



March 2, 2013

Mr. Will Kaholokula, Director of Finance and Admin Services  
City of Bell Gardens  
7100 S. Garfield Avenue  
Bell Gardens, CA 90201

Dear Mr. Kaholokula:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 30, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Bell Gardens as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to Finance on August 1, 2012, for the period February 1, 2012 through August 1, 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.

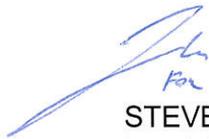
Exhibit D, Item 5 – Loan to Terra Bella in the amount of \$2,632,000. Finance no longer objects to the transfer of this item. Finance previously objected to the transfer of this item because the loan document provided was effective on September 8, 2011 and HSC Section 34163 (b) prohibits a redevelopment agency from entering into contracts with any entity after June 27, 2011. The Agency provided documentation showing this loan was made from the Low and Moderate Income Housing Fund and the loan was made in furtherance of an Owner Participation Agreement executed prior to June 27, 2011. Therefore, this Item is a housing asset pursuant to HSC section 34176 (e) (3).

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 Danielle Brandon, Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. John Lam, City Attorney, City of Bell Gardens  
Ms. Kristina Burns, Program Specialist III, Office of the Los Angeles County Auditor  
California State Controller's Office