



August 31, 2012

Ms. Rhonda Huth, Senior Management Analyst
City of Coronado
1825 Strand Way
Coronado, CA 92118

Dear Ms. Huth:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City Council of the City of Coronado 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 19, 21, and 22 – Contracts for services totaling \$604,799. Contracts should be for "real property", not for services. The items do not meet the definition of a housing asset.
- Exhibit B, Items 3, 5, and 6 – Appliances totaling \$30,648. The personal property was purchased after the cutoff date of June 27, 2011.
- Exhibit C, Item 11 – Property management contract totaling \$1.9 million. The property management contract does not appear to meet the definition of an enforceable obligation.
- Exhibit C, Items 14, 16 and 19 – Property tax bills totaling \$4.6 million, and a cooperation agreement valued at \$5 million. Property tax bills and cooperative agreements do not meet the definition of an enforceable obligation.

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.

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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", with a stylized flourish at the end.

STEVE SZALAY
Local Government Consultant

cc: Ms. Rachel Hurst, Director of Community Development, City of Coronado
Ms. Tracy Sandoval, Assistant Chief Financial, San Diego County
Mr. Juan Perez, Senior Auditor and Controller Manager, San Diego County
Ms. Nenita DeJesus, Senior Auditor and Controller Accountant, San Diego County
California State Controller's Office