DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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February 25, 2013

Mr. Ben Pongetti, Redevelopment Manager
City of Whittier
13230 Penn Street
Whittier, CA 90602

Dear Mr. Pongetti:

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 Whittier as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to Finance on July 31, 2012, for the period February 1, 2012 through July 31, 2012. Finance issued its determination related to those transferred assets 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.

Finance originally objected to transfers of the following items because documentation provided by the Agency for these items did not support low and moderate income housing purposes. Based on a review of the additional information and documentation provided to Finance through the Meet and Confer process, Finance has completed its review of the Form:

- Exhibit A, Items 5 through 8 – Vacant land reported at $1,240,856. Finance no longer objects to the transfers. The Agency provided an Exclusive Negotiation and Loan Agreement dated May 23, 2011, which identifies these properties to be used in an affordable housing development. Therefore, the items are housing assets pursuant to HSC section 34176 (e) (1).

- Exhibit A, Item 17 – Whittier Manor Condos. Finance no longer objects to the transfer. The Affordability Housing Covenant and Regulatory Agreement was entered into on October 21, 2008. Therefore, the item is a housing asset pursuant to HSC section 34176 (e) (1).

- Exhibit C, Item 1 – Affordable housing units valued at $79,836. Finance no longer objects to the transfer. The Agency provided an Exclusive Negotiation and Loan Agreement and a Promissory Note dated May 23, 2011 in the amount of $97,747. The accounting records show that $17,911 has been disbursed on the loan and the remaining balance is $79,836. Therefore, there is an outstanding enforceable obligation of $79,836 and the item is a housing asset pursuant to HSC section 34176 (e) (2).

- Exhibit D, Item 6 – Nine loans to various homeowners totaling $3,404,600. Finance no longer objects to the transfers. The Agency provided the Promissory Notes for each of the loans. One loan was entered into after June 27, 2011; however, it was pursuant to an Affordable Housing Covenant and Regulatory Agreement dated prior to June 27, 2011. The remaining loans were all entered into prior to June 27, 2011. Therefore, the items are housing assets pursuant to HSC section 34176 (e) (3).

- Exhibit E, Item 1 – Principal and interest payments from first-time home buyer loans. Finance removes the item from the Form. The receivable is already listed on Exhibit D, Item 5 and Finance did not object to the transfer of that item.

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. Aldo Schindler, Director of Community Development, City of Whittier
Ms. Kristina Burns, Manager, Community Redevelopment Administration Section, Property Tax Division, Los Angeles County Auditor-Controller's Office
California State Controller's Office