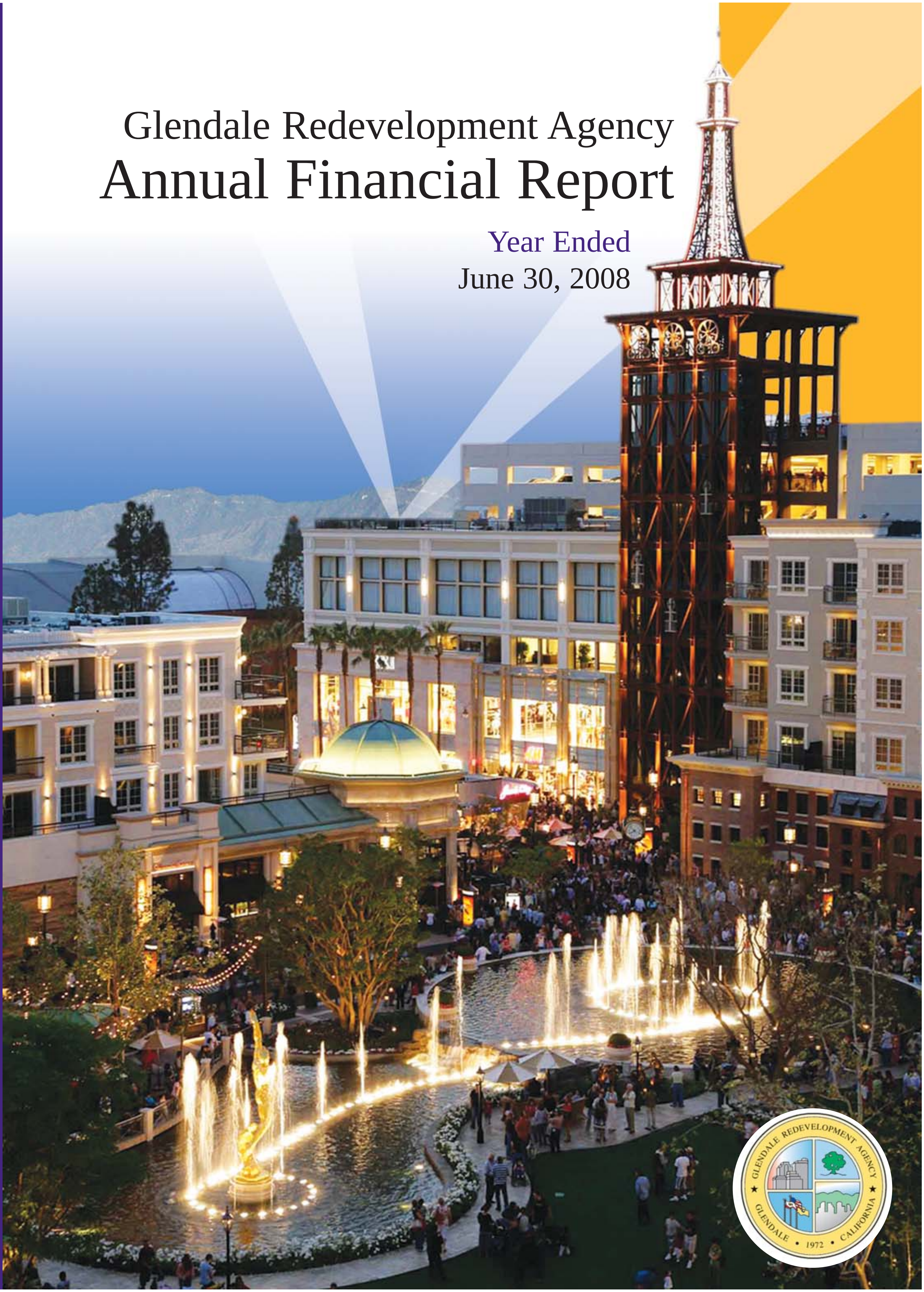
Glendale Redevelopment Agency
Annual Financial Report

Year Ended
June 30, 2008



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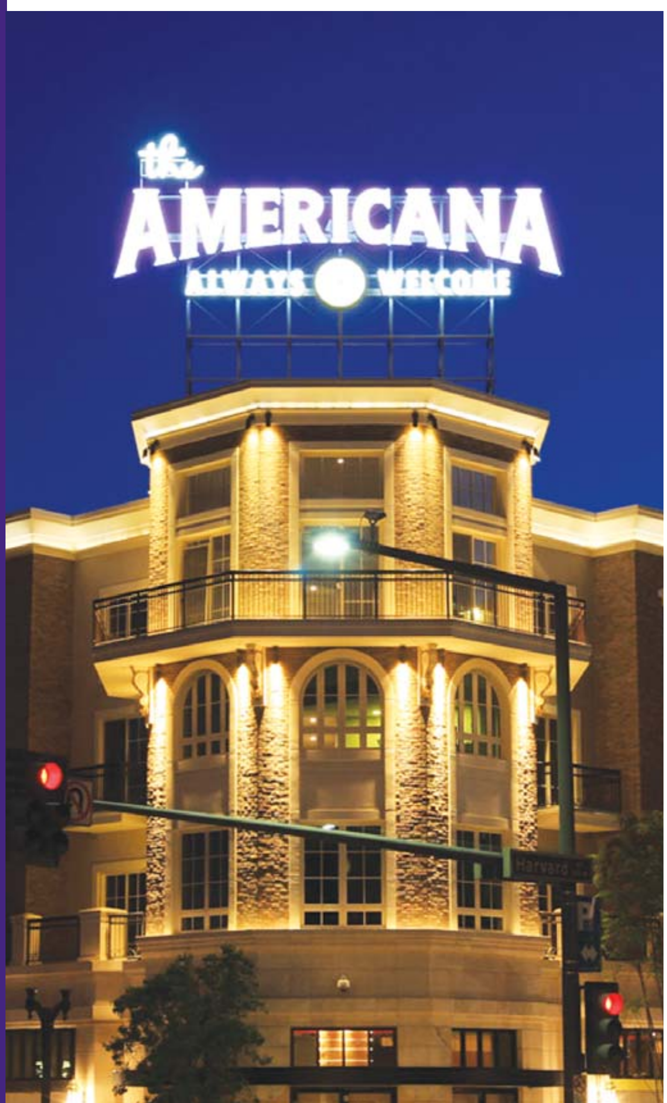

Chairperson
Ara Najarian

Agency Members
John Drayman
Frank Quintero
Dave Weaver
Bob Yousefian

Executive Director
James E. Starbird

Director of
Development Services
Philip S. Lanzafame

Director of Finance
Robert P. Elliott

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INTRODUCTORY SECTION

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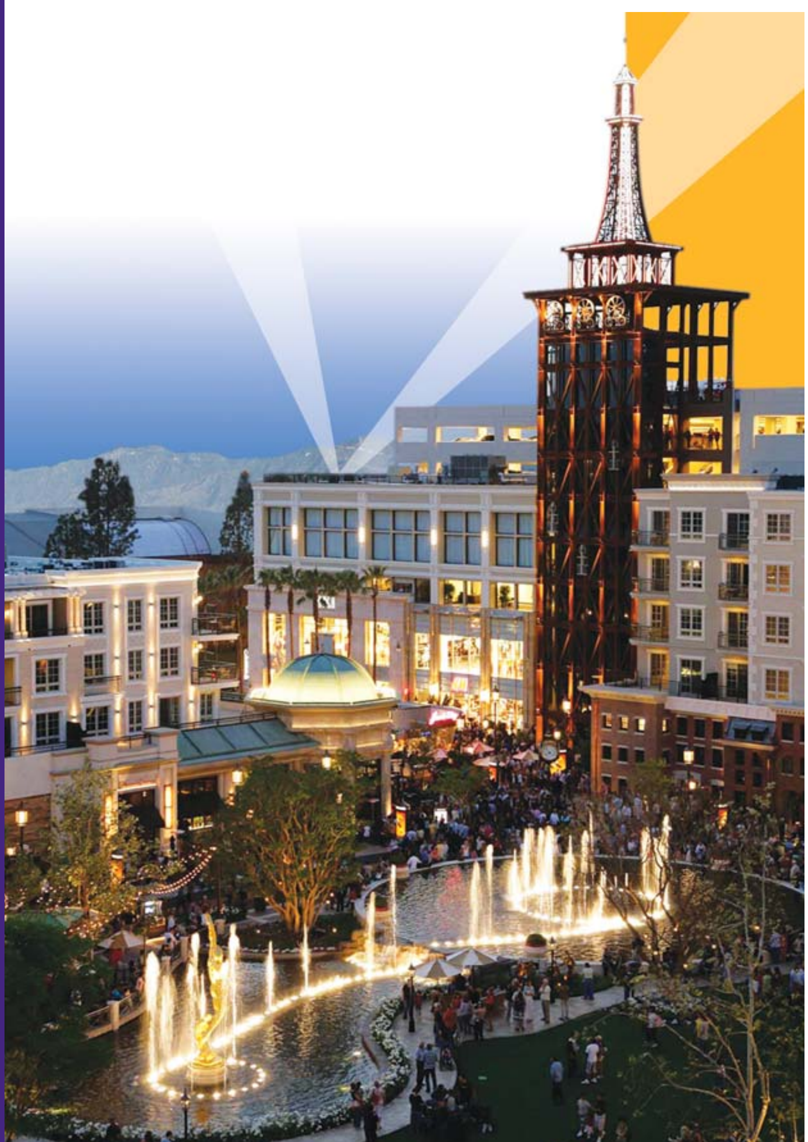


November 26, 2008

Honorable Chair and Members
of the Glendale Redevelopment Agency
City of Glendale
Glendale, CA 91206

INTRODUCTION

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to the requirement, we hereby issue the annual financial report of the Glendale Redevelopment Agency (Agency) for the fiscal year ended June 30, 2008.

This report consists of management's representations concerning the finances of the Agency. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Agency has established a comprehensive internal control framework that is designed both to protect the Agency's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Agency's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Agency's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

McGladrey & Pullen LLP, a firm of certified public accountants, has audited the Agency's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Agency for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Agency's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Agency's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GLENDALE REDEVELOPMENT AGENCY

The Agency was created by the Glendale City Council Ordinance No. 4017, adopted March 28, 1972 and was established pursuant to the Community Redevelopment Law of California as modified in Part I of Division 24 of the State of California Health and Safety Code. As such, the Agency acts as a legal entity, separate and distinct from the City even though the City Council has the authority to appoint the Agency's Governing Board.

At present, the Glendale City Council serves as the governing body of the Agency with the authority to carry out redevelopment activities. The City Manager serves as Executive Director; the Director of Administrative Services serves as the Treasurer of the Agency; the City Clerk serves as Secretary of the Agency; and the City Attorney serves as Agency Counsel.

The Agency currently has two project areas:

1. The Central Glendale Redevelopment Project was formally created by Ordinance No. 4042 dated August 1, 1972. Originally encompassing 221 acres located in the heart of the City of Glendale (the City), the project area has grown by annexation to encompass 263 acres. The project area consists principally of commercial, office, and retail uses.

2. The San Fernando Road Corridor Redevelopment Project was formally created by Ordinance No. 5003 dated December 15, 1992. The project area encompasses 750 acres, which is primarily used for industrial, manufacturing and entertainment related business.

The actions of the Agency are binding, and its appointed representatives routinely transact business, including the incurrence of long-term debt, in the Agency's name. The Agency is broadly empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property in those areas of the City determined to be in a blighted condition, as defined under State law.

The California Community Redevelopment Law of California provides that, pursuant to the adoption of a redevelopment plan, the Agency is entitled to a proportional amount based on statutory tax-sharing arrangement for all future incremental property tax revenues attributable to increases in the property tax base within the Central Redevelopment Project Area and a proportional amount based on tax-sharing agreements in the San Fernando Corridor Project Area. Property taxes levied for the fiscal year ended on June 30 are payable in equal installments due on November 1 and February 1 and collectible December 10 and April 10, respectively.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Agency operates.

LOCAL ECONOMY

Economic growth in the City of Glendale is relatively flat. During the last year, there has been continued growth in property tax revenue due to continued real estate sales and healthy values for properties being sold. However, with the recent housing crisis and lower values for properties being sold, growth in property tax revenue is slowing. Overall, growth in sales tax revenue decreased due to declining sales activity, especially for general consumer goods and the retail auto sector.

LONG-TERM FINANCIAL PLANNING
The Agency uses a cash-flow model in its long-term financial planning. This model is segregated by each project area {Central & San Fernando} and projects tax increment and project expenses out for ten years or longer.

The following projects are significant to the Agency's generation of revenue.

CENTRAL PROJECT

AMERICANA AT BRAND (TOWN CENTER)
The Americana at Brand is a mixed-use pedestrian oriented, residential, retail and commercial center with major public open space elements anchoring the southern edge of the Project Area. The 15.5 acre site is generally bounded by Brand Boulevard, Central Avenue, the Galleria II parking structure, and Colorado Street. The Americana at Brand opened in May 2008.

EMBASSY SUITES HOTEL
The Embassy Suites Hotel project is an all-suites business class hotel located on Burchett Street adjacent to the Hilton Glendale. The 272 room hotel is currently under construction should be ready to open by Fall 2008.

HYATT PLACE GLENDALE
Hyatt Place Glendale is an 11-story, 172-room hotel located at the northeast corner of Central and Wilson Avenues. The Agency has approved Stage I Design Review. The development team is currently negotiating the business terms, reviewing the environmental analysis and finalizing the Stage II Design Review. The project is expected to go to Agency for final entitlements in February 2009 and construction is estimated to commence in Spring 2010.

SAN FERNANDO CORRIDOR PROJECT

DREAMWORKS EXPANSION
DreamWorks Animation, LLC is adding 128,716 SF to the existing Lakeside Building and expanding its existing parking structure. Entitlements have been approved and plan check has been submitted to the City for review and approval. Shoring is currently underway and the expansion is expected to be completed in December 2009.

GRAND CENTRAL GLENDALE CREATIVE CAMPUS
The Walt Disney Co. development project is continuing, bringing new construction and more jobs to the area, along with increased tax increment revenue. The first phase consisting of two 3-story, Hollywood Art Deco buildings (each 125,000 SF) was completed in December 2006. This $30 million first phase is located at the corner of Grandview and Flower Street. City and Agency staff have been reviewing plans for a childcare facility. This 23,000 SF facility will be licensed for 236 children with a staff of 77. Stage II Design Review was approved in July 2008 and construction is estimated to commence in Spring 2009.

AGENCY LOANS
As of June 30, 2008, the Agency's outstanding loan total is $3,390,132. The Agency's loan to the Glendale Unified School District (GUSD) in the amount of $1,790,132 was to fund the Moyse Field improvement project of the school district and $1,600,000 was to fund the purchase of the Embassy Suites Hotel property.

CASH MANAGEMENT POLICIES AND PRACTICES
Cash temporarily idle during the year was invested in the City Treasurer's portfolio. The average yield was 4.19 percent for the fiscal year. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent

trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

RISK MANAGEMENT

The Agency participates in the City of Glendale's self-insurance programs for workers' compensation and general liability, which affect the Agency. These insurance activities are accounted for in the City of Glendale's Liability Insurance Fund, an internal service fund. As a component unit of the City of Glendale, the Agency is also covered under the City's policies for property insurance and excess liability coverage.

Additional information on the Agency's risk management can be found in Note VIII of the financial statements.

