



August 30, 2012

Ms. Jane Royer Barr, Housing Program Manager
County of Monterey
168 W. Alisal Street, 3rd Floor
Salinas, CA 93901

Dear Ms. Royer Barr:

Subject: Housing Assets Transfer Form

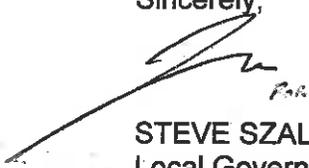
Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the County of Monterey submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 30, 2012 for the period February 1, 2012 through July 30, 2012.

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 Exhibit D, Item 1. Documentation provided does not specify loans were funded from the Low and Moderate Income Housing Funds.

Except for the 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 Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,


STEVE SZALAY
Local Government Consultant

cc: Mr. Marti Noel, Assistant Director, Economic Development, County of Monterey
Mr. Michael Miller, Auditor-Controller, County of Monterey
Ms Julie Aguero, Auditor-Controller Analyst II, County of Monterey
California State Controller's Office