



August 31, 2012

Mr. William Huang, Housing Director
City of Pasadena
100 N. Garfield Avenue, Room S116
Pasadena, CA 91101

Dear Mr. Huang:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Pasadena 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 August 1, 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:

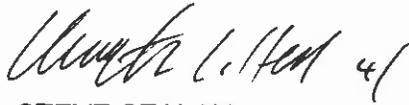
- Exhibit A, Item 3 – The City did not provide sufficient documentation to substantiate that the asset listed on the Form meets the definition of a housing asset.
- Exhibit C, Item 1 – The contract associated with the encumbrance is not an enforceable obligation of the former redevelopment agency (RDA) because it was entered into between the City of Pasadena and the National Community Renaissance, and the former RDA was not a party to the agreement. Therefore, this item is not transferable as a housing asset.
- Exhibit E, Item 4 – The income from the rental of properties is used to pay bond debt service. 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 the bond debt.

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 this receiving this letter.

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Please direct inquiries to Kylie Le, Supervisor or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Szalay", with a small mark to the right.

STEVE SZALAY
Local Government Consultant

cc: Mr. David A. Klug, Redevelopment Manager, City of Pasadena
Mr. James Wong, Senior Project Manager, City of Pasadena
Ms. Kristina Burns, Manager, Community Redevelopment Administration Section,
Property Tax Division, Los Angeles County Auditor Controller's Office
California State Controller's Office