

**Successor Agency to the  
Cerritos Redevelopment Agency**  
Cerritos, California

*Independent Accountant's Report on  
Applying Agreed-Upon Procedures relating to  
the Due Diligence Review in accordance with AB 1484  
applied to the Low and Moderate Income Housing Fund*

*For the year ended June 30, 2012*



**PUN & McGEADY** LLP  
Chartered Public Accountants and Business Advisors

**Successor Agency to the  
Cerritos Redevelopment Agency**

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9 Corporate Park  
Suite 130  
Irvine, California 92606

**Phone:** (949) 777-8800  
**Fax:** (949) 777-8850  
[www.pm-llp.com](http://www.pm-llp.com)

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Oversight Board of the  
Successor Agency to the Cerritos Redevelopment Agency  
Cerritos, California

We have performed the required agreed-upon procedures ("AUP") enumerated in Attachment A, which were agreed to by the California State Controller's Office and the California State Department of Finance, solely to assist the "Oversight Board" of the Successor Agency to the Cerritos Redevelopment Agency ("Successor Agency") that the dissolved Cerritos Redevelopment Agency ("Agency") of the City of Cerritos, California ("City") is complying with its statutory requirements with respect to Assembly Bill ("AB") 1484. Management of the City is responsible for the accounting records pertaining to statutory compliance pursuant to California Health and Safety Code section 34179.5(c)(1) through 34179.5(c)(6).

These procedures only applied to the Low and Moderate Income Housing Fund, not the Successor Agency to the Cerritos Redevelopment Agency as a whole.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the financial information summarized in the exhibits, as listed in the table of contents. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency, the Oversight Board, the City, the California State Controller's Office and the California State Department of Finance, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Pun & McGeady LLP*

Irvine, California  
October 1, 2012

**ATTACHMENT A - AGREED-UPON PROCEDURES AND RESULTS**

**Citation:**

34179.5(c)(1) *The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.*

**Procedures Performed:**

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

**Results:**

At January 31, 2012, the Low and Moderate Income Housing Fund of the former Redevelopment Agency had the following assets:

	Low and Moderate Income Housing Funds
ASSETS	
Cash and investments	\$ 17,547,096
Due from other funds	10,457,100
Total assets	<u>\$ 28,004,196</u>

On February 1, 2012, the City was the Sponsoring Community of the Housing Successor and assumed the housing functions of the Dissolved RDA. The City has determined all assets reported in the Low and Moderate Income Housing Fund are considered housing assets under Section 34176(e) and were transferred from the Low and Moderate Income Housing Fund to the Low and Moderate Income Housing Asset Fund.

**Citation:**

*34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Procedures Performed:**

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Results:**

The State Controller's Office has not completed its review of transfers required under California Health and Safety Code Sections 34167.5 and 34178.8. The Successor Agency reported no assets transferred from the Low and Moderate Income Housing Fund to the City.

Inquiry of the City of Cerritos Staff on September 25, 2012 as to any assets transferred from the Low and Moderate Income Housing Fund to the City between January 1, 2011 and January 31, 2012 disclosed no transfers occurred. Additionally, review of financial records confirmed no transfers from the Low and Moderate Income Housing Fund to the City occurred.

On February 1, 2012, the City was the Sponsoring Community of the Housing Successor and assumed the housing functions of the Dissolved RDA. The City has determined all assets reported in the Low and Moderate Income Housing Fund are considered housing assets under Section 34176(e) and were transferred to the Low and Moderate Income Housing Assets Fund.

Review of the Housing Assets Transfer Form (Exhibit A) certified by Torrey N. Contreras, Director of Community Development for the City of Cerritos, on July 31, 2012, for the period from February 1, 2012 through July 31, 2012 disclosed no assets were transferred from the Low and Moderate Income Housing Fund to the City. Review of Department of Finance (DOF) letter, dated August 30, 2012 (Exhibit B), regarding the Housing Assets Transfer Form noted DOF objections to the following asset transfers:

- ground lease/sublease, listed on the Housing Assets Transfer Form, Exhibit A, item 1, for which sufficient documentation was not provided to the DOF
- encumbrances, listed on the Housing Assets Transfer Form, Exhibit C, items 1 through 4, being used to fund administrative costs and not encumbered to build or acquire low and moderate income housing, as required

Review of the September 5, 2012 correspondence from Art Gallucci, City Manager for the City of Cerritos, to the DOF (Exhibit D), disclosed the City disagreed with the DOF's objections and requested a meet and confer to discuss the Successor Agency's objections to DOF's Results regarding the Housing Assets Transfer Form. As of the date of this report, the meet and confer process has not yet commenced.

Review of the Cerritos RDA Agenda Report and Resolution No. 2012-04 adopted by the City Council of the City of Cerritos on January 12, 2012 noted an election was made to retain the housing assets and functions of the former Redevelopment Agency and serve as the Successor Housing Agency.

**Citation:**

*34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Procedures Performed:**

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Results:**

The State Controller's Office has not completed its review of transfers required under those sections. The Agency reported no cash and cash equivalents transferred from the Low and Moderate Income Housing Fund to any other public agency or to private parties.

