



August 31, 2012

Mr. Darrel L. Pyle, City Manager
City of Coalinga
155 W. Durian Avenue
Coalinga, CA 93210

Dear Mr. Pyle:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Coalinga Successor 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.

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 1 and 2 – Vacant property. No documentation was provided to indicate the former redevelopment agency's interest in the Pierce Street property was related to low or moderate-income housing purposes. Additionally, the preliminary title report for the planned Pacific Estates subdivision did not include a low or moderate-income housing covenant.

Except for items disallowed as noted above, Finance is not objecting to the remaining items 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,

A handwritten signature in black ink, appearing to read "Steve Szalay".

STEVE SZALAY
Local Government Consultant

cc: Ms. Mari Jimenez, Assistant Financial Service Director, City of Coalinga
Ms. Shannon Jensen, Economic Development Assistant, City of Coalinga
Mr. George Gomez, Account Financial Manager, Fresno County
Ms. Robin Cook, Senior Accountant, Fresno County
California State Controller's Office