Home funds and \$5,253,000 in Agency funds. Upon dissolution of the Agency on February 1, 2012, the City entered into a loan agreement with the borrower on March 1, 2012 for the amount of \$5,253,000 (Agency's commitment). Therefore, the loans are City assets and should not have been reported on the Form.

Except for the 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.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Szalay". The signature is stylized and includes a small mark above the "i" in "Szalay".

STEVE SZALAY  
Local Government Consultant

cc: Ms. Sarah Schlenk, Agency Administrative Manager, City of Oakland  
Mr. Jeffrey Levin, Housing Policy and Programs Manager, City of Oakland  
Ms. Carol S. Orth, Tax Analysis, Division Chief, County of Alameda  
California State Controller's Office