Inquiry of City of Cerritos staff on September 25, 2012 and review of general ledger detail reports verified no cash and cash equivalents were transferred from the former redevelopment agency to any other public agency or private parties from the Low and Moderate Income Housing Fund for the period January 1, 2011 through June 30, 2012.



**Citation:**

*34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.*

**Procedures Performed:**

4. Perform the following procedures:

- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
- C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

**Results:**

Because these procedures required by Section 34179.5(c)(4) pertain to the Successor Agency as a whole, these procedures will be addressed in the report that is due on December 15, 2012.

**Citation:**

*34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:*

*(A) A statement of the total value of each fund as of June 30, 2012*

**Procedures Performed:**

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012. It will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

**Results:**

At June 30, 2012, there were no assets in the Successor Agency Low and Moderate Income Housing Fund.

**Citation:**

*34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.*

**Procedures Performed:**

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
  - A. Unspent bond proceeds:
    1. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
    2. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
    3. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

**Results:**

There were no unspent bond proceeds at June 30, 2012. Therefore, these procedures are not applicable.

- B. Grant proceeds and program income that are restricted by third parties:
  - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
  - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
  - iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

**Results:**

There were no grant proceeds and program income that are restricted by third parties at June 30, 2012. Therefore, these procedures are not applicable.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.

**Results:**

There were no other assets from the Low and Moderate Income Housing Fund considered to be legally restricted at June 30, 2012. Therefore, these procedures are not applicable.

- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

**Results:**

There were no unspent bond proceeds, grant proceeds and program income restricted by third parties or other assets that are considered to be legally restricted in the Low and Moderate Income Housing Fund as of June 30, 2012. Therefore, this procedure does not apply.

**Citation:**

*34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.*

**Procedures Performed:**

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.

**Results:**

Since there are no remaining assets in the Low and Moderate Income Housing Fund, this procedure is not applicable.

- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

**Results:**

Not Applicable.

- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

**Results:**

Not Applicable.

- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

**Results:**

Not Applicable.

**Citation:**

*34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.*

**Procedures Performed:**

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - iv. Attached as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

**Results:**

Since there are no remaining assets in the Successor Agency Low and Moderate Income Housing Fund, this procedure is not applicable.

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
    - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
  - iii. For the forecasted annual revenues:
    - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

**Results:**

Since there are no remaining assets in the Successor Agency Low and Moderate Income Housing Fund, this procedure is not applicable.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

**Results:**

The Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are necessary to fund future obligation payments and thus retention of current balances are required.

- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
  - iii. Include the calculation in the AUP report.

**Results:**

Since there are no remaining assets in the Successor Agency Low and Moderate Income Housing Fund, this procedure is not applicable.



**Citation:**

*34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.*

**Procedures Performed:**

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

**Results:**

Since there are no remaining assets in the Low and Moderate Income Housing Fund, this procedure is not applicable.

**Citation:**

*34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.*

**Procedures Performed:**

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor–Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

**Results:**

See Exhibit D for schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities.

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**Management Representation Letter**

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management’s refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

**Results:**

See Exhibit E for Management Representation Letter.

## EXHIBITS

Exhibit A - Housing Assets Transfer Form

Exhibit B - Department Finance's Review of the Housing Assets Transfer Form

Exhibit C- Correspondence from City of Cerritos to the Department of Finance

Exhibit D - Summary of Balances Available for Allocation

Exhibit E - Management Representation Letter

Successor Agency to the Cerritos Redevelopment Agency  
Low and Moderate Income Housing Fund  
Agreed Upon Procedures - AB 1484  
For the year ended June 30, 2012

EXHIBIT A  
Housing Asset Transfer Form

DEPARTMENT OF FINANCE  
HOUSING ASSETS LIST  
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484  
(Health and Safety Code Section 34176)

PBC

Summary of Balances Available for Allocation

Former Redevelopment Agency: City of Cerritos Redevelopment Agency

Successor Agency to the Former Redevelopment Agency: Successor Agency to the Cerritos Redevelopment Agency

Entity Assuming the Housing Functions of the former Redevelopment Agency: City of Cerritos Housing Successor Agency

Entity Assuming the Housing Functions Contact Name: Art Gallucci Title City of Cerritos - City Manager Phone (562) 916-1311 E-Mail Address agallucci@cerritos.us

Entity Assuming the Housing Functions Contact Name: Torrey Contreras Title Director of Community Development Phone (562) 916-1201 E-Mail Address tcontreras@cerritos.us

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	X
Exhibit B- Personal Property	
Exhibit C - Low-Mod Encumbrances	X
Exhibit D - Loans/Grants Receivables	X
Exhibit E - Rents/Operations	
Exhibit F- Rents	
Exhibit G - Deferrals	X

