



August 31, 2012

Mr. Brian Cochran, Finance Manager  
City of Novato  
75 Rowland Way, Suite 200  
Novato, CA 94945-3232

Dear Mr. Cochran:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Novato 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 Exhibit C, Item 1 related to unencumbered bond proceeds. HSC 34176 (e) (2) excludes unencumbered monies from the definition of transferrable housing assets.

Except for the item disallowed as noted above, Finance is not objecting to the remaining items listed, if any, 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 Beliz Chappuie, Supervisor or Mindy Patterson, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY  
Local Government Consultant

cc: Ms. Cathy Capriola, Assistant City Manager, City of Novato  
Ms. Dana Proctor, Senior Accountant, County of Marin  
Mr. Roy Given, Director of Finance, County of Marin  
Ms. Mina Teymourtash, Accounting Manager, County of Marin  
Mr. Dave Kosmala, Senior Accountant, County of Marin  
California State Controller's Office