SUMMARY

In conclusion, I would like to take this opportunity to express my appreciation to the staff of the Administrative Services - Finance and Development Services, led by the efforts of Accounting Services Administrator, Lily Fang and Senior Accountant, Zinda Jimenez whose hard work and dedication have made the preparation of this report possible. I would like to express my appreciation to the Agency Members and the Director of Development Services, Philip S. Lanzafame, for their support and responsible planning of the Agency's financial affairs.

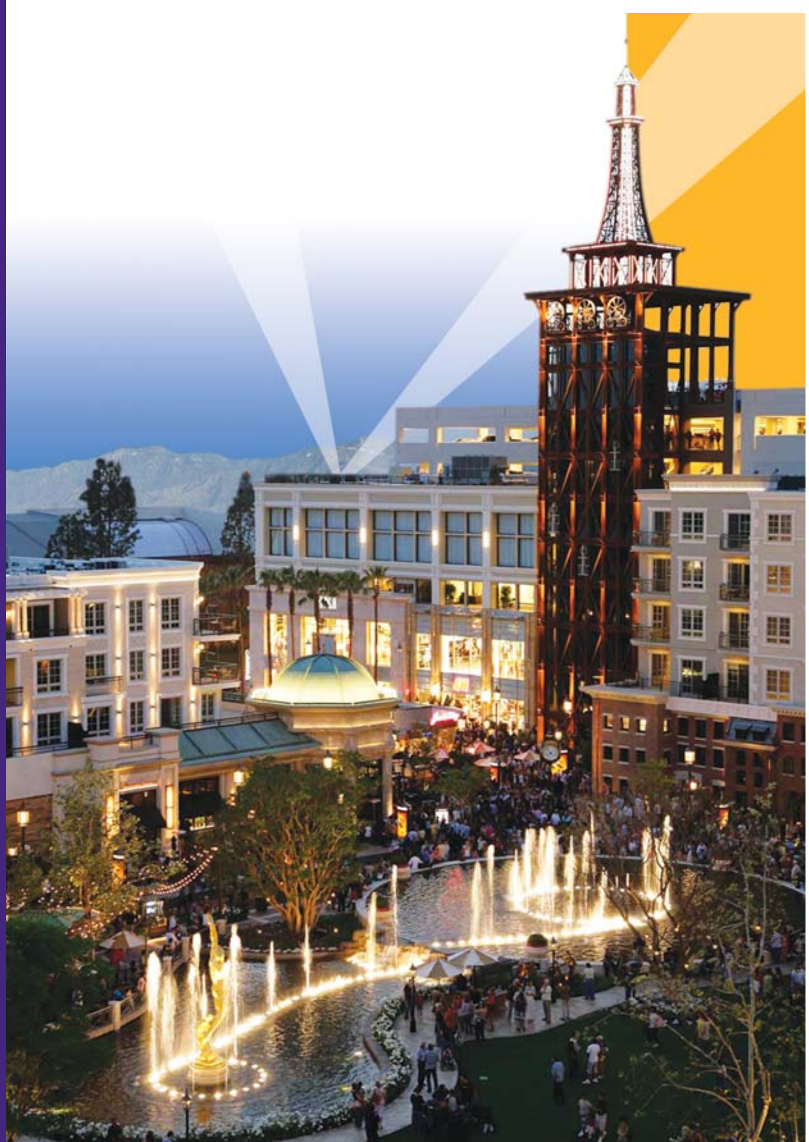
Respectfully submitted,

Robert Elliot

Robert P. Elliot
Director of Finance

FINANCIAL SECTION

Year Ending - June 30, 2008



McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report

To the Honorable Chair and Members
Glendale Redevelopment Agency
Glendale, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Glendale Redevelopment Agency (the Agency), a component unit of the City of Glendale, California, as of and for the year ended June 30, 2008, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of June 30, 2008, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2008 on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

McGladrey & Pullen LLP is a member firm of RSM International,
an affiliation of separate and independent legal entities.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying introductory and statistical sections including the Computation of Low-Moderate Income Housing Excess/Surplus Funds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

McGladrey & Pullen, LLP

Pasadena, California
November 26, 2008

As management of the Glendale Redevelopment Agency (Agency), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on *pages i to iv* of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- The liabilities of the Agency exceeded its assets at the close of the most recent fiscal year by $29,546,543 (*net assets*). Of this amount, a negative $109,024,287 (*unrestricted net assets*) exists. The deficit in unrestricted net assets is typical in redevelopment agencies. All redevelopment agencies leverage current tax increment revenues by issuing long-term debt to raise capital to promote economic growth within the project area.
- The Agency's total net assets increased by $4,360,527. This increase is attributable to revenues exceeding expenditures in the current fiscal year due to the Sale of Agency's Land Held for Resale in the amount of $5,980,175.
- As of the close of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of $81,143,258; a decrease of $5,062,393 in comparison with the prior year's combined fund balance of $86,205,651. This decrease is due primarily to expenditures exceeding revenues in the current fiscal year as typical for Redevelopment Agencies. At the end of the current fiscal year, the total unreserved fund balance for the Central Project, San Fernando Project, Low and Moderate Housing, and Town Center funds was a positive $27,907,863, $9,041,173, $6,725,513 and $4,294,258 respectively.
- The Agency's total debt decreased by $3,805,505 (2.36 percent) during the current fiscal year. This decrease is due to a net bond premium of $250,870, $4,590,000 in ongoing debt service payments, a net deferred amount of ($200,134) on the refunding of the 1993 tax allocation bonds, and a net increase of $835,232 to amounts owed to the City of Glendale.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Agency's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *statement of activities* presents information showing how the Agency's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements identify functions of the Agency that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Agency include community development, education, housing assistance and interest and fiscal charges in bonds.

The government-wide financial statements can be found on *pages 11-12* of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are known as governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a Agency's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Agency's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Agency maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Central Project, San Fernando Road Project, Low and Moderating Housing, Town Center, 2002 Tax Allocation Bonds, and 2003 Tax Allocation Bonds Funds.

The basic governmental fund financial statements can be found on *pages 13-16* of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on *pages 17-32* of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Agency's financial position. The Agency's liabilities exceeded assets by $29,546,543 at the close of the fiscal year.

The Agency has a negative balance in *unrestricted net assets* ($109,024,287) due primarily to a significant amount ($88,874,216) of outstanding bonded debt. Restricted net assets are an additional portion of the Agency's net assets of $34,932,685 that represent resources that are subject to external restrictions on how they may be used.

Glendale Redevelopment Agency's Net Assets

		Total Governmental Activities	
		2008	**2007**
Current assets and other assets	$	85,531,589	91,458,616
Capital assets		44,545,059	38,767,948
Total assets		130,076,648	130,226,564
Long term debt		150,545,368	154,540,872
Current liabilities		9,077,823	9,592,762
Total liabilities		159,623,191	164,133,634
Net assets (deficits):			
Investment in general FA		44,545,059	38,767,948
Restricted		34,932,685	35,343,090
Unrestricted		(109,024,287)	(108,018,108)
Total net assets (deficits)	$	(29,546,543)	(33,907,070)

The Agency has a deficit in unrestricted net assets due to the nature of redevelopment financing. Redevelopment agencies typically leverage current tax increment revenues by issuing long-term debt (including loans from the City) in order to raise capital to conduct activities that eliminate blight and to promote economic development within the project area. The new projects constructed, in turn, generate additional tax increment revenues, which again, may only be captured to the extent that the Agency incurs indebtedness. Indebtedness includes bonded indebtedness, notes, loans, advances, payments due under development agreements, and City loans. The Agency incurs debt based on future tax increments to fund infrastructure projects. Once the infrastructure projects are completed, the asset is transferred to the City, however, the debt remains with the Agency resulting in deficit net assets.

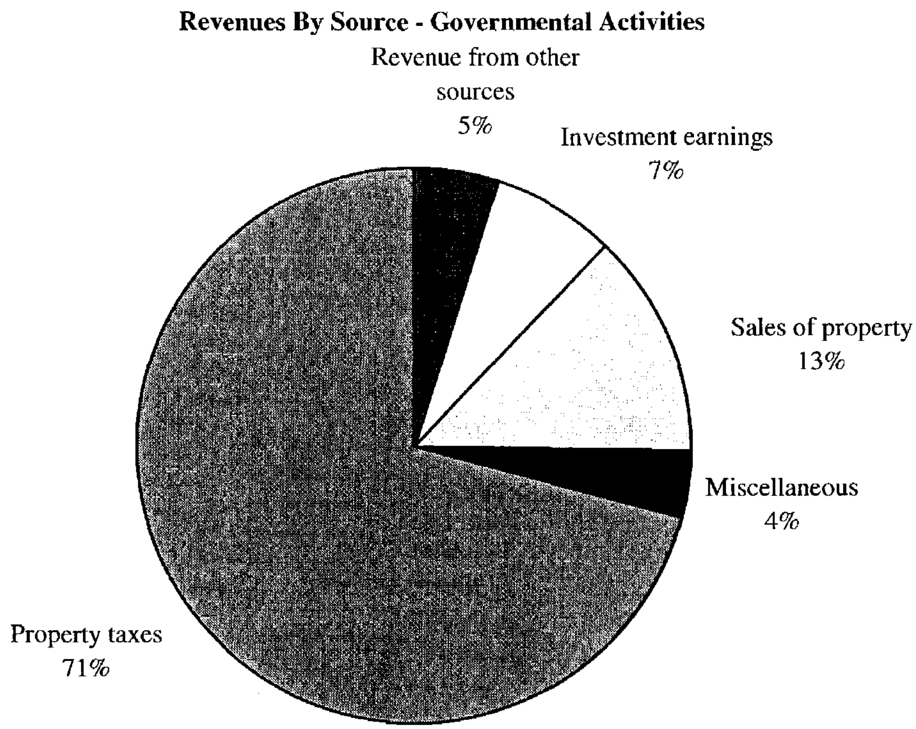
Governmental activities. Governmental activities increased the Agency's net assets by $4,360,527 thereby accounting for the total increase in the net assets of the Agency. Key elements of this increase are as follows:

Glendale Redevelopment Agency's Changes in Net Assets

		Total Governmental Activities	
		2008	**2007**
Revenues:			
Program revenues:			
Charges for services	$	25,493	18,094
General revenues:			
Property taxes		32,334,226	29,417,084
Revenue from other sources		2,244,114	1,249,433
Investment earnings		3,332,484	3,982,189
Sale of property		5,980,175	-
Miscellaneous		1,795,135	1,792,168
Total revenues		45,711,627	36,458,968
Community development		31,476,107	41,578,510
Education		674,567	762,222
Housing assistance		2,252,232	2,364,578
Interest and fiscal charges on bonds		6,948,194	6,913,591
Total expenses		41,351,100	51,618,901
Change in net assets		4,360,527	(15,159,932)
Net assets - July 1		(33,907,070)	(18,747,138)
Net assets - June 30	$	(29,546,543)	(33,907,070)

- Property taxes increased by $2,917,142.
- Investment earnings decreased by $649,705, largely due to decrease in investment yield.
- Miscellaneous revenues consist primarily of rental revenue and First Time Home Buyer Program loan payoffs.
- Community development related expenses decreased by $10.1 million in the current year due to the decrease in the contribution to the Americana at Brand project which is now in the final phase.

Revenues By Source – Governmental Activities



Financial Analysis of the Agency's Funds

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Agency's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spending* resources. Such information is useful in assessing the Agency's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a Agency's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of $81,143,258, a decrease of $5,062,393 in comparison with the prior year. The Agency has $49,430,495 in *unreserved fund balance* and the remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period $9,849,163, (2) to hold property for future development $9,876,157 (3) for principal and interest payments toward outstanding bond debt $8,588,477, (4) for deposits $7,000 (5) for prepaid expenditures $1,834 or (6) for loans receivable $3,390,132.

The combined fund balance of the Agency's Central Project, San Fernando Project, Town Center, and Low & Moderate Housing funds decreased from $76,165,347 to $71,093,092, a decrease of $5,072,255 compared to the prior fiscal year. This change is primarily due to increase activities in the project areas.

The debt service funds have a total fund balance of $10,050,166, of which $8,588,477 is reserved for debt service payments.

Capital Asset and Debt Administration

Capital assets.

The Agency's investment in capital assets for its governmental activities as of June 30, 2008, amounts to $44,545,059 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and construction in progress. The total increase in the Agency's investment in capital assets for the current fiscal year was $5,777,111, which resulted from a net increase of $213,915 in accumulated depreciation.

**Glendale Redevelopment Agency's
Capital Assets**

	Total Governmental Activities	
	2008	**2007**
Land	$ 28,917,992	28,917,992
Buildings and Improvements	14,040,842	8,789,675
Machinery and Equipment	653,828	653,828
Construction in progress	4,159,705	3,419,846
Total capital assets	47,772,367	41,781,341
Less Accumulated Depreciation		
Building and Improvements	2,654,157	2,456,378
Machinery and Equipment	573,151	557,015
Total Accumulated Depreciation	3,227,308	3,013,393
Capital Assets Net of Depreciation	$ 44,545,059	38,767,948

Additional information on the Agency's capital assets can be found in the notes on *page 25 of* this report.

Long-term debt.

At the end of the current fiscal year, the Agency has total bonded debt outstanding of $88,874,216, all of which is backed by the Agency's income from property tax increment.

Glendale Redevelopment Agency's Outstanding Debt

	Total Governmental Activities	
	2008	**2007**
Tax allocation bonds	$ 88,874,216	93,514,953
Long-term debt to City	68,501,888	67,666,656
Total outstanding debt	$ 157,376,104	161,181,609

- The Agency's total debt decreased by $3,805,505 (2.36 percent) during the current fiscal year due to a net bond premium of $250,870, $4,590,000 in ongoing debt service payments, a net deferred amount of ($200,134) on the refunding of the 1993 tax allocation bonds, and a net increase of $835,232 to amounts owed to the City of Glendale.

Additional information on the Agency's long-term debt can be found on *pages 26 through 29* of this report.

Economic Factors

- 71 percent of the Agency's revenues come from tax increment.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Glendale, 141 North Glendale Avenue, Suite 346, Glendale, CA 91206.

