



February 25, 2013

Ms. Buffy Bullis, Finance Division Manager
City of Monrovia
415 S. Ivy Avenue
Monrovia, CA 91016

Dear Ms. Bullis:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 31, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Monrovia 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 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 February 4, 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 1 through 5 – The affordable housing land do not qualify as housing assets because documentation provided was insufficient to determine if the assets are used for low and moderate housing purposes. The Agency did not object to our determination during the Meet and Confer process. Therefore, Finance maintains that the Item is not a housing asset.
- Exhibit A, Items 9 through 12 – Finance no longer objects to the transfers. Finance originally objected to the transfers as the building and improvements do not qualify as housing assets because the construction pertains to a restroom renovation to comply with the American Disabilities Act, and not for low and moderate housing purposes. The Agency contends the items are housing assets because the building, in and of itself, is an affordable housing asset and the improvements were to make the building habitable. The Agency provided additional documents showing the improvements were paid out of the the Low and Moderate Income Housing Fund. Therefore, the items are housing assets pursuant to HSC section 34176 (e) (1).

The Agency identified a typographical error for Item 9. The construction date should be June 30, 2000. Finance acknowledges this correction on the Form.

- Exhibit C, Item 1 – The encumbrance for affordable housing units are unencumbered bond proceeds, which do not qualify as a housing asset. The Agency did not object to the determination during the Meet and Confer process.
- Exhibit D, Item 57 – The asset is an advance borrowed from the Housing Fund in April 2011 for a Supplemental Educational Revenue Augmentation Fund (SERAF) payment. Therefore, this asset should be reported on Exhibit G, Deferrals instead of Exhibit D, Loans. Finance notes that HSC section 34191.4 (a) states loan repayments for SERAF shall not be made until fiscal year 2013-14. The Agency did not object to the determination during the Meet and Confer process.

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: Mr. Mark Alvarado, Administrative Services Director, City of Monrovia
Ms. Kristina Burns, Manager, Community Redevelopment Administration Section, Los Angeles County Auditor-Controller's Office
California State Controller's Office