



December 8, 2012

Ms. Daphne Hodgson, Deputy City Manager
City of Seaside
440 Harcourt Avenue
Seaside, CA 93955

Dear Ms. Montgomery:

Subject: Housing Asset Transfer Form

This letter supersedes Finance's Housing Asset Transfer Form letter dated September 21, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Seaside Successor Agency (Agency) submitted a revised Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on August 23, 2012 for the period February 1, 2012 through August 23, 2012. Finance issued its determination related to those transferred assets on September 21, 2012. Subsequently, the Agency requested a Meet and Confer session for one or more of the items denied by Finance. The Meet and Confer session was held on November 29, 2012.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed. Finance is no longer objecting to the following items:

- Exhibit A, Item 1: Real Property—Del Monte Boulevard.
- Exhibit C, Items 4 through 14: Low Mod Encumbrances—San Pablo Court.
- Exhibit D, Item 9: Loans/Grants Receivables—Bonner Rehabilitation Loan.

However, Finance continues to object to Exhibit C, Item 3—Low Mod Encumbrance for San Pablo Court. The encumbrance agreement was executed on November 30, 2011. HSC section 34163(b) prohibits a redevelopment agency from entering into an agreement with any entity after June 27, 2011.

This is Finance's final determination with respect to the assets reported on your Form. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Assets transferred deemed not to be a housing asset shall be returned to the successor agency.

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Please direct inquiries to Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a stylized flourish extending from the end.

Steve Szalay
Local Government Consultant

cc: Ms. Lisa Brinton, Redevelopment Project Manager, City of Seaside
Ms. Julie Aguero, Auditor Controller Analyst II, Monterey County
California State Controller's Office