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BASIC FINANCIAL SECTION

Year Ending - June 30, 2008

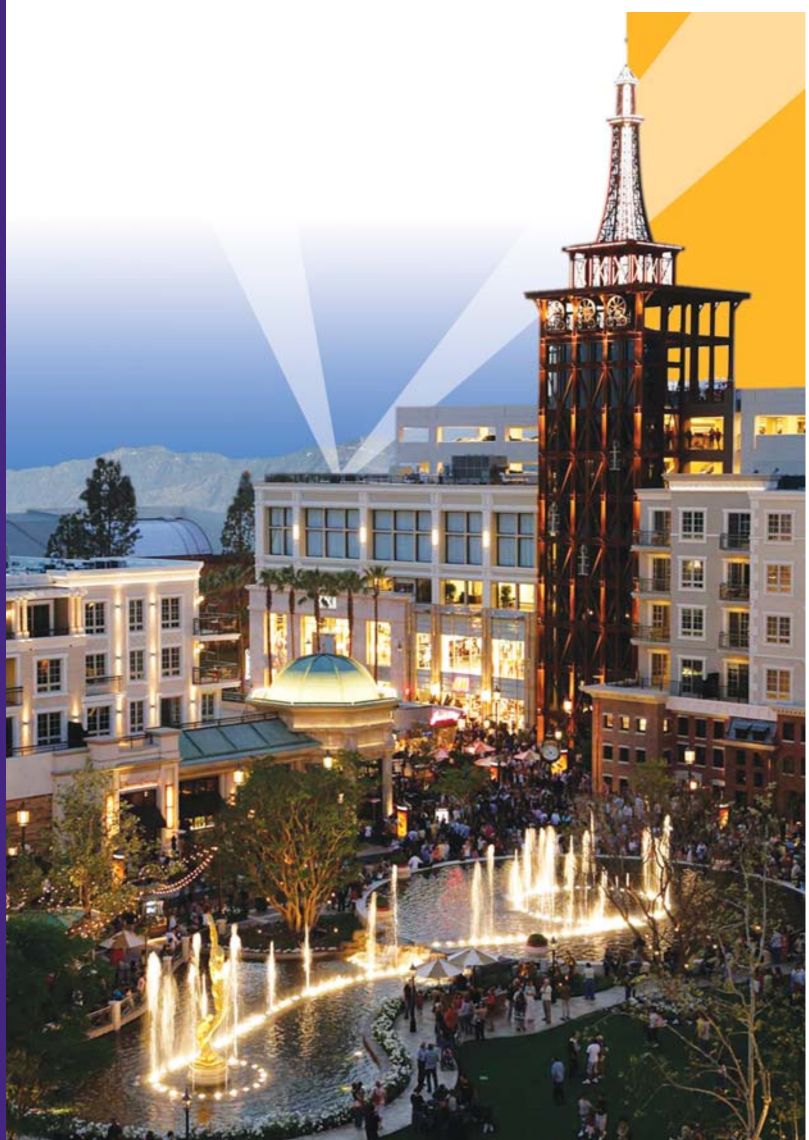


Exhibit A

Glendale Redevelopment Agency

Statement of Net Assets (Deficits)

June 30, 2008

		Governmental Activities
ASSET		
Current assets:		
Cash and invested cash	$	53,845,114
Imprest cash		500
Cash with fiscal agent		10,743,313
Interest receivable		575,275
Due from other agencies		4,625,220
Deposits		7,000
Prepaid items		1,834
Accounts receivable, net		131,000
Total current assets		69,929,256
Noncurrent assets:		
Deferred charges		2,336,044
Loans receivable		3,390,132
Property held for resale		9,876,157
Capital assets, net		44,545,059
Total noncurrent assets		60,147,392
Total assets	$	130,076,648
LIABILITIES		
Current liabilities:		
Accounts payable	$	770,244
Due to other agencies		1,096,321
Accrued interest		325,800
Due to the City of Glendale		2,000,000
Bonds payable, due in one year		4,830,736
Deposits		54,722
Total current liabilities		9,077,823
Noncurrent liabilities:		
Intergovernmental payable		66,501,888
Bonds payable,net of current portion		84,043,480
		150,545,368
Total liabilities		159,623,191
NET ASSETS (Deficit)		
Investment in Capital Assets		44,545,059
Restricted		
Low and moderate housing		16,699,477
Debt service		18,233,208
Unrestricted		(109,024,287)
Total net assets	$	(29,546,543)

The notes to the financial statement are intergral part of this statement.

Exhibit B

Glendale Redevelopment Agency

Statement of Activities

For Fiscal Year Ended June 30, 2008

		Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:						
Community development	$	31,476,107	25,493	-	-	(31,450,614)
Education		674,567	-	-	-	(674,567)
Housing assistance		2,252,232	-	-	-	(2,252,232)
Interest and fiscal charges on bonds		6,948,194	-	-	-	(6,948,194)
Total government	$	41,351,100	25,493	-	-	(41,325,607)

General revenues:		
Property taxes		32,334,226
Revenue from other sources		2,244,114
Investment earnings		3,332,484
Sale of property		5,980,175
Miscellaneous		1,795,135
Transfers		-
Total general revenues		45,686,134
Change in net assets		4,360,527
Net assets (deficit) - July 1, 2007		(33,907,070)
Net assets (deficit) - June 30, 2008	$	(29,546,543)

Exhibit C
Glendale Redevelopment Agency
Balance Sheet
Governmental Funds
June 30, 2008

	Special Revenue funds				Debt Service Funds		
	Central Project	**San Fernando Project**	**Low and Moderate Housing**	**Town Center**	**2002 Tax Allocation Bonds**	**2003 Tax Allocation Bonds**	**Total Govern-mental Funds**
Assets							
Cash and invested cash	$ 28,012,474	9,680,295	10,604,562	4,257,387	551,915	738,481	53,845,114
Impress cash	500	-	-	-	-	-	500
Cash with fiscal agent	-	1,983,543	-	-	3,849,985	4,909,785	10,743,313
Interest receivable	354,888	89,558	92,755	38,073	-	-	575,275
Due from other agencies	707,613	2,651,993	1,265,615	-	-	-	4,625,220
Prepaid items	-	-	1,834	-	-	-	1,834
Accounts receivable, net	-	-	131,000	-	-	-	131,000
Deposits	-	7,000	-	-	-	-	7,000
Loans receivable	3,390,132	-	-	-	-	-	3,390,132
Property held for resale	2,189,563	-	4,801,683	2,884,911	-	-	9,876,157
Total assets	34,655,170	14,412,389	16,897,449	7,180,371	4,401,900	5,648,266	83,195,545
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	285,471	416,598	66,972	1,203	-	-	770,244
Due to other agencies	550,761	545,560	-	-	-	-	1,096,321
Deferred revenues	-	-	131,000	-	-	-	131,000
Deposits	54,722	-	-	-	-	-	54,722
Accrued wages and withholding	-	-	-	-	-	-	-
Total liabilities	890,954	962,158	197,972	1,203	-	-	2,052,287
Fund Balances:							
Reserved:							
Deposit	-	7,000	-	-	-	-	7,000
Prepaid	-	-	1,834	-	-	-	1,834
Debt service	-	-	-	-	3,814,862	4,773,615	8,588,477
Encumbrances	276,658	4,402,058	5,170,447	-	-	-	9,849,163
Loans Receivable	3,390,132	-	-	-	-	-	3,390,132
Property Resale	2,189,563	-	4,801,683	2,884,911	-	-	9,876,157
Unreserved	27,907,862	9,041,173	6,725,513	4,294,258	587,038	874,651	49,430,495
Total fund balances	33,764,215	13,450,231	16,699,477	7,179,169	4,401,900	5,648,266	81,143,258
Total liabilities and fund balances	$ 34,655,169	14,412,389	16,897,449	7,180,372	4,401,900	5,648,266	83,195,545

The notes to the financial statement are integral part of this statement.

Exhibit C.1
GLENDALE REDEVELOPMENT AGENCY
Governmental Funds
Reconciliation of Balance Sheet of
Governmental Funds to the Statement of Net Assets (Deficits)
June 30, 2008

Fund balances of governmental funds		$ 81,143,258
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets are not included as financial resources in governmental fund activity.		
Cost of capital assets	$ 47,772,367	
Accumulated depreciation	(3,227,308)	44,545,059
Costs of issuance of bonds were fully expended in the governmental funds. This is the amount to establish the unamortized deferred charges.		
2002 Tax Allocation Bonds	778,491	
2003 Tax Allocation Bonds	1,557,553	2,336,044
Long-term debt are not included in the governmental fund activity:		
Due within one year:		
Principal:		
Due to the City of Glendale	(2,000,000)	
2002 Tax allocation bonds	(2,100,000)	
2003 Tax allocation bonds - net of deferred amount on refunding	(2,479,866)	
Bond premium:		
2002 Tax allocation bonds	(105,619)	
2003 Tax allocation bonds	(145,251)	(6,830,736)
Due more than one year:		
Principal:		
Due to the City of Glendale	(66,501,888)	
2002 Tax allocation bonds	(36,305,000)	
2003 Tax Allocation Bonds - net of deferred amount on refunding	(44,626,820)	
Bond premium:		
2002 Tax allocation bonds	(1,320,233)	
2003 Tax allocation bonds	(1,791,427)	(150,545,368)
Accrued interest payable for the current portion of interest due are not included in the governmental fund activity:		
2002 Tax allocation bonds	(145,749)	
2003 Tax allocation bonds	(180,051)	(325,800)
Revenues that do not provide current financial resources are reported as accounts receivable in the statement of net assets		131,000
Net assets (deficit) of governmental activities		$ (29,546,543)

See accompanying notes to financial statements.

Exhibit D
Glendale Redevelopment Agency
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund
For Fiscal Year Ended June 30, 2008

		Special Revenue Funds				Debt Service Funds		
		Central Project	San Fernando Project	Low and Moderate Housing	Town Center	2002 Tax Allocation Bonds	2003 Tax Allocation Bonds	Total Governmental Funds
Revenues:								
Property taxes	$	11,106,887	6,566,492	6,466,845	-	3,614,512	4,579,490	32,334,226
Revenue from other agencies		-	2,244,114	-	-	-	-	2,244,114
Charges for services		25,493	-	-	-	-	-	25,493
Use of money and property		1,551,616	579,347	527,345	254,763	191,311	228,102	3,332,484
Sale of Property		5,980,175	-	-	-	-	-	5,980,175
Miscellaneous revenue		206,969	21,774	1,566,392	-	-	-	1,795,135
Total Revenues		18,871,140	9,411,727	8,560,582	254,763	3,805,823	4,807,592	45,711,627
Expenditures:								
Current								
Community development								
County property tax administration		292,024	168,146	115,043	-	-	-	575,213
Pass through		1,080,501	3,770,257	-	-	-	-	4,850,758
Lease		-	-	-	-	-	-	-
Administration		2,508,645	391,470	1,138,821	-	4,500	5,050	4,048,486
Housing assistance				7,711,599				7,711,599
Education		292,359	674,568	-	-	-	-	966,927
Capital outlay		-	-	-	-	-	-	-
Capital project		15,460,507	4,638,288	-	1,928,239	-	-	22,027,034
Debt Serice								
Principal retirement		-	-	-	-	2,035,000	2,555,000	4,590,000
Interest bonds		-	-	-	-	1,779,513	2,224,490	4,004,003
Interest on debt to City		2,000,000	-	-	-	-	-	2,000,000
Total expenditures		21,634,036	9,642,729	8,965,463	1,928,239	3,819,013	4,784,540	50,774,020
Net change in fund balances		(2,762,896)	(231,002)	(404,881)	(1,673,476)	(13,190)	23,052	(5,062,393)
Fund balance, July 1, 2007		36,527,112	13,681,234	17,104,357	8,852,644	4,415,091	5,625,213	86,205,651
Fund Balance, June 30, 2008	$	33,764,216	13,450,232	16,699,476	7,179,168	4,401,901	5,648,265	81,143,258

Exhibit D.1

GLENDALE REDEVELOPMENT AGENCY

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2008

Net change in fund balances - total governmental funds		$ (5,062,393)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital assets changes as expenditures		5,991,027
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		(213,915)
In the statement of activities, the cost of issuance of bonds is allocated over the life of bonds as an expense		
2002 Tax Allocation Bonds	$ (57,667)	
2003 Tax Allocation Bonds	(117,762)	(175,429)
In the statement of activities, the deferred amounts on refunding are allocated over the life of the bonds as a component of interest expense.		(200,134)
In the statement of activities, bond premium are allocated over the life of the bonds as a component of interest expense		
2002 Tax Allocation Bonds	105,619	
2003 Tax Allocation Bonds	145,251	250,870
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
2003 Tax Allocation Bonds	2,555,000	
2002 Tax Allocation Bonds	2,035,000	4,590,000
In the statement of activities, interest is accrued on outstanding debt; whereas in the governmental fund, interest is recognized when matured.		
Accrued interest, June 30, 2008		
Due to the City of Glendale	(835,232)	
2002 Tax Allocation Bonds	(145,749)	
2003 Tax Allocation Bonds	(180,051)	(1,161,032)
Accrued interest, June 30, 2007		
2002 Tax Allocation Bonds	150,836	
2003 Tax Allocation Bonds	190,697	341,533
Change in net assets of governmental activities		$ 4,360,527

See accompanying notes to financial statements.

I. Summary of Significant Accounting Policies

A. Entity

The following is a summary of the significant accounting policies of the Glendale Redevelopment Agency (the Agency).

The Agency has been determined to be a component unit of the City of Glendale (the City) and is blended into the financial reporting of the City. The Agency was created by the City Council Ordinance No. 4017, adopted on March 28, 1972 and was established pursuant to the Community Redevelopment Law of California as modified in Part I of Division 24 of the State of California Health and Safety Code. As such, the Agency acts as a legal entity, separate and distinct from the City even though the City Council has the authority to appoint the Agency's Governing Board.

The Agency currently has two project areas as follows:

1. The Central Glendale Redevelopment Project was formally created by Ordinance No. 4042 dated August 1, 1972. Originally encompassing 221 acres located in the heart of the City, the project area has grown by annexation to encompass 263 acres. The project area consists principally of commercial, office and retail uses.

2. The San Fernando Road Corridor Redevelopment Project was formally created by Ordinance No. 5003 dated December 15, 1992. The project area encompasses 750 acres, which is primarily used for industrial, manufacturing and entertainment related business.

The actions of the Agency are binding, and its appointed representatives routinely transact business, including the incurrence of long-term debt, in the Agency's name. The Agency is broadly empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property in those areas of the City determined to be in a declining condition.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on the Agency activities as a whole. For the most part, the effect of interfund activity has been removed from these statements. The Agency only uses governmental activities, which normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Accounting

The accounts of the Agency are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues, and expenditures or expenses, as appropriate. The Agency records all of its transaction in governmental fund types.

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the Agency's major governmental funds:

Special Revenue Funds -

- Central Project Fund-To account for monies received and expended within the Central Project area in accordance with the Redevelopment Plan of the Agency made pursuant to redevelopment laws of the State of California.
- San Fernando Project Fund-To account for monies received and expended within the San Fernando Project area in accordance with the Redevelopment Plan of the Agency made pursuant to redevelopment laws of the State of California.
- Low and Moderate Housing Fund – To account for housing set aside required under redevelopment laws of the State of California.
- Town Center Fund-Development fund for the 2002 Tax Allocation Bonds proceeds.

Debt Service Funds -

- 2003 Tax Allocation Bond Fund -To accumulate monies for the payment of interest and principal of the 2003 Tax Allocation Refunding Bonds. Debt Service is financed via the incremental property tax from the Glendale Redevelopment Agency.
- 2002 Tax Allocation Bond Fund-To accumulate monies for the payment of interest and principal of the 2002 Tax Allocation bonds. Debt Service is financed via the incremental property tax from the Glendale Redevelopment Agency.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Agency adopted GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, during the fiscal year ended June 30, 2002. The adoption of this Statement is meant to present the information in a format more closely resembling that of the private sector and to provide the user with more managerial analysis regarding the financial results and the Agency's financial outlook.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Agency; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure, and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Charges for services and miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. The current tax receivable represents the 2007-08 property tax levy that was based on the assessed value of secured and unsecured property as of the lien date of January 1, 2007. Property taxes are levied on July 1. Unsecured taxes are delinquent if not paid by August 31. Secured taxes are payable in two installments that are deemed delinquent after December 10 and April 10. The County Treasurer/Tax Collector bills and collects property taxes for the Agency and the County Auditor-Controller then allocates these taxes to the Agency.

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Net assets are reported as restricted when constraints placed on net assets use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislation.