Prepared By: Torrey N. Contreras, Director of Community Development

Date Prepared: July 31, 2012

Exhibit A - Real Property

City of Cerritos  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset or	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low/mod housing	Is the property encumbered by a low/mod housing covenant?	Source of low/mod housing covenant if	Date of transfer to Housing Successor Agency	Construction of acquisition cost funded with Low-MoD Housing Fund monies	Construction of acquisition costs funded with other RDA funds	Construction of acquisition costs funded with non-RDA funds	Date of completion or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)	Comments/Additional Information
1	Low- and Moderate-Income Housing	Vintage Cerritos Senior Housing - Ground Lease-Sublease	\$0	115,000 square feet	52,419 square feet	Yes. Section 1 - ("Restriction to Moderate, Lower, and Very Low Income Senior Tenants") of the project's Covenants, Conditions, and Restrictions require that the units be restricted to very low, low, and moderate-income residents for a 30-year period, beginning in 2001.	California Redevelopment Law	1-Feb-12	Yes	No	No	Completed in 2002	Ground Lease/Sublease	Vintage Cerritos, formerly called Chancellor Village/Avaton at Cerritos is an affordable for-rent assisted living facility with 105 units designated for qualified seniors in the very low-, low-, and moderate-income categories. The project was completed in 2002 and was developed using Cerritos Redevelopment Agency's 20% set-aside funds. In 2001, the Cerritos Redevelopment Agency signed a ground lease with Cerritos Community College and subsequently subleased the property to Vintage Cerritos (operator). In accordance with Vintage Cerritos Senior Housing's Disposition and Development Agreement and subsequent ground lease sublease agreements, the former Cerritos Redevelopment Agency holds a contingent obligation in the event of a payment default by the operator of the facility, Vintage Cerritos, to Cerritos Community College. So long as there is no default, the Housing Successor Agency is only in a pass through position with respect to rent payments made by Vintage Cerritos to Cerritos Community College, and there is no net revenue or expense to the Housing Successor Agency. In addition, according to the DDA and CCA RA for Vintage Cerritos, 105 of the 147 units shall remain affordable for a period of thirty (30) years from the date the agreements were executed (2001). Therefore the City will require compliance review for the 105 units through 2031. A copy of supporting documentation may be provided to the DOF upon request.
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a/ Asset types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City of Cerritos  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of housing built or acquired with enforceably obligated funds at	Date contract for enforceable obligation was executed	Contractual counterparty	Total amount currently owed for the enforceable obligation	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant if	Current owner of the property	Construction or acquisition cost funded with Low/Mod Housing Fund moneys	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition of the property	Comments, Additional Information
1	Low- and Moderate- Income Housing	April 9, 1998 - Disposition and Development Agreement (DDA), May 18, 1999 - Declaration of Conditions, Covenants, and Restrictions for Caritas Emerald Villas (CC&Rs)	Cerritos Development LLC	N/A	Yes	California Redevelopment Law	126 individual private property owners	Yes	No	No	Completed in 2000	According to the DDA and CC&Rs for the Emerald Villas senior housing community, all 126 affordable units shall remain affordable for a period of thirty (30) years from the original sale of said units to qualified property owners. Since housing units were sold from 2000-2001, said units will remain affordable until 2030-2031. Therefore, the City will require compliance review for the resale of any of the 126 units through 2031. A copy of supporting documentation may be provided to the DOF upon request.
2	Low- and Moderate- Income Housing	May 25, 1999 - Disposition and Development Agreement (DDA), March 27, 2001 - Declaration of Conditions, Covenants, and Restrictions and Reservation of Easements for Pioneer Villas (CC&Rs)	Cerritos Senior Housing LLC	N/A	Yes	California Redevelopment Law	93 individual private property owners	Yes	No	No	Completed in 2000	According to the DDA and CC&Rs for the Pioneer Villas senior housing community, ninety-three (93) of the ninety-eight (98) housing units shall remain affordable for a period of thirty (30) years from the original sale of said units to qualified property owners. Since housing units were sold from 2000-2001, said units will remain affordable until 2030-2031. Therefore, the City will require compliance review for the resale of any of the ninety-three (93) units through 2031. A copy of supporting documentation may be provided to DOF upon request.
3	Low- and Moderate- Income Housing	November 10, 2005 - Disposition and Development Agreement (DDA), April 2, 2007 - Declaration of Covenants, Conditions, and Restrictions, and Reservation of Easements for Fountain Walk (CC&Rs)	Olsen Urban Housing LLC	N/A	Yes	California Redevelopment Law	16 individual private property owners	Yes	No	No	Completed in 2007	According to the DDA and CC&Rs for the Fountain Walk senior housing community, sixteen (16) of the eighteen (18) housing units shall remain affordable for a period of forty-five (45) years from the original sale of said units to qualified property owners. Since housing units were sold from 2007-2008, said units will remain affordable until 2052-2053. Therefore, the City will require compliance review for the resale of any of the sixteen (16) units through 2053. A copy of supporting documentation may be provided to the DOF upon request.
4	Low- and Moderate- Income Housing	January 8, 2008 - Affordable Housing, Financing and Disposition and Development Agreement (DDA)	ABC Unified School District and Cuesta Villas Housing Corporation	\$37.7 million	Yes (Pending Project Completion)	California Redevelopment Law	ABC Unified School District	Yes	No	No	Estimated 2014	The affordable housing encumbrance for the referenced project were created pursuant to the Disposition and Development Agreement, dated January 2008, and entered into between the City of Cerritos, the Cerritos Redevelopment Agency, the ABC Unified School District and Cuesta Villas Housing Corporation ("DDA"). The DDA was subject to a judicial validation action. The California Court of Appeal upheld the DDA in the case entitled, City of Cerritos v. Cerritos Taxpayers Association (2010) 183 Cal.App.4th 1477, and judicially validated the DDA under Code of Civil Procedure section 860 and Government Code section 53511. This judicial validation includes the DDA, and all contracts and evidence of indebtedness for the Cuesta Villas affordable senior housing development. Accordingly, said project qualifies as a housing asset, as it requires restricted 20% housing set-aside funds that are encumbered by an enforceable obligation for the construction of low and moderate income housing as defined by Community Redevelopment Law. These amounts represent enforceable obligations and constitute encumbered funds with respect to the provision of low and moderate income housing, accordingly, these funds are to be transferred from the Low and Moderate Income Housing Fund to the Successor Housing Agency's Low and Moderate Income Housing Asset Fund. A copy of supporting documentation may be provided to the DOF upon request.
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a/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit D - Loans/Grants Receivables

