



August 30, 2012

Ms. Sherri Holman, Finance Director  
Fountain Valley Housing Authority  
City of Fountain Valley  
10200 Slater Avenue  
Fountain Valley, CA 92708

Dear Ms. Holman:

**Subject: Housing Assets Transfer Form**

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the Fountain Valley Housing Authority submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 31, 2012 for the period February 1, 2012 through July 31, 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, Item1 — The Fountain Valley Housing Partners contract is a loan receivable due to the Fountain Valley Housing Authority, and should not be included on Exhibit C as an encumbrance. This item is appropriately categorized on Exhibit D as a loan receivable.

Except for item 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: Mr. Brent Hoff, Housing Coordinator, Fountain Valley Housing Authority  
Mr. Frank Davies, Administrative Manager, Auditor-Controller's Office, Orange County  
California State Controller's Office