



February 15, 2013

Ms. Shelly Landry-Bayle, Housing Division Manager
City of Santa Ana
20 Civic Center Plaza, M-25
Santa Ana, CA 92701

Dear Ms. Landry-Bayle:

Subject: Housing Assets 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 Santa Ana as Housing Successor Agency (Agency) 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. Finance issued its determination related to those transferred assets on August 31, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance. The Meet and Confer session was held on February 6, 2013.

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.

Exhibit A, Item 53 – \$1 million real property asset located at 415 and 423 S Raitt Street. Finance no longer objects to the transfer. Finance originally objected to the transfer because ownership has not been transferred to the successor agency. Consequently, the property is not eligible for transfer to the Agency as a housing asset. The Agency contends the item is a housing asset because the former Redevelopment Agency (RDA) entered into a contract to purchase the property to provide affordable housing using funding from the Low and Moderate Income Housing Fund (LMIHF). The Agency provided additional documents showing the purchase was paid out of the LMIHF and the Grant Deed was transferred to the former RDA. Therefore, the item is a housing asset pursuant to HSC section 34176 (e) (1).

This is Finance's final determination related to the assets reported on your Form. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Assets transferred deemed not to be a housing asset shall be returned to the successor agency.

Ms. Shelly Landry-Bayle
February 15, 2013
Page 2

Please direct inquiries to Evelyn Sues, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a long, sweeping underline that extends to the left.

STEVE SZALAY
Local Government Consultant

cc: Ms. Nancy Edwards, Interim Executive Director, City of Santa Ana
Mr. Frank Davies, Administrative Manager, County of Orange
California State Controller's Office