City of Cerritos  
Inventory of Assets Received Pursuant to Health and Safety Code section 34175 (a) (2)

\$2,040,000.00

Item #	Was the Loan/Grant Housing Fund amount loaned for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance	Comments/Additional Information
<b>Category: Fountain Walk Affordable Senior Housing - Purchase Subsidies</b>										
1	Yes	\$127,500.00	5-Dec-07	Diana Zee Tran	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
2	Yes	\$127,500.00	5-Dec-07	Margarita De Guzman	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
3	Yes	\$127,500.00	19-Dec-07	Yung Mo Kim and Kye Soon Kim	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
4	Yes	\$127,500.00	20-Dec-07	Dong Yup Lee and Ok Soon Lee	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
5	Yes	\$127,500.00	20-Dec-07	Efirda Ching	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
6	Yes	\$127,500.00	21-Dec-07	Ho Yan Yoo	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
7	Yes	\$127,500.00	21-Dec-07	Vivencio B. Gutierrez and Gloria A. Gutierrez	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
8	Yes	\$127,500.00	11-Feb-08	Irene Slatos	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.



City of Cerritos  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

\$2,040,000.00

Item #	Was the Low-Mid Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance	Comments/Additional Information
9	Yes	\$127,500.00	19-Mar-08	Lorene Williams	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
10	Yes	\$127,500.00	21-Mar-08	Shiow-Dan Wu	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
11	Yes	\$127,500.00	21-Mar-08	Victoria Cabrona	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
12	Yes	\$127,500.00	14-Apr-08	Anthony Trung Thuan La	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
13	Yes	\$127,500.00	7-Apr-08	Sunpyo Hong and Mun Ja Hong	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
14	Yes	\$127,500.00	13-May-08	Luzviminda B. Plela	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
15	Yes	\$127,500.00	20-May-08	Clifford Huffman and Sheril Bruno-Huffman	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.
16	Yes	\$127,500.00	17-Jun-08	Henry Y. Yamachika and Elaine Yamachika	The funds were used to offset the purchase price of an affordable housing unit at the City's Fountain Walk affordable housing community. The funds were provided by the City to the individual property owner for the purchase of an affordable housing unit at an affordable purchase price.	Yes	N/A	N/A	N/A	Qualified Fountain Walk owners who purchased an affordable unit were required to sign purchase documents, including a Promissory Note for the subsidy and an Agreement and Covenant Concerning Use and Resale of Residential Units (CC&Rs). In accordance with Section 2 of the Promissory Note, the \$127,500 subsidy may be payable to the City of Cerritos Successor Housing Agency, in its capacity as the former Redevelopment Agency, upon default of any of the conditions set forth in the purchase documents. Please note that on the 45th anniversary of the date of the Promissory Note, said subsidy shall be waived and forgiven, and the Cerritos Successor Agency will not recoup said subsidy. Copies of supporting documentation may be provided to the DOF upon request.

City of Cerritos  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

\$2,040,000.00

Item #	Was the Low-Med Housing Fund amount used for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there child/assault requirements specifying the purposes for which the funds may be used?	Payment date, if the funds are for a loan	Interest rate of loan	Current Outstanding loan balance	Comments/Additional Information
Category: Residential Assistance Loan Rehabilitation Program (L-RAP)										
17	Yes	\$20,000.00	21-Sep-06	James B. Gaskin, Jr.	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	21-Sep-21	3.00%	As of 6/30/2012: \$22,715.81	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
18	Yes	\$20,460.00	19-Jan-07	Charles and Nellie Peake	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	19-Jan-22	3.00%	As of 6/30/2012: \$23,880.24	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
19	Yes	\$20,580.00	23-Jan-07	John F. and Joy M. De La Paz	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	23-Jan-22	3.00%	As of 6/30/2012: \$23,949.27	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
20	Yes	\$19,257.00	25-Jan-07	Betsy Wong	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	25-Jan-22	3.00%	As of 6/30/2012: \$22,385.63	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
21	Yes	\$20,773.78	27-Jun-07	Eduardo and Mirta Martinez	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	27-Jun-22	3.00%	As of 6/30/2012: \$23,899.38	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
22	Yes	\$17,625.00	19-Dec-07	Dennis and Sandra Kirkendall	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	19-Dec-22	3.00%	As of 6/30/2012: \$20,022.48	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
23	Yes	\$20,765.00	22-Jan-08	Samuel and Teresita Ramirez	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	22-Jan-23	3.00%	As of 6/30/2012: \$23,531.88	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
24	Yes	\$20,815.00	1-Feb-08	Cynthia Roman	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	1-Feb-23	3.00%	As of 6/30/2012: \$23,571.13	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.