E. Assets, Liabilities, and Net Assets or Equity

Cash and Investments

The Agency pools its cash with the City. The City values its cash and investments in accordance with the provisions of Government Accounting Standard Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investments Pools (GASB 31)," which requires governmental entities, including governmental external investment pools, to report certain investments at fair value in the statement of net assets/balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred. Fair value is determined using published market prices.

The City manages its pooled idle cash and investments under a formal investment policy that is reviewed by the Investment Committee and adopted by the City Council and that follow the guidelines of the State of California Government Code. Individual investments cannot be identified with any single fund because the City may be required to liquidate its investments at any time to cover large outlays required in excess of normal operating needs. Funds must request large outlays in advance in order that the City Treasurer will have the funding available. Interest income from the investment is allocated to all funds on a monthly basis based upon the prior month end cash balance of the fund as a percent of the month end total pooled cash balance. Accordingly, the Agency receives its portion of interest income. The City normally holds the investment to term.

Interfund Transactions

Transactions among the Agency funds that would be treated as revenues and expenditures if they involved organizations external to the Agency are accounted for as revenues and expenditures in the funds involved.

Due from Other Agency

The Agency records property taxes earned but not received from the County of Los Angeles. The California Community Redevelopment Law of California provides that, pursuant to the adoption of a redevelopment plan, the Agency is entitled to a proportional amount based on statutory tax-sharing arrangement for all future incremental property tax revenues attributable to increases in the property tax base within the Central Redevelopment Project Area and a proportional amount based on tax-sharing agreements in the San Fernando Corridor Project Area.

Loans Receivable

As of June 30, 2008, the Agency's outstanding loans total is $3,390,132. The Agency's loan to the Glendale Unified School District (GUSD) in the amount of $1,790,132 was to fund the Moyse Field improvement project of the school district and $1,600,000 was to fund the purchase of the Embassy Suites Hotel property.

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Agency as a whole. Capital assets are defined by the government as assets with an initial individual cost of more than $5,000. The valuation basis for capital assets is historical cost or, in the case of gifts or contributions, the appraised value at time of receipt by the Agency or fair market value if no appraisal is performed.

Depreciation of capital assets is computed and recorded using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are forty years for buildings and improvements and four years for machinery and equipment.

Property Held for Resale

Land and buildings acquired for future sale to developers have been capitalized and are shown as real property held for resale in the accompanying combined financial statements. Real property held for resale is carried at the lower of cost or appraised value.

Due to Other Agency

Due to other agency consists of amounts owed as a result of statutory and negotiated tax increment pass through arrangements with the Glendale Unified School District, the County of Los Angeles and other County Taxing Entities.

Due to City of Glendale

Due to City of Glendale represents amounts owed to the City as a result of expenditures incurred by the City on behalf of the Agency for improvements made by the City in the redevelopment project areas. These agreements are to be paid when funds are available. All of the agreements accrue interest at the average annual City investment portfolio rate.

Encumbrances

Appropriations in the governmental funds are charged for encumbrances when commitments are made. Fund balances are reserved for outstanding encumbrances, which serve as authorizations for expenditures in the subsequent year.

Fund Equity

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets

Net assets is the difference between assets and liabilities. Net assets invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by Agency legislation or external restrictions by other governments, creditors or grantors.

II. Compliance and Accountability

Budgetary control is an essential element in governmental accounting and reporting. The Agency's budget is prepared on a project basis. Therefore, no budget versus actual statements has been included in the accompanying basic financial statements as the completion of these projects may take more than one year. As part of its budgetary control, the Agency utilizes the encumbrance accounting method. Under this method, commitments such as purchase orders and uncompleted project expenditures are recorded as reservations of fund balance captioned "Fund Balances Reserved: Encumbrances". As of June 30, 2008, the Agency had $9,849,163 in outstanding encumbrances.

During fiscal year 2007-2008, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 50. Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27. This statement more closely aligns the financial reporting requirements for pensions with those for other post-employment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. Implementation of this statement does not have a material effect on the financial statements.

During fiscal year 2007-2008, the City early implemented the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for intangible Assets. This Statement provides needed guidance regarding how to identify, account for, and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is non-financial in nature, and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software. Water rights, timber rights, patents, and trademarks. Statement 51 requires that intangible assets to be classified as capital assets (except for those explicitly excluded from the scope of the new standard). This standard should lead to greater consistency among governments.

III. Cash and Investments

The Agency pools its cash and investments with the City. Of the amounts detailed below, $64,588,527 pertains to the Agency for fiscal year 2008 of which $10,743,313 is cash with fiscal agents. The remaining cash and investments of $53,845,114 cannot be identified with any single investment because the City may be required to liquidate its investment at any time to cover outlays required in excess of normal operating needs. Funds must request large outlays in advance in order that the City Treasurer will have the funding available.

Cash and investments for the City of Glendale at fiscal year end consist of the following:

Investments	$	555,786,044
Cash with fiscal agents		27,673,006
		583,459,050
Cash on hand		163,127
Total	$	583,622,177

The following amounts are reflected in the City of Glendale government-wide statement of net assets:

Cash and invested cash	$	460,404,217
Imprest cash		58,680
Cash with fiscal agents		27,673,006
Investment-gas/electric commodity		4,749,263
Designated cash and investments		90,737,011
Total	$	583,622,177

Authorized Investments

Under provisions of the City's investment policy, and in accordance with California Government Code Section 53601, the City Treasurer may invest or deposit in the following types of investments:

	Maximum Maturity	Maximum % of Portfolio
U.S. Treasuries	5 years	100%
Federal Agencies	5 years	100%
Medium Term Corporate Notes	5 years	15%
Commercial Paper (A1, P1 minimum rating)	180 days	15%
Bankers Acceptance	180 Days	30%
Negotiable Certificates of Deposit	1 year	30%
Local Agency Investment Fund (State Pool)	N/A	LAIF maximum
Money Market Mutual Funds	90 days	5%
Time Deposits	1 year	10%

Investments in Medium Term Corporate Notes may be invested in Securities rated AA or better by Moody's or Standard and Poor's rating services and no more than 5% of the market value of the portfolio may be invested in one corporation. Maximum participation in Bankers Acceptance is limited to 10% per bank.

Investments Authorized by Debt Agreements

The Provisions of debt agreements, rather than the general provisions of the California Government Code or the City's investment policy, governs investments of debt proceeds held by bond fiscal agents. Permitted investments are specified in related trust agreements.

No maximum percentage of the related debt issue or maximum investment in one issuer is specified.

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that fluctuations in market rates may adversely affect the fair value of an investment, generally, the longer the maturity of an investment the greater the sensitivity of its fair value to the changes in market interest rates. The City manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

			Remaining Maturity (in Months)			
			12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Commercial Paper	$	19,853,381	19,853,381	-	-	-
Federal Agency Term Notes		19,737,520	14,620,332	5,117,188	-	-
U.S. Government Agency Callable Bonds		288,386,903	-	109,187,689	179,199,214	-
Corporate Notes		30,639,735	10,625,942	-	20,013,793	-
Corporate Callable Notes		4,945,105	-	4,945,105	-	-
Negotiable Certificates of Deposits		14,000,000	14,000,000	-	-	-
Banker's Acceptances		987,506	987,506	-	-	-
State Investment Pool		145,492,757	145,492,757	-	-	-
Money Market		31,743,138	31,743,138	-	-	-
Held by Fiscal Agents						
Federal Agency Term Notes		5,061,696	5,061,696	-	-	-
Guaranteed Investment Contracts		11,156,359	-	-	-	11,156,359
Money Market		11,454,950	11,454,950	-	-	-
	$	583,459,050	253,839,702	119,249,982	199,213,007	11,156,359

The City assumes that callable investments will not be called.

Disclosures Relating to Credit Risks

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City invests only in the most risk-adverse instruments, such as AAA-rate government securities, and AAA or AA-rate corporate securities.

			Rating as of Year End				
			AAA	AA	Aa2	A1,P1	Unrated
Commercial Paper	$	19,853,381	-	-	-	19,853,381	-
Federal Agency Term Notes		19,737,520	19,737,520	-	-	-	-
U.S. Government Agency Callable Bonds		288,386,903	288,386,903	-	-	-	-
Corporate Notes		30,639,735	8,109,389	22,530,346	-	-	-
Corporate Callable Notes		4,945,105	4,945,105	-	-	-	-
Negotiable Certificates of Deposit		14,000,000	-	-	-	14,000,000	-
Banker's Acceptances		987,506	-	-	-	-	987,506
State Investment Pool		145,492,757	-	-	-	-	145,492,757
Money Market		31,743,138	31,743,138	-	-	-	-
Held by Fiscal Agents							
Federal Agency Term Notes		5,061,696	5,061,696	-	-	-	-
Guaranteed Investment Contracts		11,156,359	-	-	11,156,359	-	-
Money Market		11,454,950	11,454,950	-	-	-	-
	$	583,459,050	369,438,701	22,530,346	11,156,359	33,853,381	146,480,263

Concentration on Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stated above. Investments in any one issuer that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
LAIF	State Investment Pool	$ 145,492,757
FFCB	Federal Agency Callable Bonds	18,385,156
	Total	18,385,156
FHLB	Federal Agency Term Notes	17,223,750
FHLB	Federal Agency Callable Bonds	113,281,094
	Total	130,504,844
FHLMC	Federal Agency Term Notes	2,513,770
FHLMC	Federal Agency Callable Bonds	121,902,892
	Total	124,416,662
FNMA	Federal Agency Callable Bonds	30,994,688
	Total	$ 30,994,688

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Entity's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2008, the carrying amount of the City's deposits was $163,127 and the corresponding bank balance was $7,060,108. The difference of $6,896,981 was principally due to outstanding warrants, wires and deposits in transit. Of the Bank balance, $100,000 was insured by the FDIC depository insurance and $6,960,108 was uncollateralized and not insured by FDIC depository insurance.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair market value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

IV. Changes in Capital Assets

Activity in Capital Assets during the year ended June 30, 2008 is as follows:

		Primary Government			
		Balance at July 1	Increases	Decreases / Reclass	Balance at June 30
Governmental activities - Housing, health and community development:					
Capital assets not being depreciated					
Land	$	28,917,992	-	-	28,917,992
Construction in progress		3,419,846	3,430,453	(2,690,594)	4,159,705
Total assets not being depreciated		32,337,838	3,430,453	(2,690,594)	33,077,697
Other capital assets					
Building and improvements		8,789,675	2,560,573	2,690,594	14,040,842
Machinery and equipment		653,828	-	-	653,828
Total other capital assets at cost		9,443,503	2,560,573	2,690,594	14,694,670
Less accumulated depreciation:					
Building and improvements		2,456,378	197,779		2,654,157
Machinery and equipment		557,015	16,136		573,151
Total accumulated depreciation		3,013,393	213,915	-	3,227,308
Total assets being depreciated		6,430,110	2,346,658	2,690,594	11,467,362
Governmental activities capital assets, net	$	38,767,948	5,777,111	-	44,545,059

Depreciation expense of $213,915 has been allocated to housing and community development.

V. Property Held for Resale

The following is a list of property held for resale at June 30, 2008:

Purpose	Acquisition Date	Location		Carrying Value
North Central	Dec-87	820 N. Central	$	825,000
				825,000
Other	Aug-82	111 E. Wilson		351,649
	Mar-86	225 W. Wilson		1,012,913
	Jun-04	216-218 S. Brand		2,884,912
				4,249,474
Housing Project	Oct-07	331-335 Doran		4,801,683
				4,801,683
Total			$	9,876,157

VI. Outstanding Indebtedness and Changes in Long-Term Debt

A summary of outstanding bonds payable at June 30, 2008 is as follows:

		Outstanding at June 30, 2007	Additions	Retirements	Outstanding at June 30, 2008	Due within one year
Governmental Activities						
2002 Tax Allocation Bond	$	40,440,000	-	2,035,000	38,405,000	2,100,000
2003 Tax Allocation Bond		52,130,000	-	2,555,000	49,575,000	2,680,000
2002 Bond Premium		1,531,470	-	105,619	1,425,851	105,619
2003 Bond Premium		2,081,929	-	145,251	1,936,678	145,251
Deferred amount on refunding - 2003 Tax Allocation Bond		(2,668,446)	-	(200,134)	(2,468,313)	(200,134)
Total bonds payable		93,514,953	-	4,640,736	88,874,216	4,830,736
Due to the City of Glendale		67,666,656	2,835,232	2,000,000	68,501,888	2,000,000
Total long term liabilities	$	161,181,609	2,835,232	6,640,736	157,376,104	6,830,736

The Agency's outstanding bonds payable carry certain provisions unique to each issue and are summarized as follows:

2002 Tax Allocation Bonds

The Agency issued $48,015,000 in tax allocation bonds with an average rate of 4.5% to fund economic development activities of the Agency primarily relating to the Town Center development, to fund a reserve account for the Bonds, and to pay the expense of the Agency in connection with the issuance of the Bonds. The 2002 Bonds mature in regularly increasing principal amounts ranging from $2,100,000 to $3,655,000 from 2009 to 2022. The bond indebtedness is secured by a pledge of 80% of all incremental property taxes allocated to and received by the Agency for the Central Project Area. The bonds maturing on or before December 1, 2012, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2013, are subject to redemption at the option of the Agency on any interest payment date at a price ranging from 101% to 100% of the principal value. The City Treasurer shall invest the bond proceeds in government securities.

2003 Tax Allocation Refunding Bonds

The Agency issued $58,880,000 in 2003 tax allocation refunding bonds with an average rate of 4.18% to pay Agency's outstanding Central Glendale Redevelopment Project 1993 Tax Allocation Bonds (the "Prior Bonds") with an average interest rate of 5.5%, and to pay the cost of issuance of the 2003 Bonds. The 2003 Bonds mature in regularly increasing principal amounts ranging from $2,680,000 to $4,520,000 from 2009 to 2022. The bond indebtedness is secured by a pledge of 80% of all incremental property taxes allocated to and received by the Agency for the Central Project Area on parity with the Agency's previously issued 2002 Tax Allocation Bonds. The bonds maturing on or before December 1, 2013, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2014 are subject to redemption prior to maturity at the option of the Agency and by lot within a maturity, from any source of available funds at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The annual requirements (including payments to sinking fund) to amortize all bonded indebtedness outstanding as of June 30, 2008:

Fiscal Year		Interest	Principal	Total
2009	$	3,808,478	4,780,000	8,588,478
2010		3,599,090	4,980,000	8,579,090
2011		3,377,753	5,195,000	8,572,753
2012		3,177,503	5,425,000	8,602,503
2013		2,962,328	5,600,000	8,562,328
2014-2018		10,844,713	31,445,000	42,289,713
2019-2022		3,015,251	30,555,000	33,570,251
	$	30,785,116	87,980,000	118,765,116

The Agency has complied with all bond covenants on outstanding debt issues.

Due to the City of Glendale

The Agency and the City have entered into various agreements, which provide for the reimbursement to the City from the Agency for expenditures incurred by the City on behalf of the Agency. The expenditures incurred by the City represent improvements made by the City to the Agency's redevelopment projects. These agreements are to be paid when funds are available. All of the agreements accrue interest at the average annual City investment portfolio rate.

