



February 6, 2013

Ms. Elena Bolbolian, Principal Administrative Officer  
City of Glendale  
633 East Broadway, Suite 201  
Glendale, CA 91206

Dear Ms. Bolbolian:

Subject: Housing Assets Transfer Form

This letter supersedes Finance's Housing Asset Transfer Form letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Glendale as Housing Successor Agency (Agency) 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 on August 1, 2012. Finance issued its determination related to those transferred assets on August 31, 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 January 28, 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 C, Items 12 through 14 and 16 – The Memorandum of Understanding with the City of Glendale for contractual services and project management. Finance continues to object to the transfers. Per Finance's letter dated August 31, 2012, these items do not meet the definition of housing assets eligible for transfer pursuant to HSC section 34176 (e). The Agency did not object to our determination during its Meet and Confer.
- Exhibit C, Item 17 – Unencumbered 2011 Tax Allocation Bond. Finance continues to object to the transfer of the item. The Agency contends the item is a housing asset because the 2011 Tax Allocation Bond proceeds are specifically and exclusively encumbered by the Indenture. However, bond indentures, in and of themselves, are not enforceable obligations and there were no contracts in place prior to June 27, 2011 encumbering the use of the bond proceeds. The item is not associated with an enforceable obligation and therefore, does not meet the definition of a housing asset per HSC section 34176 (e) (2) which states "any funds that are encumbered by an enforceable obligation to build or acquire low- and moderate-income housing." The bond proceeds requested for use were issued in April 2011. Successor agencies are required to defease or repurchase on the open market for cancellation any bonds that cannot be used for the purpose they were issued or if they were issued after December 31, 2010. Therefore, the item is not a housing asset eligible for transfer.

- Exhibit C, Item 18 – 2011 TAB reserve maintained by the fiscal agent. Finance continues to object to the transfer. HSC 34176 (a) (2) states if a housing asset has been previously pledged to pay for bonded indebtedness, the successor agency shall maintain control of the asset in order to pay for bond debt. Therefore, the item is not a housing asset. The Agency did not object to our determination during its Meet and Confer.

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.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor or Mary Halterman, Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Ms. Anne Bockenkamp, Housing Coordinator, City of Glendale  
Ms. Kristina Burns, Manager, Community Redevelopment Administration Section,  
Property Tax Division, Los Angeles County Auditor Controller's Office  
California State Controller's Office