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Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

\$2,040,000.00

Item #	Was the Low-Mid Housing Fund income used for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there encumbrances requiring the proceeds for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance	Comments/Additional Information
25	Yes	\$20,815.00	29-Mar-06	Yong and Choon Cho	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	29-Mar-23	3.00%	As of 6/30/2012 \$23,473.62	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
26	Yes	\$20,850.00	9-Jul-08	Soyla Vilaseca	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	9-Jul-23	3.00%	As of 6/30/2012: \$23,338.28	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
27	Yes	\$12,154.00	24-Jul-08	Lilian Buzess	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	24-Jul-23	3.00%	As of 6/30/2012 \$8,213.04	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
28	Yes	\$20,815.00	5-Sep-08	Norman Feathers	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	5-Sep-23	3.00%	As of 6/30/2012: \$23,199.89	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
29	Yes	\$17,525.00	30-Oct-08	John Renfer	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	30-Oct-23	3.00%	As of 6/30/2012 \$18,384.23	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
30	Yes	\$8,420.00	23-Jul-09	Robert J. Diessa	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	23-Jul-24	3.00%	As of 6/30/2012: \$10,250.77	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
31	Yes	\$10,455.00	20-Oct-09	Hien and Dung Dang	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	20-Oct-24	3.00%	As of 6/30/2012: \$11,300.57	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
32	Yes	\$20,815.00	8-Apr-10	Antoine and Malek Ayoub	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	8-Apr-25	3.00%	As of 6/30/2012 \$22,207.61	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
33	Yes	\$6,615.00	4-Mar-10	Yolanda Jamison	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	4-Mar-25	3.00%	As of 6/30/2012: \$6,818.40	Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.

Exhibit D - Loans/Grants Receivables

City of Cerritos  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

\$2,040,000.00

Item #	Was the Low-Aided Housing Fund amount applied to a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Payment date, if the funds are for a loan	Interest rate of loan	Current amortizing loan balance	Comments/Additional Information
34	Yes	\$20,956.00	4-Jun-10	Mario Cascallar	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	4-Jun-25	3.00%	As of 6/30/2012: \$22,259.87	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
35	Yes	\$11,651.00	20-Sep-11	Sergio and Isabel Pavolo	Residential Assistance Loan Rehabilitation Program (L-RAP)	Yes	20-Sep-26	3.00%	As of 6/30/2012: \$11,922.96	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. Loans are provided to qualified low-moderate income Cerritos homeowners for interior and exterior rehabilitation. Loan principal and interest is payable upon the 1.) Sale or transfer of ownership, 2.) If the household is no longer owner occupied, 3.) If the owner is in default of any loan agreements or covenants, or 4.) On the 15th anniversary of the date the loan was provided to the individual property owner. Copies of supporting documentation may be provided to the DOF upon request.
Category: Residential Assistance Grant Rehabilitation Program (G-RAP)										
36	Yes	\$3,000 grants are provided to very low-, low-, and moderate-income Cerritos homeowners. A total of \$75,000 is provided per fiscal year.	N/A	Very low-, low-, or moderate-income Cerritos homeowners	Residential Assistance Grant Rehabilitation Program (G-RAP)	Yes	N/A	N/A	N/A	This project was adopted by the Cerritos City Council and implemented by staff in 2004. In addition, this project was approved under the City's Housing Element, which was approved and certified by the State of California Department of Housing and Community Development (HCD) in November 2010. A maximum of \$3,000.00 of set-aside funds is provided to qualified Cerritos homeowners, age 62 or older, that are very low-, low-, or moderate-income. Since the inception of the program, 166 grants have been awarded, totaling approximately \$500,000 in grant funds for low and moderate income households. Copies of supporting documentation may be provided to the DOF upon request.

Exhibit G - Deferrals

City of Cerritos  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
<b>Category: SERAF Loan No. 1</b>						
1	To make SERAF Loan Payment - Los Cerritos Project Area	FY 2009-2010	\$3,543,602	0%	\$2,480,522	12/31/2015
2	To make SERAF Loan Payment - Los Coyotes Project Area	FY 2009-2010	\$8,268,405	0%	\$5,787,879	12/31/2015
<b>Category: SERAF Loan No. 2</b>						
3	To make SERAF Loan Payment - Los Cerritos Project Area	FY 2010-2011	\$729,565	0%	\$656,611	12/31/2016
4	To make SERAF Loan Payment - Los Coyotes Project Area	FY 2010-2011	\$1,702,319	0%	\$1,532,087	12/31/2016

**Successor Agency to the Cerritos Redevelopment Agency  
Low and Moderate Income Housing Fund  
Agreed Upon Procedures - AB 1484  
For the year ended June 30, 2012**

**EXHIBIT B  
Department Finance's Review  
of the Housing Assets Transfer Form**



DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

August 30, 2012

Mr. Art Gallucci, City Manager  
City of Cerritos  
1650 Stanton Drive  
P.O. Box 3130  
Cerritos, CA 90703

Dear Mr. Gallucci:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Cerritos Housing Successor submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 31, 2012 for the period February 1, 2012 through July 31, 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 1 – The lease does not qualify as a housing asset because sufficient documentation was not provided and Finance is unable to determine the appropriateness of the transfers of the asset.
- Exhibit C, Items 1 through 4 – Encumbrances totaling \$97,300 are being used to fund administrative costs. In accordance with HSC section 34716 (e) (2), funds must be encumbered to build or acquire low-and-moderate-income housing.

