

CALIFORNIA COASTAL COMMUNITIES INC
 Form 4
 October 17, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 MELLON HBV ALTERNATIVE STRATEGIES LLC

(Last) (First) (Middle)

200 PARK AVE, 54TH FLOOR

(Street)

NEW YORK, NY 10166-3399

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 CALIFORNIA COASTAL COMMUNITIES INC [CALC]

3. Date of Earliest Transaction (Month/Day/Year)
 10/13/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
 ___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 X Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | 10/13/2006 | | S | 21,500 D \$ 18.4227 | 1,047,968 | I | Owned by Reporting Person as investment advisor and agent |
| Common Stock | 10/16/2006 | | S | 25,000 D \$ 18.585 | 1,022,968 | I | Owned by Reporting Person as investment advisor and agent |

| | | | | | | | | |
|--------------|------------|---|--------|---|------------|-----------|---|---|
| Common Stock | 10/17/2006 | S | 19,200 | D | \$ 18.2978 | 1,003,768 | I | Owned by Reporting Person as investment advisor and agent |
|--------------|------------|---|--------|---|------------|-----------|---|---|

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|

| | | | | | |
|------|---|------------------|-----------------|-------|----------------------------|
| | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Code | V | (A) | (D) | | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| MELLON HBV ALTERNATIVE STRATEGIES LLC 200 PARK AVE 54TH FLOOR NEW YORK, NY 10166-3399 | | X | | |

Signatures

| | |
|---|------------|
| /s/ William F. Harley, III, President and Chief Executive Officer | 10/17/2006 |
|---|------------|

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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