



November 9, 2012

Ms. Sheryl Montgomery, Senior Administrative Analyst  
City of Anaheim  
201 S. Anaheim Blvd. Suite 1003  
Anaheim, CA 92805

Dear Ms. Montgomery:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Anaheim Successor Agency (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund Due Diligence Review (DDR) to the California Department of Finance (Finance) on September 28, 2012. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities.

HSC 34179.5 (c) identifies the minimum requirements of the DDR. The DDR and supporting documents submitted by the Agency does not allow us to verify the following:

- The balances transferred from the former redevelopment agency to the Agency on or about February 1, 2012.
- The dollar value of assets transferred to any other public entity or private party after January 1, 2011 through June 30, 2012.
- A statement of the total Low and Moderate Income Housing Fund (LMIHF) balance as of June 30, 2012.

Because the DDR and supporting documentation does not provide the required information to conduct our review, Finance could not complete its review of your DDR. As such, your submission is invalid and is not approved. Unless pertinent information is provided to verify the balances available for distribution, Finance will be unable to issue the Agency a Finding of Completion pursuant to HSC section 34179.7.

Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

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Please provide pertinent information to demonstrate the balances available for distribution. The information should be provided to Finance during the Meet and Confer process which should be requested within five business days of receiving this letter. The Meet and Confer process and guidelines are available at Finance's website below:

[http://www.dof.ca.gov/redevelopment/meet\\_and\\_confer/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

Please direct inquiries to Nichelle Thomas, Supervisor or Wendy Griffe, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. Jeff Kirkpatrick, Administrative Manager, Orange County Community Resources  
Mr. Frank Davies, Property Tax Manager, Orange County Auditor-Controller  
California State Controller's Office