The following table is a summary of changes in the amounts due to the City under these agreements:

	Date of	Balance at 6/30/07			Additions		Reductions	Balance at 6/30/08		
Project	Agreement	Principal	Interest	Total	Principal	Interest		Principal	Interest	Total
Central Project										
South Brand Improvement	May 1977	$ -	2,546,049	2,546,049	-	106,679	-	-	2,652,728	2,652,728
Glenoaks Improvement	Oct 1977	659,667	3,138,917	3,798,584	-	159,161	-	659,667	3,298,078	3,957,745
Parking lots transferred to the Agency	Apr 1983	3,061,550	12,069,804	15,131,354	-	634,004	-	3,061,550	12,703,808	15,765,358
North Brand Improvement	Apr 1983	79,809	3,997,416	4,077,225	-	170,836	-	79,809	4,168,252	4,248,061
Verdugo Utility Improvement	Dec 1985	3,314,492	5,941,548	9,256,040	-	387,828	-	3,314,492	6,329,376	9,643,868
Block 24 Parking Structure	Oct 1985	6,947,217	14,501,567	21,448,784	-	898,704	-	6,947,217	15,400,271	22,347,488
Broadway Improvement	Dec 1985	2,549,097	1,094,828	3,643,925	-	152,680	(1,996,510)	1,647,415	152,680	1,800,095
Central Avenue Improvement	Jun 1988	-	3,350	3,350	-	140	(3,490)	-	-	-
Sub-total		16,611,832	43,293,479	59,905,311	-	2,510,032	(2,000,000)	15,710,150	44,705,193	60,415,343

Project	Date of Agreement	Balance at 6/30/07 Principal	Interest	Total	Additions Principal	Interest	Reductions	Balance at 6/30/08 Principal	Interest	Total
San Fernando Project										
San Fernando Project-Advance	Dec 1996	1,272,006	1,285,896	2,557,902	-	107,176	-	1,272,006	1,393,072	2,665,078
New Business Incentive	Dec 1996	15,500	12,038	27,538	-	1,154	-	15,500	13,192	28,692
Dreamworks	Dec 1996	178,308	110,468	288,776	-	12,100	-	178,308	122,568	300,876
San Fernando Master Plan	Dec 1996	601,731	287,417	889,148		37,255	-	601,731	324,672	926,403
Facade Program	Dec 1996	184,417	23,511	207,928	-	8,712	-	184,417	32,223	216,640
Water Treatment Facilities	Jul 1997	1,600,000	696,213	2,296,213	-	96,211	-	1,600,000	792,424	2,392,424
Grand Central Business	Nov 1997	50,000	19,763	69,763	-	2923	-	50,000	22,686	72,686
Recycling Center	Jul 1996	1,000,000	424,077	1,424,077	-	59,669	-	1,000,000	483,746	1,483,746
Subtotal		4,901,962	2,859,383	7,761,345	-	325,200	-	4,901,962	3,184,583	8,086,545
Grand Total		$ 21,513,794	46,152,862	67,666,656	-	2,835,232	(2,000,000)	20,612,112	47,889,776	68,501,888

VII. Employee Retirement System and Plans

Plan Description

The City contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the state of California.

All full-time employees, which includes both safety and general employees, are required to participate in the single CalPERS plan, in which all related benefits vest after five years of service. Upon five years of service, employees who retire at age 50 or older are entitled to receive an annual retirement benefit. The benefit is payable monthly for life. The benefit is calculated as follows: years of credited service multiplied by their highest twelve consecutive months of salary multiplied by a percentage factor. This percentage factor is age-based – public safety employees use the 3% at age 50 factor and general employees use the 2.5% at age 55 factor. The system also provides death and disability benefits. CalPERS issues a publicly available financial report that includes financial statements and required supplemental information of participating public entities within the state of California. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

Funding Policy

CalPERS is a contributory plan deriving funds from employee and employer contributions as well as earnings from investments. According to the plan, the City's general employees are required to contribute 8% of their annual salary and the City's safety employees are required to contribute 9% of their annual salary. The City is also required to contribute at an actuarially determined rate. The City's contribution rate for safety members starting on July 1, 2007 was 24.172%. The City's contribution rate for general members starting on July 1, 2007 was 10.866%. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

Contributions to CalPERS totaling $21,903,947 were made during the fiscal year ending June 30, 2008 in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2005. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.75% a year compounded annually (net of administrative expenses), (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45%, (c) no additional projected salary increases attributable to seniority/merit and (d) no post retirement benefit increases. The actuarial value of the City's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen year period depending on the size of investment gains and/or losses. CalPERS uses the entry-age-normal-actuarial-cost method, which is a projected-benefit-cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued. According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from date of employment until retirement. In addition, the employer's total normal cost is expressed as a level percentage of payroll. CalPERS also uses the level-percentage-of-payroll method to amortize any unfunded actuarial liabilities. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20 year period. Gains and losses that occur in the operation of the plan are amortized over a rolling 30 year period. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization. See note X for further discussion on CalPERS results subsequent to June 30, 2008.

Three year Trend Information

Fiscal year ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/06	$17,792,610	100%	0
6/30/07	$20,138,463	100%	0
6/30/08	$21,903,947	100%	0

Schedule of Funding Progress (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets <a>	Actuarial Accrued Liability <AAL> – Entry Age <b>	(Unfunded AAL) / Over-funded AAL <a-b>	Funded Ratio <a/b>	Covered Payroll <c>	(Unfunded AAL)/ Overfunded AAL as a Percentage of Covered Payroll <(a-b)/c>
6/30/2005	$854,260,613	929,960,421	(75,699,808)	91.9%	131,264,713	(57.7%)
6/30/2006	$913,955,041	$1,006,837,400	(92,882,359)	90.8%	134,183,520	(69.2%)
6/30/2007	$989,601,219	$1,082,217,007	(92,615,788)	91.4%	139,213,403	(66.5%)

VIII. Risk Management

The Agency contracts with the City for unemployment and workers' compensation insurance. For purposes of general liability, the Agency is self-insured.

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City retains risks for the following types of liabilities: workers' compensation insurance (up to $2,000,000 per occurrence), unemployment insurance, post employment benefits, general auto, dental, medical and vision as well as public liability (up to $2,000,000) through separate Internal Service Funds. The City purchased several commercial insurance policies from third-party insurance companies for errors and omissions of its officers and employees, destruction of assets and natural disasters as well as excess workers' compensation and general public liability claims. There were no significant settlements or reductions in insurance coverage from settlements for the past three years.

Operating funds are charged a premium and the Internal Service Funds recognize the corresponding revenue. Claims expenses are recorded in the Internal Service Funds. Premiums are evaluated periodically and increases are charged to the operating funds to reflect recent trends in actual claims experience and to provide sufficient reserve for catastrophic losses.

Claims payable liability has been established in these funds based on estimates of incurred but not reported and litigated claims. Management believes that provisions for claims at June 30, 2008 are adequate to cover the cost of claims incurred to date. However, such liabilities are, by necessity, based upon estimates and there can be no assurance that the ultimate cost will not exceed such estimates.

A reconciliation of the changes in the aggregate liabilities for claims of the City of Glendale for the current fiscal and the prior fiscal year are as follows:

Fiscal Year	Beginning Balance	Claims and Changes	Claim Payments	Ending Balance
2006-07	$25,947,000	$29,856,000	$25,966,000	$29,837,000
2007-08	29,837,000	38,052,000	36,583,000	31,306,000

IX. Commitments and Contingencies

The Agency is involved in litigation in the normal course of business. In the opinion of management, based on consultation with the City Attorney, these cases, in the aggregate, are not expected to result in a material adverse financial impact to the Agency. Additionally, Agency management believes that sufficient reserves are available to the Agency to cover any potential losses should an unfavorable outcome materialize.

In December 2000, the Agency entered into an Owner Participation Agreement with Walt Disney World Co., a Florida corporation for the Grand Central Creative Campus (GC3) project in the San Fernando Road Corridor Project Area. The purpose of this agreement is to effectuate the Redevelopment Plan for the project area by providing for the development of a landscaped, campus environment, consisting of a mix of media related/entertainment use including media offices, high bay, sound stage production facilities and related auxiliary uses. The term of this project is 32 years. The Agency has committed to pay the Walt Disney World Co. approximately $128.7 million for the duration of this agreement.

X. Subsequent Event

The recent turmoil in the financial markets has been unprecedented. CalPERS has notified the City that as of June 30, 2008 the fair value of the Retirement System's total portfolio was approximately $239 billion (unaudited). As of October 31, 2008, CalPERS has estimated the fair value to be $189 billion (unaudited), which represents a decrease of $50 billion, or 21%, during the first four months in fiscal year 2009 (all values are based on available unaudited information). Changes in the value of the Retirement System assets are the result of gains and losses in investments and the variability of cash flows. The market continues to be volatile after October 31, 2008, but this cutoff date was chosen because it is the most recently closed period in CalPERS management's monthly investment reporting process and a reasonable cut off period for disclosure of subsequent events to the fiscal year 2008 financial statements.

As is the case with most retirement systems, CalPERS is exposed to general market risk. This general market risk is reflected in asset valuations fluctuating with market volatility. Any impact from market volatility on the Retirement System depends in large measure on how deep the market downturn is, how long it lasts, and how it fits within fiscal year reporting periods. The resulting market risk and associated realized and unrealized gains and losses could impact the financial condition of the

Retirement System and the City's required contribution to the Retirement System. The reader of these financial statements is advised that financial markets continue to be volatile and are experiencing significant changes on almost a daily basis.

The good news is that cushioning the impact of investment set backs is the fact that CalPERS experienced double digit gains in the four years leading up to the 2007-2008 fiscal year. In previous down markets, flat or negative investment returns contributed substantially to increases in employer contributions the following year. However, CalPERS rate stabilization policies now spread market gains and losses over 15 years, thus reducing the volatility of employer rates.

In July 2008, the Housing Authority of the City approved the execution of letter of loan commitment with Vassar City Lights, a California Limited Partnership, in support of a development of an affordable 72-unit rental housing project at 3685 San Fernando Road. In order to provide an interim commitment of funds, City Council approved reserving $12.1 million of City's general fund on an interim basis until an award of tax credits has been announced and a permanent source of funding has been secured.

In August 2008, the Housing Authority of the City entered a purchase and sale agreement for the acquisition of Fifth & Sonora property. The total cost for acquisition of the property is $6 million. The deposit, $100,000, was paid in August 2008, and the remaining balance was paid in October 2008.

XI. Pronouncement Issued but Not yet Adopted

Governmental Accounting Standards Board Statement No. 49

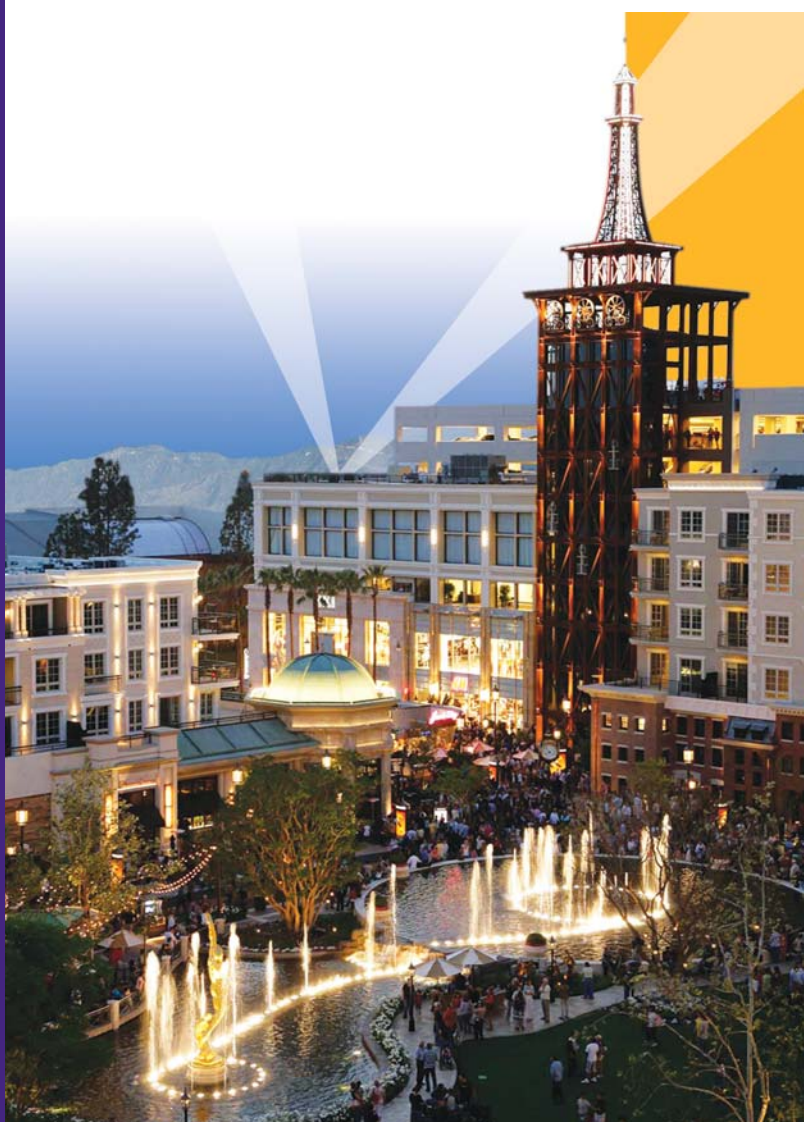
On December 1, 2006, the Governmental Accounting Standards Board (GASB) issued Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. This Statement identifies the circumstances under which a governmental entity would be required to report a liability related to pollution remediation. According to the standard, a government would have to estimate its expected outlays for pollution remediation if it knows a site is polluted and if various recognition triggers occur. Liabilities and expenses would be estimated using an "expected cash flows" measurement technique, which is used by environmental professionals. Statement 49 also will require governments to disclose information about their pollution obligations associated with clean up efforts in the notes to the financial statements. Statement 49 will be effective for financial statements for periods beginning after December 15, 2007, but liabilities should be measured at the beginning of that period so that beginning net assets can be restated. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 53

In June 2008, the GASB issued Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. Statement No. 53 also addresses hedge accounting requirements, which includes a government's objective for entering into the derivative instrument, significant terms of the derivative instrument, and the net cash flows of derivative instruments that hedge debt. The disclosure also should highlight the risks to which derivative instruments expose a government. Statement No. 53 is effective for financial statements for reporting periods beginning after June 15, 2009.

STATISTICAL SECTION

Year Ending - June 30, 2008



SUPPLEMENTAL INFORMATION

GLENDALE REDEVELOPMENT AGENCY
Computation of Low-Moderate Income Housing Excess/Surplus Funds
Year Ended June 30, 2008

Fund Balance - Beginning Of Year			$	17,104,357
Less unavailable funds - included in beginning fund balance:				
Prepaid items				(44,774)
Encumbrances				(2,450,940)
Total unavailable funds				(2,495,714)
Available Fund Balance - Beginning of Year				14,608,643
Current year proceeds/uses (actual plus changes in unavailable):				
Proceeds				8,560,583
Uses				(8,965,463)
Changes in unavailable amounts				(7,478,250)
Available Fund Balance - End of Year for Excess Surplus				6,725,513
Does available fund balance for excess/surplus exceed $1,000,000? If so, enter available fund balance and evaluate that amount against tax increment. If less, enter zero.				6,725,513
Does available fund balance for excess/surplus exceed the greater of prior years' set aside deposits or $1,000,000?				
Fiscal year 2003-04	$	4,399,198		
Fiscal year 2004-05		5,548,095		
Fiscal year 2005-06		5,586,152		
Fiscal year 2006-07		5,883,417		
Total set-aside deposited into fund		21,416,862		
Greater of the tax increment deposits or $1,000,000				21,416,862
Excess/surplus Funds				
Available fund balance for excess/surplus less prior four years' tax increment set-aside deposits				-
Reconciliation to Ending Fund Balance				
Ending GAAP fund balance				16,699,477
Available fund balance - end of year above				6,725,513
Add unavailable funds - end of year:				
Prepaid items		1,834		
Land held for resale		4,801,683		
Encumbrances		5,170,447		
Total unavailable funds				9,973,964
Computed Ending Fund Balance			$	16,699,477

Note: About $6 million of the fund balance has already been used to purchase Fifth & Sonora property in August 2008.

