



September 21, 2012

Ms. Angie Pacheco, Manager Housing Division
Inglewood Housing Authority
One Manchester Boulevard, Suite 750
Inglewood, CA 90301

Dear Ms. Pacheco:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), Housing Authority of the City of Inglewood submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on August 22, 2012 for the period February 1, 2012 through August 22, 2012.

HSC section 34176 (e) defines a housing asset. Assets transferred deemed not to be a housing asset shall be returned to the successor agency. Finance has completed its review of your Form, which may have included obtaining clarification for various items. Based on a sample of line items reviewed and the application of law, Finance is objecting to the following assets or transfer of assets identified on your Form:

- Exhibit D, Item 73 – Loan to Regency Square in the amount of \$13.95 million for affordable housing development. The Form indicates the loan was issued in November 2011 but the promissory note provided is not dated or signed. The promissory note states the loan may be advanced to the recipient pursuant to the Owner Participation Agreement dated June 28, 2011. Without a signed promissory note to determine otherwise, the loan appears to be issued after June 27, 2011. HSC Section 34163 (b) prohibits a redevelopment agency from entering into contracts with any entity after June 27, 2011. As it is not evident this loan is allowed by law, the loan receivable is not eligible for transfer to the Housing Authority.
- Exhibit D, Item 75 – Loan to Abode/Grevillea Housing in the amount of \$8.28 million for affordable housing development. The loan agreement is dated January 23, 2012. HSC Section 34163 (b) prohibits a redevelopment agency from entering into contracts with any entity after June 27, 2011. Since this loan is not allowed by law, the loan receivable is not eligible for transfer to the Housing Authority.

Except for the items disallowed as noted above, Finance is not objecting to the remaining items, if any, listed on your Form. If you disagree with our determination with respect to any items on the Form, you may request a Meet and Confer within five business days of receiving this letter.

Name: Ms. Angie Pacheco
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Please direct inquiries to Kylie Le, Supervisor or Brian Dunham, Lead Analyst at
(916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Szalay", with a stylized flourish at the end.

STEVE SZALAY
Local Government Consultant

cc: Linda Tatum, Acting Community Development Director, Inglewood Housing Authority
Kristina Burns, Manager, Los Angeles County Auditor-Controller
California State Controller's Office