Except for 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.

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

Sincerely,

  
STEVE SZALAY  
Local Government Consultant

cc: Kristina Burns, Manager, Community Redevelopment Administration Section, Property Tax Division, Los Angeles County Department of Auditor-Controller  
California State Controller's Office

**Successor Agency to the Cerritos Redevelopment Agency  
Low and Moderate Income Housing Fund  
Agreed Upon Procedures - AB 1484  
For the year ended June 30, 2012**

**EXHIBIT C  
Correspondence from City of Cerritos to the Department of Finance**





# CITY OF CERRITOS

CIVIC CENTER • 18125 BLOOMFIELD AVENUE  
P.O. BOX 3130 • CERRITOS, CALIFORNIA 90703-3130  
PHONE: (562) 916-1301 • FAX: (562) 468-1095  
WWW.CI.CERRITOS.CA.US

OFFICE OF THE CITY MANAGER  
ART GALLUCCI

September 5, 2012

California Department of Finance  
Attention: Steve Szalay  
915 L Street  
Sacramento, CA 95814  
Email: Redevelopment\_Administration@dof.ca.gov

**RE: CALIFORNIA DEPARTMENT OF FINANCE'S FINDINGS IN REGARDS TO THE  
CITY OF CERRITOS HOUSING SUCCESSOR AGENCY'S HOUSING ASSET  
REPORTING FORM**

Dear Mr. Szalay:

On August 30, 2012, the City of Cerritos received correspondence from the California Department of Finance (DOF) outlining its findings in response to the Cerritos Housing Successor Agency's Housing Asset Form which was submitted to the DOF on July 31, 2012. In response to the DOF's findings and comments, the Cerritos Housing Successor Agency hereby disagrees with the DOF's objections related to the following assets, as identified on the Housing Asset Form:

- Exhibit A, Item 1
- Exhibit C, Items 1 through 4

In accordance with California Health and Safety Code Section 34176(a)(2), the entity assuming the housing functions of the former redevelopment agency may request a meet and confer process within five (5) business days of receiving the DOF's objection. Accordingly, the Cerritos Housing Successor Agency hereby requests a meet and confer to discuss its objections with the DOF's findings related to the referenced housing assets.

The Cerritos Housing Successor Agency is hopeful that the disputed items can be resolved during the meet and confer process and it is the intention of the Housing Successor Agency to work expeditiously with the DOF to resolve said matters. Should you have any questions or comments, please do not hesitate to contact me at (562) 916-1301.

Sincerely,

Art Gallucci  
City Manager

cc Kylie Le, California Department of Finance  
Michael Barr, California Department of Finance  
Kristina Burns, Los Angeles County Department Auditor-Controller's Office  
California State Controller's Office



DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO, CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

August 30, 2012

Mr. Art Gallucci, City Manager  
City of Cerritos  
1650 Stanton Drive  
P.O. Box 3130  
Cerritos, CA 90703

Dear Mr. Gallici:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Cerritos Housing Successor submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 31, 2012 for the period February 1, 2012 through July 31, 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 1 – The lease does not qualify as a housing asset because sufficient documentation was not provided and Finance is unable to determine the appropriateness of the transfers of the asset.
- Exhibit C, Items 1 through 4 – Encumbrances totaling \$97,300 are being used to fund administrative costs. In accordance with HSC section 34716 (e) (2), funds must be encumbered to build or acquire low-and-moderate-income housing.

Except for 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.

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

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Kristina Burns, Manager, Community Redevelopment Administration Section, Property Tax Division, Los Angeles County Department of Auditor-Controller  
California State Controller's Office



## MEET AND CONFER REQUEST FORM

**Instructions:** Please fill out this form in its entirety to initiate a Meet and Confer session. Additional supporting documents may be included with the submittal of this form—as justification for the disputed item(s). Upon completion, email a PDF version of this document (including any attachments) to:

Redevelopment\_Administration@dof.ca.gov

The subject line should state “[Agency Name] Request to Meet and Confer”. Upon receipt and determination that the request is valid and complete, the Department of Finance (Finance) will contact the requesting agency within ten business days to schedule a date and time for the Meet and Confer session.

To be valid, all Meet and Confer requests must be specifically related to a determination made by Finance and submitted within the required statutory time frame. The requirements are as follows:

- **Housing Asset Transfer** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter per HSC Section 34176 (a) (2).
- **Due Diligence Review** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter, and no later than **November 16, 2012** for the Low and Moderate Income Housing Fund due diligence review per HSC Section 34179.6 (e).
- **Recognized Obligation Payment Schedule (ROPS)** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter per HSC Section 34177 (m).