Statistical Section

This section of the Glendale Redevelopment Agency's (the Agency) annual financial report presents detail information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Agency's overall financial health.

Contents **Page**

Sources:
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.
The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Schedule 1
GLENDALE REDEVELOPMENT AGENCY
Net Assets by Component,
Last Five Fiscal Years
(accrual basis of accounting)

		Fiscal Year				
		2008	2007	2006	2005	2004
Governmental activities						
Invested in capital assets, net of related debt	$	44,545,059	38,767,948	11,726,265	11,189,750	10,687,765
Restricted		34,932,685	35,343,090	31,630,096	28,930,258	30,493,840
Unrestricted		(109,024,287)	(108,018,108)	(62,103,499)	(58,156,889)	(77,532,216)
Total governmental activities net assets	$	(29,546,543)	(33,907,070)	(18,747,138)	(18,036,881)	(36,350,611)

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 2
GLENDALE REDEVELOPMENT AGENCY
Changes in Net Assets, Governmental Activities
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
Expenses					
Governmental activities:					
Community Development	$ 31,450,614	41,560,416	24,418,076	12,323,320	18,351,024
Education	674,567	762,221	2,172,712	2,665,235	1,417,840
Housing Assistance	2,252,232	2,364,578	6,840,749	3,666,430	3,118,069
Interest and fiscal charges on bonds	6,948,194	6,913,591	6,401,819	6,870,131	6,080,165
Total governmental activities expenses	41,325,607	51,600,806	39,833,356	25,525,116	28,967,098
General Revenues					
Property Taxes	32,334,226	29,417,084	27,930,762	27,740,477	21,995,982
Revenue from other sources	2,244,114	1,249,433	1,415,830	1,457,976	1,158,263
Investment Earnings	3,332,484	3,982,189	1,903,977	3,314,708	1,361,003
Sale of Property	5,980,175	-	-	-	-
Miscellaneous	1,795,135	1,792,168	7,872,529	2,131,740	1,593,606
Total governmental activities revenues	45,686,134	36,440,874	39,123,098	34,644,901	26,108,854
Change in Net Assets	$ 4,360,527	(15,159,932)	(710,258)	9,119,785	(2,858,244)

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 3
GLENDALE REDEVELOPMENT AGENCY
Fund Balances, Governmental Funds
Last Five Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
All Governmental Funds					
Reserved	$ 31,712,763	27,838,511	86,695,784	104,990,606	132,914,751
Unserved, reported in:					
Special revenue funds	47,968,806	56,920,839	44,394,280	31,647,066	(76,673,986)
Debt service funds	1,461,689	1,446,301	1,007,588	537,161	245,999
Total all governmental funds	$ 81,143,258	86,205,651	132,097,652	137,174,833	56,486,764

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 4

GLENDALE REDEVELOPMENT AGENCY

Changes in Fund Balances, Governmental Funds,
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2008	2007	2006	2005	2004
Revenues					
Property taxes	$ 32,334,226	29,417,085	27,930,762	27,740,477	21,995,982
Revenue from other agencies	2,244,114	1,249,433	1,415,830	1,457,976	1,158,263
Charges for services	25,493	18,094	14,156	13,476	50,092
Use of money and property	3,332,484	3,982,189	1,903,977	3,314,708	1,361,003
Sale of Property	5,980,175	-	-	-	-
Miscellaneous revenue	1,795,135	1,792,168	7,741,529	2,131,740	1,593,606
Total Revenues	45,711,627	36,458,969	39,006,254	34,658,377	26,158,946
Expenditures					
Community development					
County property tax administration	575,213	533,882	446,302	429,431	468,275
Pass through	4,850,758	3,290,846	2,363,262	2,449,604	1,946,043
Lease	-	-	-	-	-
Administration	4,048,486	3,615,644	4,148,175	3,526,168	3,505,836
Housing and community development	-	-	-	5,194,549	-
Housing assistance	7,711,599	8,032,420	12,812,868	4,905,459	3,118,069
Education	966,927	762,221	2,172,713	2,665,235	1,417,840
Capital outlay	-	-	-	-	1,656,548
Capital projects	22,027,034	55,511,979	11,613,545	-	12,778,151
Debt service					
Principal retirement	4,590,000	4,415,000	4,235,000	3,865,000	1,810,000
Interest on bonds	4,004,003	4,188,978	4,366,228	4,510,878	3,626,303
Interest on debt to City	2,000,000	2,000,000	1,925,343	1,747,112	2,425,884
Bond issuance costs	-	-	-	-	2,119,724
Total Expenditures	50,774,020	82,350,970	44,083,436	29,293,436	34,872,673
Excess of revenues over (under) expenditures	(5,062,393)	(45,892,001)	(5,077,182)	5,364,941	(8,713,727)
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	58,880,000
Bond Premium	-	-	-	-	2,614,516
Payment to refund bond escrow agent	-	-	-	-	(62,110,057)
Total other financing sources (uses)	-	-	-	-	(615,541)
Net change in fund balances	$ (5,062,393)	(45,892,001)	(5,077,182)	5,364,941	(9,329,268)
Debt service as a percentage of noncapital expenditures	16.9%	10.4%	19.5%	28.6%	16.4%

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Schedule 5
GLENDALE REDEVELOPMENT AGENCY
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

CENTRAL PROJECT

Fiscal Fiscal Year Ended June 30,		Residential Property	Commercial Property	Industrical Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
1999	$	22,759,593	980,702,797	486,213	443,998,192	17,516,935	1,430,429,860	0.96251%
2000		23,236,942	1,027,726,449	495,219	470,622,757	17,684,871	1,504,396,496	0.96474%
2001		24,212,155	1,097,337,020	505,120	511,720,720	17,882,803	1,615,892,212	0.96763%
2002		25,518,693	1,204,413,494	515,220	489,187,085	47,371,341	1,672,263,151	0.96750%
2003		26,493,568	1,199,413,948	389,085	486,471,152	19,695,735	1,693,072,018	0.96604%
2004		27,665,076	1,463,270,142	230,324	356,955,098	21,433,219	1,826,687,421	0.96817%
2005		29,877,704	1,446,991,423	445,978	332,275,533	25,735,851	1,783,854,787	0.96666%
2006		31,630,612	1,813,450,519	454,895	280,192,474	23,595,646	2,102,132,854	0.97197%
2007		35,233,648	2,063,042,651	463,991	265,799,833	24,281,561	2,340,258,562	0.97484%
2008		36,408,500	2,137,310,568	473,269	261,619,625	12,425,211	2,423,386,751	0.97477%

SAN FERNANDO PROJECT

Fiscal Year		Residential Property	Commercial Property	Industrical Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
1999		37,622,033	184,398,325	377,779,531	248,952,498	6,674,177	842,078,210	0.28816%
2000		34,495,286	200,707,852	473,573,659	257,888,478	6,674,177	959,991,098	0.37706%
2001		39,359,563	213,346,867	495,418,690	262,540,046	5,997,902	1,004,667,264	0.40519%
2002		41,218,131	253,273,963	521,580,430	272,607,355	7,032,554	1,081,647,325	0.44679%
2003		43,289,483	255,853,643	547,927,656	278,207,133	6,608,376	1,118,669,539	0.45562%
2004		47,992,035	269,460,004	569,883,674	272,999,506	7,256,666	1,153,078,553	0.47241%
2005		50,649,950	290,255,268	577,572,900	265,763,772	7,986,504	1,176,255,386	0.48331%
2006		50,273,647	335,262,700	563,158,656	258,063,573	10,236,063	1,196,522,513	0.49332%
2007		59,104,883	368,785,488	603,894,398	309,711,226	16,291,455	1,325,204,540	0.54376%
2008		61,694,400	447,241,491	623,364,706	309,040,276	16,712,746	1,424,628,127	0.57724%

Notes:

(1) In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new asssessed value is assessed at the puchased price of the property sold. The assessed valuation data shown above represents the only data currently available with respect the actual market value of taxable property and is subject to the limitations described above.
(2) Total direct tax rate is the weighted average of all individual direct rates, calculated by HdL Coren & Cone.

Not covered by independent auditor's report

Schedule 6
GLENDALE REDEVELOPMENT AGENCY
Direct and Overlapping Property Tax Rates
Last Three Fiscal Years

				Overlapping Rates				
Fiscal Year	City Basic Rate	Redevelopment Agency Rate	Total Direct Tax Rate	City of Glendale Area	Flood Control District	Detention Facilities	Glendale Community College District	Glendale Unified School District
2006	0.13687%	1.00600%	0.25043%	0.00520%	0.00005%	0.00080%	0.01858%	0.05220%
2007	0.13687%	1.00541%	0.25543%	0.00470%	0.00005%	0.00066%	0.02214%	0.05205%
2008	0.13687%	1.00450%	0.25637%	0.00450%	0.00000%	0.00000%	0.02408%	0.04742%

Note: In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the property resides within. Due to the passage of the Proposition 13, the City of Glendale levies no tax but receives a portion (0.13687%) of the County's 1% rate apportioned on a complex formula. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the various voter-approved bonds.

The rates are calculated by HdL Coren & Cone.

The data prior to FY2006 are not available.

Not covered by independent auditor's report

Schedule 7

GLENDALE REDEVELOPMENT AGENCY

Property Tax Levies and Collections

Last Seven Fiscal Years

	Redevelopment Agency					
		Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2002	$ 20,012,000	$ 17,532,343	87.6%	$ 472,385	$ 18,004,728	90.0%
2003	21,931,000	21,704,431	99.0%	510,374	22,214,805	101.3%
2004	23,474,000	21,405,782	91.2%	590,200	21,995,982	93.7%
2005	28,488,937	26,662,156	93.6%	1,078,321	27,740,477	97.4%
2006	26,505,326	25,798,484	97.3%	2,132,278	27,930,762	105.4%
2007	29,117,851	27,415,326	94.2%	2,001,758	29,417,084	101.0%
2008	31,204,888	30,982,192	99.3%	1,352,034	32,334,226	103.6%

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 8
GLENDALE REDEVELOPMENT AGENCY
Ratios of Outstanding Debt by Type,
Last Seven Fiscal Years

Fiscal Year	Parking Lease Revenue Bonds Series A	Refunding Parking Lease Revenue Bonds Series 1976	1993 Tax Allocation Bond	2002 Tax Allocation Bond	2003 Tax Allocation Bond	(1) Total Primary Government	(2) Total Personal Income	Percentage of Personal Income	(3) Population	per Capita
2002	$ 440,000	$ 1,025,000	$ 61,250,000	$ -	$ -	$ 62,715,000	$ 8,352,544,200	0.75%	200,200	313
2003	-	-	59,315,000	49,968,945	-	109,283,945	8,458,807,587	1.29%	202,747	539
2004	-	-	-	48,053,327	58,128,833	106,182,160	7,743,409,110	1.37%	205,341	517
2005	-	-	-	46,082,708	56,183,716	102,266,424	7,805,405,942	1.31%	207,007	494
2006	-	-	-	44,057,089	53,923,600	97,980,689	8,015,891,032	1.22%	206,308	475
2007	-	-	-	41,971,470	51,543,482	93,514,952	10,994,029,147	0.85%	207,157	451
2008	-	-	-	39,830,852	49,043,366	88,874,218	11,274,312,568	0.79%	207,157	429

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) Source: Sales and Marketing Management: Survey of Buying Power and Media Markets

(3) California State Department of Finance, January 1 of every year.

(4) City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 9

GLENDALE REDEVELOPMENT AGENCY

Pledged-Revenue Coverage

Last Seven Fiscal Years

	Tax Allocation Bonds					
Fiscal Year	Property Tax Increment	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2002	5,640,244	-	5,640,244	1,845,000	3,441,790	1.07
2003	5,925,738	-	5,925,738	1,935,000	4,365,934	0.94
2004	6,033,031	-	6,033,031	1,810,000	3,626,303	1.11
2005	8,375,878	-	8,375,878	3,865,000	4,510,878	1.00
2006	8,601,228	-	8,601,228	4,235,000	4,366,228	1.00
2007	8,606,978	-	8,606,978	4,415,000	4,188,978	1.00
2008	8,194,003	-	8,194,003	4,590,000	4,004,003	0.95

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 10
GLENDALE REDEVELOPMENT AGENCY
Principal Employers
Fiscal Year 2008

Employer	Employees		Rank	Percentage of Total City Employment	
CITY OF GLENDALE	2,565	(4)	1	2.59%	(5)
NESTLE COMPANY	2,153	(2)(7)	2	2.18%	(5)
GLENDALE ADVENTIST MED CENTER #262	2,112	(2)	3	2.14%	(5)
GLENDALE COMMUNITY COLLEGE DIST.	1,442	(2)	4	1.46%	(5)
GLENDALE UNIFIED SCHOOL DISTRICT	1,328	(2)(3)	5	1.34%	(5)
GLENDALE MEMORIAL	1,300	(2)	6	1.31%	(5)
PUBLIC STORAGE INC	1,036	(2)	7	1.05%	(5)
WALT DISNEY IMAGINEERING	902	(2)	8	0.91%	(5)
BANK AMERICA NORTH AMERICA	815	(2)	9	0.82%	(5)
ACCO ENGINEERED SYSTEMS	786	(2)	10	0.79%	(5)

Notes:

(1) Both full-time and hourly employees are included.

(2) Source: Labor Market Information Division, California Employment Development Department, 2007 and 2008

(3) Does not include the individual schools only admin.

(4) City of Glendale Payroll Section, 1,911 full-time employees and 654 hourly employees

(5) % of total employment is calculated using a baseline of 98,900 workers employed in Glendale.

(6) The data for nine years ago are not available, so only current year data are presented.

(7) Includes the three subsidiaries of Nestle in Glendale.

Not covered by independent auditor's report

The total number in the labor force, according to EDD, is 105,400 and the number of people employed in Glendale from the labor force is 98,900. The difference is the number of unemployed people looking for employment.

