DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

August 30, 2012

William Chopyk, Community Development Director
City of La Mesa
8130 Allison Avenue
La Mesa, CA 91942

Dear Mr. Chopyk:

Subject: Housing Assets Transfer Form

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

Exhibit G, Item 1 – The requirement to set aside tax increment for low and moderate income housing purposes ended with the passing of the redevelopment dissolution legislation. The $3.1 million deferred amount does not meet the definition of an enforceable obligation per HSC section 34171 (d).

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: David E. Witt, City Manager, City of La Mesa
Sarah Waller-Bullock, Director of Finance, City of La Mesa
Juan Perez, Senior Auditor and Controller Manager, San Diego County
Nenita DeJesus, Senior Auditor and Controller Accountant, San Diego County
California State Controller's Office