Agencies should become familiar with the Meet and Confer Guidelines located on Finance’s website. Failure to follow these guidelines could result in termination of the Meet and Confer session. Questions related to the Meet and Confer process should be directed to Finance’s Dispute Resolution Coordinator at (916) 445-1546 or by email to Redevelopment\_Administration@dof.ca.gov.

### AGENCY (SELECT ONE):

Successor Agency       Housing Entity

AGENCY NAME: **Cerritos Housing Successor Agency**

### TYPE OF MEET AND CONFER REQUESTED (SELECT ONE):

Housing Assets Transfers     Due Diligence Reviews     ROPS Period \_\_\_\_\_

DATE OF FINANCE’S DETERMINATION LETTER: August 30, 2012\*

\* Please note that that City of Cerritos Housing Successor Agency previously submitted a formal written request for a Meet and Confer process on September 5, 2012 (attached). Said request was submitted via email and overnight mail to the Department of Finance in order to meet the statutory submittal deadline of five (5) business days from receipt of Finance’s Determination Letter.

### REQUESTED FORMAT OF MEET AND CONFER SESSION (SELECT ONE):

Meeting at Finance       Conference Call

**Exhibit C, Item 1: Emerald Villas Low- and Moderate-Income Housing**

**Department of Finance Finding:** Encumbrances totaling \$97,300 are being used to fund administrative costs. In accordance with HSC Section 34716 (e)(2), funds must be encumbered to build or acquire low-and-moderate-income housing.

**Housing Successor Agency Dispute/Finding:** Emerald Villas is a low- and moderate-income affordable housing community in the City of Cerritos. The community was developed in 2000 and units were sold between 2000 and 2001. During the development of said housing, the former Cerritos Redevelopment Agency contributed 20% redevelopment set-aside funds to assist in the acquisition and development of the project. In addition, in accordance with the recorded Disposition and Development Agreement (DDA) and the Declaration of Conditions, Covenants, and Restrictions (CC&Rs) for Emerald Villas, specific covenants were executed which require the former Cerritos Redevelopment Agency to maintain compliance and management responsibilities of Emerald Villas through 2031.

Please note that on August 23, 2012, Mr. Morgan requested that staff submit meeting minutes or City Council resolutions formally approving the Emerald Villas project, as this information would suffice as supporting documentation for said asset. Staff provided the requested information to Mr. Morgan on August 24, 2012 via email. However, in order to expedite the Meet and Confer process, staff is hereby providing all supporting information, including the DDA, CC&Rs, meeting minutes, resolution for said asset. Directions for obtaining supporting information documents are provided in Section C – "Justification" of this form.

**Exhibit C, Item 2: Pioneer Villas Low- and Moderate-Income Housing**

**Department of Finance Finding:** Encumbrances totaling \$97,300 are being used to fund administrative costs. In accordance with HSC Section 34716 (e)(2), funds must be encumbered to build or acquire low-and-moderate-income housing.

**Housing Successor Agency Dispute/Finding:** Pioneer Villas is a low- and moderate-income affordable housing community in the City of Cerritos. The community was developed in 2000 and units were sold between 2000 and 2001. During the development of said housing, the former Cerritos Redevelopment Agency contributed 20% redevelopment set-aside funds to assist in the acquisition and development of the project. In addition, in accordance with the recorded Disposition and Development Agreement (DDA) and the Declaration of Conditions, Covenants, and Restrictions (CC&Rs) for Pioneer Villas, specific covenants were executed which require the former Cerritos Redevelopment Agency to maintain compliance and management responsibilities of Pioneer Villas through 2031.

Please note that on August 23, 2012, Mr. Morgan requested that staff submit meeting minutes or City Council resolutions formally approving the Pioneer Villas project, as this information would suffice as supporting documentation for said asset. Staff provided the requested information to Mr. Morgan on August 24, 2012 via email. However, in order to expedite the Meet and Confer process, staff is hereby providing all supporting information, including the DDA, CC&Rs, meeting minutes, and resolution for said asset. Directions for obtaining supporting information documents are provided in Section C – "Justification" of this form.

**Exhibit C, Item 3: Fountain Walk Low- and Moderate-Income Housing**

**Department of Finance Finding:** Encumbrances totaling \$97,300 are being used to fund administrative costs. In accordance with HSC Section 34716 (e)(2), funds must be encumbered to build or acquire low-and-moderate-income housing.

Reporting Form. The website link and password information is provided below for your access and reference:

External Website Link: <http://comdev.cerritos.us>  
Username: cdremote  
Password: pdfaccess

Please note that all supporting documentation related to the abovementioned disputed items can be downloaded and accessed at the link provided above. Also included as an attachment is the formal written request for a Meet and Confer process that was submitted to the Department of Finance on September 5, 2012. Should additional information be required, please do not hesitate to let us know.