Schedule 11
GLENDALE REVELOPMENT AGENCY
Market Values of Taxable Properties - Last Ten Fiscal Years

CENTRAL PROJECT

Fiscal year	Market value	Base year (1972)	Net increment	Secured	Unsecured	Total
1973-1974	30,234,870	24,659,336	5,575,534	5,212,254	363,280	5,575,534
1998-1999	1,430,429,860	85,369,720	1,345,060,140	1,214,790,228	130,269,912	1,345,060,140
1999-2000	1,504,396,496	85,369,720	1,419,026,776	1,273,474,724	145,552,052	1,419,026,776
2000-2001	1,615,892,212	85,369,720	1,530,522,492	1,376,060,787	154,461,705	1,530,522,492
2001-2002	1,672,263,151	85,369,720	1,586,893,431	1,416,463,258	170,430,173	1,586,893,431
2002-2003	1,693,072,018	85,369,720	1,607,702,298	1,421,359,089	186,343,209	1,607,702,298
2003-2004	1,826,687,421	85,369,720	1,741,317,701	1,556,323,092	184,994,609	1,741,317,701
2004-2005	1,783,854,787	85,369,720	1,698,485,067	1,547,948,115	150,536,952	1,698,485,067
2005-2006	2,102,132,854	85,369,720	2,016,763,134	1,870,512,297	146,250,837	2,016,763,134
2006-2007	2,340,258,562	85,369,720	2,254,888,842	2,122,309,007	132,579,835	2,254,888,842
2007-2008	2,436,359,001	85,369,720	2,350,989,281	2,215,358,366	135,630,915	2,350,989,281

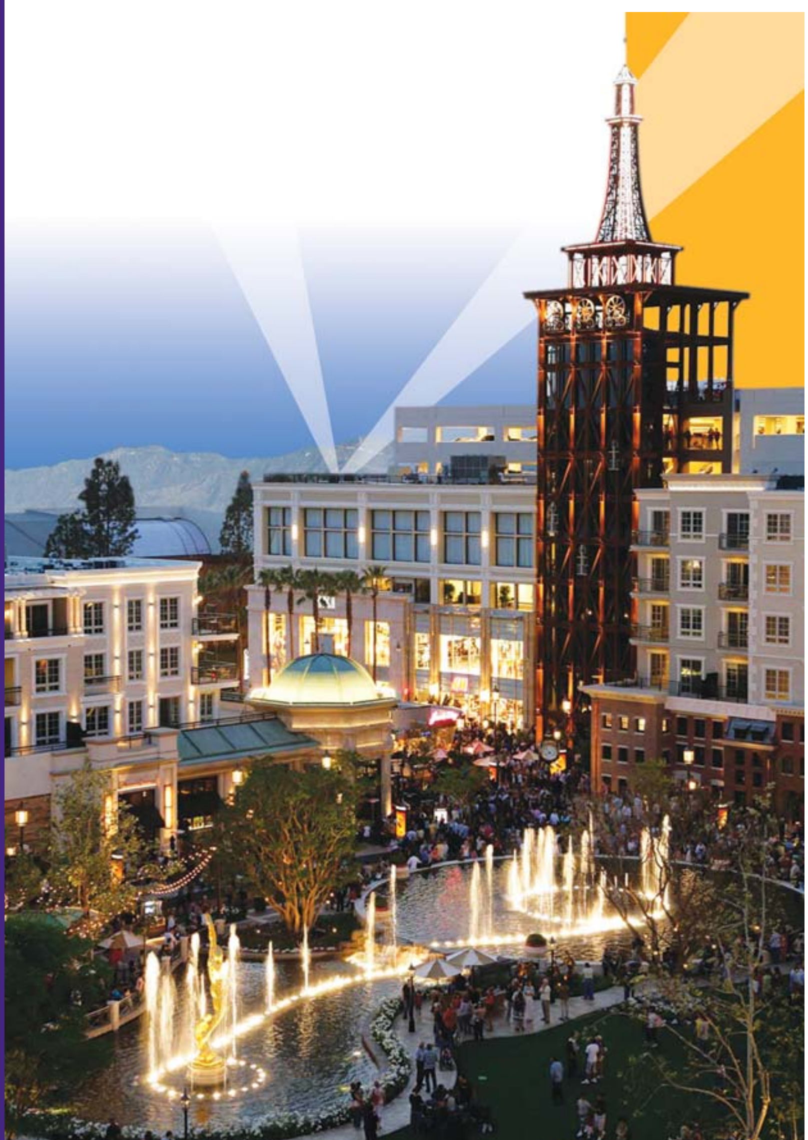
SAN FERNANDO PROJECT

Fiscal year	Market value	Base year (1993)	Net increment	Secured	Unsecured	Total
1994-1995	803,253,974	730,208,374	73,045,600	88,434,431	(15,388,831)	73,045,600
1998-1999	842,078,210	730,208,374	111,869,836	104,611,333	7,258,503	111,869,836
1999-2000	959,991,098	730,208,374	229,782,724	207,205,714	22,577,010	229,782,724
2000-2001	1,004,694,413	730,208,374	274,486,039	249,103,857	25,382,182	274,486,039
2001-2002	1,081,647,325	730,208,374	351,438,951	319,078,669	32,360,282	351,438,951
2002-2003	1,118,669,539	730,208,374	388,461,165	350,487,372	37,973,793	388,461,165
2003-2004	1,153,078,553	730,208,374	422,870,179	391,487,565	31,382,614	422,870,179
2004-2005	1,176,255,386	730,208,374	446,047,012	417,272,459	28,774,553	446,047,012
2005-2006	1,196,522,513	730,208,374	466,314,139	456,956,404	9,357,735	466,314,139
2006-2007	1,325,204,540	730,208,374	594,996,166	545,734,311	49,261,855	594,996,166
2007-2008	1,424,628,127	730,208,374	694,419,753	649,291,558	45,128,195	694,419,753

Source: Taxpayer's Guide compiled under the supervision of the Los Angeles County Auditor-Controller's Office (Tax Division)

COMPLIANCE SECTION

Year Ending - June 30, 2008



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Honorable Chair and Members
Glendale Redevelopment Agency
Glendale, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Glendale Redevelopment Agency (the Agency), a blended component unit of the City of Glendale, California, as of and for the year ended June 30, 2008, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated November 26, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

McGladrey & Pullen LLP is a member firm of RSM International,
an affiliation of separate and independent legal entities.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. This included those provisions of laws and regulations identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies*, issued by the State Controller and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies* issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the members of the Agency, Audit Committee of the City of Glendale, management and the State Controller's Office – Division of Accounting and Reporting, and is not intended to be, and should not be, used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Pasadena, California
November 26, 2008

ACTIVITIES BY GLENDALE REDEVELOPMENT AGENCY
(Not Covered by Independent Auditors' Report)

ACCOMPLISHMENTS-FISCAL YEAR 2007-08

Accomplishment	Expenditures FY 07-08	Blighting Conditions Alleviated	Corresponding Citywide Strategic Goals
CENTRAL GLENDALE REDEVELOPMENT PROJECT AREA			
• Completed development of the Americana at Brand project, including 338 residential units, 475,000 SF of destination retail, an 18 screen movie theatre, a 2,700 space parking garage, and three acres of public open space.	$12,903,019	Defective Design and Character; Age, Obsolescence, Deterioration, Dilapidation, Mixed Character or Shifting of Uses; Depreciated or Stagnant Property Values or Impaired Investments; Abnormally Low Lease Rates, High Business Turnover Rates, Abandoned Buildings, or Excessive Vacant Lots	Housing, Sense of Community, Parks and Open Space, Economic Vitality, community and Planning Character
• Completed construction of the 272 room Embassy Suite Hotel project.	$5,157	Conditions that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots	Economic Vitality
• Completed sale and entitlement assistance of the two phase DPSS project with 68,000 SF of media office space, a public paseo with a public art component, and 61 residential units.	$3,667,755	Building in which it is Unsafe or Unhealthy for Persons to Live and Work; Conditions that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots	Housing, Safe Community, Economic Vitality, Community Planning and Character
• Construction on the 189,000 SF Maguire office project located at 207 W. Goode.	$0	Age, Obsolescence, Deterioration, Dilapidation, Mixed Character or Shifting Uses	Economic Vitality
• Provided ongoing management and coordination of the Alex Theatre operations. Complete waterproofing repairs, upgrades to the orchestra shell, replacement of plumbing fixtures and replacement of lighting console.	$517,079	Defective Design and Character; Age, Obsolescence, Deterioration, and Dilapidation	Safe Community, Arts and Culture, Sense of Community, Community Services and Facilities

• **San Fernando Road Corridor Redevelopment Project Area**			
• Provided project management assistance with Disney (GC3) second phase of development. Reimbursed the first phase of public improvements. Monitor the project for compliance with terms and conditions of the development agreements.	$1,261,734	Factors that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots	Economic Vitality, Community Planning and Character
• Coordinated the permitting and commencement of construction of the 145,000 SF DreamWorks expansion project.	$0	Factors that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots	Economic Vitality, Community Planning and Character
• Provided design review coordination that resulted in the completion of seven (7) façade improvement grant projects..	$139,050	Factors that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots	Economic Vitality, Community Planning and Character, Sense of Community, Trust in Government
• Assisted the Community Development Department in processing and completing the entitlements for the "Algemacs" 68 unit affordable housing project. The project preserves several of the historic signage elements of the original Algemac's restaurant.	$0	Factors that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots	Housing, Sense of Community, Community Planning and Character

WORK PROGRAM-FISCAL YEAR 2008-09
(Not covered by the Independent Auditors' Report)

Goals	Corresponding Citywide Strategic Goals
CENTRAL GLENDALE REDEVELOPMENT PROJECT AREA	
• Complete site clearance and planning for the creation of a pedestrian passageway from the Central Library & Adult Recreation Center to Brand Boulevard.	• Housing, Sense of Community, Parks and Open Space, Economic Vitality, Community Planning and Character
• Coordinate entitlements and construction of proposed hotel projects including: City Center II hotel, proposed 180-room Marriott hotel, and the proposed 172 room Komar hotel project.	• Economic Vitality
• Complete the first phase for the DPSS/Hollywood Productions project, and begin the second phase multi-family component.	• Economic Vitality, Community Planning and Character
• Provide ongoing staff assistance with the management and coordination of the Alex Theatre operations and capital improvement projects. Also support the newly formed Glendale Arts Non-Profit Board.	• Arts and Culture, Sense of Community, Community Services and Facilities
• Complete construction of the Maguire office project located at 207 W. Goode Avenue.	• Economic Vitality
SAN FERNANDO ROAD CORRIDOR REDEVELOPMENT PROJECT AREA	
• Complete construction of the 128,000 SF DreamWorks expansion project.	• Economic Vitality, Community Planning and Character
• Notice of commencement and approval of entitlements of the second phase of the Disney (GC3) project in Spring 2009.	• Economic Vitality, Community Planning and Character
• Begin construction on a mixed-use housing and retail project located on the triangle site between Los Feliz, Central and San Fernando Road.	• Housing , Sense of Community, Economic Vitality, Health and Wellness, Community Planning and Character
• Begin construction of the ICIS multifamily housing project.	• Housing, Sense of Community, Community Planning and Character

ACTIVITIES AFFECTING HOUSING AND DISPLACEMENT
(Not Covered by Independent Auditors' Report)

ACCOMPLISHMENTS – FISCAL YEAR 2007-08

Affordable housing programs and projects described below were funded with Redevelopment Tax-Increment funds set-aside for affordable housing (Redevelopment Set-Aside) and administered by the Housing Authority of the City of Glendale (Housing Authority). In order to provide a complete picture of progress in developing affordable housing, projects funded with federal HOME funds through the Housing Authority are included as well. There were no residential displacement, relocation or demolition activities conducted by the Housing Authority in 2007-08.

I) Increasing Affordable Home Ownership Opportunities

A) New Construction of Ownership Housing

One development project was completed in 2007-08 and progress continued on other affordable home ownership development projects. These projects will result in approximately 51 affordable units for low and moderate-income first time homebuyers and 20 workforce and market rate units based upon design plans that have been completed to date.

Redevelopment Set-Aside Funded Development Projects Completed in FY 2007-08

900 - 910 E. Palmer Habitat

In June 2003, the Housing Authority purchased a commercial property at 900 - 910 E. Palmer Avenue. San Gabriel Valley Habitat for Humanity (Habitat) took ownership of the site and the project was completed as three low income households purchased these homes in June 2008. This project serves First Time Home Buyer (FTHB) large, low income households. Home buyer families each provided a minimum of 500 hours of sweat equity. Major corporations and local businesses provided cash and in-donations. Community volunteer made cash donations and aided in construction. This demonstrates a true community partnership was used to complete this development.

Redevelopment Set-Aside Funded Development Projects Underway in FY 2007-08

339-343 W. Doran Avenue Doran Gardens

The Housing Authority acquired this site in January 2005. A Disposition and Development Agreement (DDA) was approved in December 2005 with Heritage Housing Partners (HHP) a nonprofit housing development corporation. Financing for this project includes New Market Tax Credits, $3.24 million of Redevelopment Set-Aside Funds, State of California BEGIN funds, and CalHFA Residential Development Loan Program funds. Relocation of the three households residing on the site was completed in 2005-06 in accordance with the approved Relocation and Last Resort Housing Plan for 339-343 W. Doran Avenue. The project will be a mixed income level project. Construction will begin in March 2009 and be completed by June 2010.

331-335 W. Doran Avenue Doran II

In September 2007 the site adjacent to the HHP Doran Gardens projects site (described above) was acquired by the Housing Authority for $5 million dollars using Redevelopment Set Aside funds. This site will be developed concurrent with the initial Doran Gardens. Preliminary design plans call for the combined project to develop 57 new units and rehabilitate the 3 existing units. The expanded mixed income project will have 3 market rate units, 17 workforce income units, 34 moderate income units and 6 low income units.

624-630 Geneva

The site at 624-630 Geneva was acquired by the Housing Authority in May 2006. Development of the residentially zoned site for affordable housing will aid in neighborhood revitalization and is appropriate for construction of new units. The site contains 2 existing, vacant single family residential units. Predevelopment efforts were conducted by West Hollywood Housing Development Corporation, a Glendale certified Community Development Housing Organization (CHDO), to determine whether acquisition/rehab of the existing units for affordable rental units is feasible while the overall development plan and financing for the site is still being determined.

HOME Funded Development Projects Underway in FY 2007-08

711-717 N. Kenwood Habitat

The Housing Authority purchased this vacant, residentially zoned site in July 2005. HOME funds in the amount of $1,525,000 of HOME funds have been invested in the project for the development of 11 attached single family home ownership units for large, low income families. The Housing Authority approved the DDA with Habitat in August 2007. Habitat conducted an aggressive fundraising campaign and received over $1 million dollars for construction of the new homes. Construction is underway and will be completed by fall 2009.

B) Home Ownership Education Classes

A program providing free homeownership education courses for households that live and/or work in Glendale is funded through Redevelopment Set-Aside administrative funds. This class encourages households to prepare for the home buying process. A HUD-certified home buyer education and counseling trainer provides information and resources to home buyers on predatory lending practices, budget and credit issues, the mortgage prequalification and approval process, available loan options (including special lending and finance programs available to low and moderate income households), working with realtors and real property options, the loan closing process, fair housing regulations for home buyers, and basic home maintenance. Eight courses were presented to approximately 250 individuals in 2007-08. Two of these classes were provided in foreign languages – one in Armenian and one in Spanish.

C) Downpayment and Closing Cost Assistance

Redevelopment Set-Aside Funded Down Payment Assistance:

The Housing Authority offers two downpayment assistance programs. One is the First Time Home Buyer (FTHB) Program, funded through Redevelopment Set-Aside funds which targets moderate income home buyers from 81 to 120% AMI. The program offers substantial down payments to those who are interested in purchasing an entry level condominium in the City. The FTHB loan, which is a zero-interest, deferred payment mortgage assistance loan of up to $75,000 with an appreciation-share upon payoff, is secured by a second trust deed. This Program is funded by Redevelopment Set-Aside funds and is targeted to moderate income home buyers purchasing an entry level home in the City, usually a condominium unit. However, no loans were closed in 2007-08. The gap between the Affordable Housing Cost for buyers and the market sales price of entry level unit was so great that the program was not feasible under then-current market conditions.

