



February 15, 2013

Mr. Sage Sangiacomo, Assistant City Manager
City of Ukiah
300 Seminary Ave
Ukiah, CA 95482

Dear Mr. Sangiacomo:

Subject: Housing Assets Transfer Form

This letter supersedes Finance's Housing Asset Transfer Form letter dated August 30, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Ukiah as Housing Successor Agency (Agency) 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. Finance issued its determination related to those transferred asset on August 30, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance. The Meet and Confer session was held on February 11, 2013.

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.

Exhibit A, Items 3 through 7 – Properties totaling \$891,460. Finance no longer objects to the transfers. Finance originally objected to the transfers because no documentation was provided to support the use of these properties were for low and moderate income housing. The Agency provided additional documents showing the purchases were paid out of the Low and Moderate Income Housing Fund. Therefore, the items are housing assets pursuant to HSC section 34176 (e) (1).

This is Finance's final determination related 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 Evelyn Suess, Dispute Resolution Supervisor or Mary Halterman, Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a long horizontal stroke extending to the left.

STEVE SZALAY
Local Government Consultant

cc: Mr. Gordon Elton, Director of Finance, City of Ukiah
Ms. Meredith J Ford, Auditor-Controller, Mendocino County
California State Controller's Office