---

**Agency Contact Information**

Name:	<u>Art Gallucci</u>	Name:	<u>Torrey N. Contreras</u>
Title:	<u>City Manager</u>	Title:	<u>Director of Community Development</u>
Phone:	<u>(562) 916-1311</u>	Phone:	<u>(562) 916-1201</u>
Email:	<u>agallucci@cerritos.us</u>	Email:	<u>tcontreras@cerritos.us</u>
Date:	<u>September 12, 2012</u>	Date:	<u>September 12, 2012</u>

---

**Department of Finance Local Government Unit Use Only**

REQUEST TO MEET AND CONFER DATE:  APPROVED  DENIED

REQUEST APPROVED/DENIED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

MEET AND CONFER DATE/TIME/LOCATION: \_\_\_\_\_

MEET AND CONFER SESSION CONFIRMED:  YES DATE CONFIRMED: \_\_\_\_\_

DENIAL NOTICE PROVIDED:  YES DATE AGENCY NOTIFIED: \_\_\_\_\_

---

**Successor Agency to the Cerritos Redevelopment Agency  
 Low and Moderate Income Housing Fund  
 Agreed Upon Procedures - AB 1484  
 For the year ended June 30, 2012**

**EXHIBIT D  
 Summary of Balances Available for Allocation**

Total amount of assets held by the successor agency as of June 30, 2012	\$	-
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist		-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments		-
Less assets that are not cash or cash equivalents (e.g., physical assets)		-
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations)		-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year		-
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		-
Amount to be remitted to county for disbursement to taxing entities	\$	-

*Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.*

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.

NOTES: Assets, balances, transfers, disbursements itemized in this exhibit refer solely to the Low and Moderate Income Housing Fund of the Successor Agency and not the Successor Agency as a whole.

**Successor Agency to the Cerritos Redevelopment Agency  
Low and Moderate Income Housing Fund  
Agreed Upon Procedures - AB 1484  
For the year ended June 30, 2012**

**EXHIBIT E  
Management Representation Letter**



# CITY OF CERRITOS<sup>SM</sup>

CIVIC CENTER • 18125 BLOOMFIELD AVENUE  
P.O. BOX 3130 • CERRITOS, CALIFORNIA 90703-3130  
PHONE: (562) 860-0311 • WWW.CERRITOS.US



## SUCCESSOR AGENCY

October 1, 2012

Pun & McGeedy LLP  
9 Corporate Park, Suite 130  
Irvine, California 92606

In connection with your engagement to apply agreed-upon procedures relating to the Successor Agency's Low and Moderate Income Housing Fund Due Diligence Review as of June 30, 2012, which were agreed to by the California State Controller's Office and the California State Department of Finance, solely to assist the Oversight Board of the Successor Agency to the Cerritos Redevelopment Agency ("Successor Agency") that our dissolved redevelopment agency is complying with its statutory requirements with respect to Assembly Bill ("AB") 1484 and we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. The Successor Agency is responsible for compliance with California Health and Safety Code (HSC) Section 34179.5.
2. The Successor Agency is responsible for adherence based on our understanding of the requirements of AB 1484 as applicable to the Successor Agency.
3. The Successor Agency is responsible for the presentation of the exhibits in the Successor Agency's Low and Moderate Income Housing Fund Due Diligence agreed-upon procedures report in accordance with the California Health and Safety Code (HSC) Section 34179.5
4. As of June 30, 2012, the Successor Agency is not aware of any modifications that need to be made to the Successor Agency's Low and Moderate Income Housing Fund Due Diligence Review exhibits for them to be presented in accordance with California Health and Safety Code Sections 34179.5(c)(1) through 34179.5(c)(3) and Sections 34179.5(c)(5) through 34179.5(c)(6).
5. The Successor Agency has made available to you all information that we believe is relevant to the Successor Agency's Low and Moderate Income Housing Fund Due Diligence Review.
6. The Successor Agency has responded fully to all inquiries made to us by you during the engagement.
7. No events have occurred subsequent to June 30, 2012 that would require adjustment to or modification of the information contained in the Successor Agency's Low and

JIM EDWARDS  
MAYOR

BRUCE W. BARROWS  
MAYOR PRO TEM

CAROL CHEN  
COUNCILMEMBER

JOSEPH CHO, Ph.D.  
COUNCILMEMBER

MARK E. PULIDO  
COUNCILMEMBER



Moderate Income Housing Fund Due Diligence Review agreed-upon procedures report and its related exhibits.

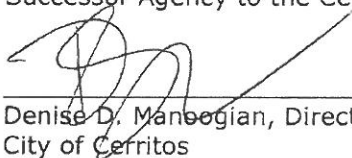
8. Management is not aware of any transfers (as defined by Section 34179.5) from either the former Redevelopment Agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 related to the Low and Moderate Income Housing Fund that have not been properly identified in the agreed-upon procedures report and its related exhibits.
9. Your report is intended solely for the information and use of the City of Cerritos, the Successor Agency, the Oversight Board, the California Department of Finance, the California State Controller's Office, and the County of Los Angeles Auditor-Controller's Office and is not intended to be and should not be used by anyone other than those specified parties.

To the best of our knowledge and belief, no events have occurred subsequent to the date of your report that would have a significant impact upon the agreed-upon procedures that you performed.



\_\_\_\_\_  
Art Gallucci, Executive Director  
Successor Agency to the Cerritos Redevelopment Agency

10/1/2012  
Date



\_\_\_\_\_  
Denise D. Manogian, Director of Administrative Services  
City of Cerritos

10/1/2012  
Date