HOME Funded Down Payment Assistance:

The other down payment program is the American Dream Downpayment Initiative Program (ADDI) which is funded through federal HOME funds and targets low income home buyers at 80% and below AMI. In Glendale the ADDI program is only feasible to purchasers of newly constructed Habitat homes as these are heavily leveraged and subsidized through Habitat 0% interest first mortgage loans, private donor contributions, and volunteer labor. ADDI downpayment and closing cost funds were provided to home buyers of the three Habitat units at 900-910 Palmer and are committed to the 711-715 Kenwood Habitat homebuyers. These projects are described in the New Construction of Ownership Housing section of this report.

II) Increasing Affordable Rental Opportunities

During 2007-08, progress was made in creating new affordable rental opportunities in Glendale. Two new rental development projects were initiated at the end of 2007-08 and entered the predevelopment stage in 2008-09 and 5 projects that received funding in prior years continued to progress toward completion. An increasing number of rental development projects are relying on a combination of Redevelopment Set-Aside and HOME funds for financing assistance.

A) New Construction of Rental Housing

Redevelopment Set-Aside Funded Development Projects Underway or Initiated in FY 2007-08

328 Mira Loma St - Metro Loma

This project is located in the San Fernando Redevelopment Project Area (SFRCRPA) and is adjacent to the 1855 Brand Blvd - Metro City Lights development project completed in 2006. This 9% federal tax credit project is also funded with $1.8 million in HOME funds and $3.2 million of Redevelopment Set-Aside Funds. An Affordable Housing Agreement (AHA) and a Ground Lease with the Housing Authority were approved in January 2007. Construction began in June 2007. The project will serve 43 large, low income households. Amenities, including a recreation/open space area, are incorporated into the design of the project. A lottery to identify potential renters for the development was held in September 2008. The project will be complete by January 2009.

3673 San Fernando Road - Glendale City Lights

This project is located in the SFRCRPA. This 9% federal tax credit project is funded with $1.4 million of HOME funds and $8.4 million of Redevelopment Set-Aside Funds. An AHA and a Ground Lease with the Housing Authority were approved in February 2008. Construction began in February 2008. The project will serve 67 large, low income households. The project is will be complete in January 2010.

295, 305, 307 East Garfield Street - Garfield Gardens Revitalization

This 9% federal tax credit project is funded with $3.7 million of HOME funds and $734,000 of Redevelopment Set-Aside Funds. An AHA and Ground Lease were approved in November 2008. The project will serve 29 large, low income households. Construction will begin in December 2008 and will be complete by August 2010.

This project is located in the East Garfield/Holy Family revitalization area. Issues/concerns that were identified for this neighborhood area include crime, deferred property maintenance, substandard housing, density, vacant/undeveloped land, lack of open space, parking (onsite and offsite), condition of street lighting, sidewalks, streets, and curbs, and traffic circulation/alley improvements. A revitalization plan was developed to address many of these concerns in a multi-disciplinary manner, which involves code enforcement, rehabilitation of housing units, improvement of public infrastructure, consideration of zoning standards, creation of open space, and the construction of affordable housing designed to raise the quality of life of residents.

6206 San Fernando Road – Glendale Housing Corporation (UCP)

This project is located in the SFRCRPA. The Housing Authority acquired the property in September 2004. As a result of deferred property maintenance and substandard housing concerns, this property was subject to numerous code enforcement actions over the past 20 years. The Housing Authority committed $3.5 million of Redevelopment Set-Aside Funds to this project for acquisition and related relocation expenses for 28 households. Relocation and demolition was completed in 2005-06. Each household was provided with a rental assistance payment, a fixed moving payment, and technical assistance in finding comparable, appropriate housing. The Housing Authority approved the Relocation and Last Resort Housing Plan for 6206 San Fernando Road in 2005 following required public review and comment.

The Housing Authority provided a predevelopment loan to the developer, United Cerebral Palsy of Los Angeles and Ventura Counties (UCP), to construct 24 permanent affordable units. Several financing layers have been committed including HUD 811 Program funds, developer equity, and State Multi-Family Housing Program. The project will contribute to revitalization of the surrounding neighborhood, as well as provide special needs housing for the developmentally disabled. A DDA was approved in April 2008 with the Glendale Housing Corporation, a UCP subsidiary. The project funding has been revised to $3.2 million of HOME funds and $1.2 million of Redevelopment Set-Aside funds. Construction will begin in January 2008 and be completed by December 2009. The Glendale Housing Corporation is a subsidiary of UCP and has been certified as a CHDO for the purpose of creating community based housing in Glendale.

<u>3685 San Fernando – Vassar City Lights Project</u>

This project was initiated in late 2007-08. The Housing Authority executed a letter of loan commitment in support of development of a 72 unit affordable family rental housing project July 2008. The development will serve large, low income households. The developer has obtained all zoning entitlements and has applied for $19 million in 9% Federal Tax Credits to assist with financing. The project is proposed to be financed with $13.9 million bank loan to be repaid through obligation of future year Redevelopment Set-Aside funds. This project is located in the SFRCRPA. At this time no HOME funds are proposed for this project.

<u>Fifth and Sonora Project</u>

This project was initiated in late 2007-08. In October 2008, the Housing Authority purchased properties at the intersection of Fifth and Sonora Streets. These include 1116 Sonora Street, and 1412, 1414, 1418, 1422 Fifth Street properties, and one un-addressed parcel. The land was purchased for $6 million with Redevelopment Set-Aside funds for a future affordable housing project.

HOME Funded Development Projects Underway or Initiated in FY 2007-08

<u>615 Chester Street</u>

The Housing Authority entered into an AHA with the Salvation Army and will provide $660,000 of HOME funding assistance to develop a 4-unit permanent supportive housing project for formerly homeless families with disabilities. The Salvation Army secured additional financing from the HUD Supportive Housing Program. The project began construction in October 2008 and will be complete by June 2009.

B) <u>Special Programs</u>

The Housing Authority also administers several special programs to assist the unique needs of renter households in Glendale.

<u>Code Enforcement</u>

Code enforcement efforts during 2007-08 resulted in the improvement and preservation of housing for low and moderate-income households in targeted areas. The code enforcement program was augmented with an allocation of approximately $1.1 million of Redevelopment Set-Aside funds.

<u>Section 8 Dwelling Repair</u>

Through this program Redevelopment Set-Aside grant subsidies provide an incentive for owners/managers to rent to the limited number of renters who have recently been awarded a Section 8 voucher and are searching for an appropriate unit. These renters are having increasing difficulty in finding a unit as the rents in Glendale have increased over the years and the Section 8 payment standard has remained stable. The Housing Authority will provide a single grant up to $1,000 for new units to meet habitability requirements for those new voucher holders. Two grants were provided in 2007-08.

Moving Assistance Grants

These grants provide Section 8 Housing Choice Voucher holders with funds for necessary moving expenses to secure an affordable rental unit. The grants were available to reimburse one-half of actual expenses up to $2,500. During 2007-08, no households were assisted with Moving Assistance Grants, however remaining funds will carryover into the next year.

Households assisted by these two programs are typically extremely low income (less than or equal to 30% AMI).

LIFERAP and ERAP

To assist working families and prevent homelessness, the Housing Authority offers two rental assistance programs. The first is the Low-Income Family Employment and Rental Assistance Program (LIFERAP) which provided rental assistance and subsequent career development assistance to eligible families using a one-time Redevelopment Set-Aside funding allocation of $1,637,000. The program provided up to thirty-six (36) months of rental assistance to low income-working families with incomes below 60% AMI, freeing up limited household resources to devote to education or job training activities. Participating households pay 30% of their income in rent, and Redevelopment Set-Aside funds fill the rent payment gap. A case manager works with families to assist them to reach self-sufficiency goals and to reduce or eliminate the family's housing cost burden. During 2007-08, 55 households were assisted through this program.

The Emergency Rental Assistance Program (ERAP) provides short-term rental assistance to households with incomes below 80% AMI that experience a housing crisis due to a demonstrated catastrophic event such as an illness, injury, or job loss. Participating households pay 30% of their income in rent, and Redevelopment Set-Aside funds fill the rent payment gap. The program is intended to provide temporary assistance for 3 to 6 months for households whose housing cost was affordable prior to the presenting crisis. ERAP assisted 4 households during 2007-08 and expended $5,600.

III) Preserving and Maintaining the City's Existing Affordable Housing Stock

A) Single Family Rehabilitation Program

The Home Owner Rehabilitation Loan Program has four loan and grant products which assist eligible property owners with repairs and improvements to their homes as described below. During 2007-08, 39 homes were rehabilitated through this program. Assisted households included: 8 extremely low, 13 very low, 18 low, and 0 moderate income households. Redevelopment Set-Aside funds in the amount of $478,000 were expended for this program. No HOME funds were expended.

Rehabilitation programs include the Senior Rehabilitation Grant, the Disabled Rehabilitation Grant, and the Lead Based Paint Hazard Reduction Grant each up to $10,000 per housing unit, and the Single Family Rehabilitation Loan up to $25,000 per unit (loans are deferred until title is transferred)

B) Multifamily Rehabilitation

The Multifamily Rehabilitation program provides two types of loans. The first type provides forgivable low-interest loans of up to $14,500 per unit and up to $100,000 maximum per project to multifamily property owners for the purpose of improving their rental housing units. In return for the loan, the units must be rented to low-income tenants at affordable rental rates for a prescribed number of years. In 2007-08 no loans were funded during the year. The rent limitations required for Redevelopment Set-Aside funded projects are significantly below the market rate developers can obtain for the units. While the program is not currently feasible in Glendale under current market conditions to the majority of older apartment buildings in need of rehab due to the low rents, staff continues to market the program to those unique properties where the program may work. Staff also continues to monitor the rental housing market for any change that may improve the feasibility of the program.

The second type of loan provides low interest residual receipts loans to non-profit affordable housing providers for the purpose of acquiring and/or rehabilitating rental properties. Rent levels and income levels of renters are restricted in return for this loan. While no Redevelopment Set-Aside funds were expended for this second type of loan in 2007-08, one HOME funded project is under consideration as described below.

HOME Funded Nonprofit Multi-Family Rehabilitation Project Underway in 2007-08:

Geneva CHDO

The West Hollywood Housing Development Corporation has been designated as a City of Glendale CHDO. The Housing Authority reserved $127,000 of HOME CHDO funds in 2006-07 for rehabilitation and rental of two low income housing units located at 624-630 Geneva Street by West Hollywood. A feasibility study is currently underway to determine whether the project should proceed.

IV) Continuum of Care for the Homeless

A Continuum of Care strategy is used to address the needs of homeless persons in the City of Glendale. The Glendale Homeless Coalition is a partnership between public and governmental agencies, local non-profits and community organizations, the business community, concerned residents, and formerly homeless individuals. The Continuum of Care conducted an unduplicated count of homeless persons in January 2007 and determined that there are 296 homeless men, women and children on any given day in Glendale. Fundamental components of the Continuum of Care include prevention, outreach and assessment, supportive services, transitional housing and permanent housing programs.

A) Emergency Shelter – PATH Achieve Glendale

PATH is a nonprofit organization that provides services to the homeless in Glendale and in other communities. In Glendale, they operate Achieve Glendale, a homeless services access center which includes a 40-bed emergency shelter, family transitional housing, street outreach team, and permanent supportive housing programs for disabled and chronically homeless persons.

In 2005-06 the Housing Authority committed $250,000 for a five year operating subsidy to the non-profit organization Project Achieve to provide assistance to the homeless in Glendale. After one year of operations in 2006-07, this commitment was transferred to PATH Achieve Glendale. During 2007-08 PATH assisted approximately 336 unduplicated homeless individuals.

IV) Administrative Activities

A) Inclusionary Zoning

In 1975 and 1976 California Community Redevelopment Law was amended and subjects redevelopment project areas adopted after January 1, 1976 to housing production requirements, more commonly known as inclusionary housing requirements. This measure ensures that a percentage of all units developed in the project area are affordable to very low and low/moderate-income households. The Central Glendale Redevelopment Project Area was adopted in 1972 and amended in 1975; thus, it is not subject to the inclusionary housing requirement.

However, the SFRCRPA, which was adopted in 1992, is required by law to meet the inclusionary housing requirement. In 2007-08 there were no residential units completed in the project area and, as a result, there was no new inclusionary obligation. To date, two new construction residential developments with 85 housing units have been constructed in the project area. The inclusionary housing obligation has been met through development of affordable units in the Metro City Lights project.

Nine new private and affordable residential projects comprising approximately 629 housing units have been brought forth for initial review by the City. These proposed projects would incur the inclusionary requirement through either construction of a percentage of affordable units or through payment of an in-lieu fee. Due to current housing and credit market conditions, most of these projects are on hold at this time. Staff will continue to monitor market condition changes and the impact these changes may have on proposed projects in the future.

B) Affordable Housing Impact Reviews

Staff reviewed approximately 15 entitlement applications, including condominium conversions, subdivision tract map requests, design review applications, and rezoning requests for their impact upon the supply of affordable housing in Glendale and potential displacement of tenants in 2007-08.

C) Professional Organizations

The Housing Authority was active in professional advocacy organizations including Southern California Association of Non-Profit Housing, California Housing Consortium, California Redevelopment Association, National Association of Housing Redevelopment Officials, the Housing Authorities Association of Southern California, and others.

D) Monitoring

The programs and policies adopted for each program described in this report serve the needs of a wide range of low/moderate income groups, a range of age groups, and special needs groups. In addition, the loan agreements for these projects contain covenants that ensure affordability at the property for a defined time. To facilitate quality portfolio management after project completion, staff regularly monitors existing projects. Staff conducts physical, financial, and occupancy monitoring reviews to guarantee that loan recipients serve the intended populations and are in compliance with the loan agreement terms.

WORK PROGRAM – FISCAL YEAR 2008-09

I) Increasing Affordable Home Ownership Opportunities

A) New Construction of Ownership Housing

Ownership housing projects described as "In Progress" above will continue. The Housing Authority budgeted approximately $0 of Redevelopment Set-Aside funds and $339,100 of federal HOME funds to facilitate development of new affordable home ownership units in 2008-09.

B) Home Buyer Education Classes

Six to nine seminars on "How to Buy a Home" will be provided serving approximately 190 home buyers. One of these classes will be presented in the Armenian language and another will be presented in the Spanish language.

C) Downpayment and Closing Cost Assistance Programs

Approximately $225,000 of Redevelopment Set-Aside funds carried over from previous years will be available to fund 3 FTHB loans. Due to the high cost of entry level resale homes in the City of Glendale, the FTHB program has not been feasible for most moderate income home buyers in the current housing market. While credit availability remains challenging in the next year, lower entry level home prices may make it easier for moderate income households to purchase a condominium in Glendale using the program.

The American Dream Down Payment Assistance Initiative (ADDI) is funded through the federal HOME program. In 2008-09, the ADDI program will provide $10,788 to the Housing Authority. This will provide a significant portion of one down payment and closing cost assistance loan. This loan will be provided to a purchaser of a new construction ownership housing unit within a New Construction Ownership Housing development project targeted to low income home buyers.

II) Increasing Affordable Rental Opportunities

A) New Construction of Renter Housing

The 7 rental housing projects described as "In Progress" or "Initiated" in the 2007-08 Accomplishments section above will continue in 2008-09. This year the Housing Authority has allocated $6.1 million of Redevelopment Set-Aside and $1.5 million of federal HOME funds which provides sufficient funds to develop and/or acquire/ rehabilitate approximately 46 affordable rental housing units.

Projects to be completed in 2008-09: It is anticipated that the 328 Mira Loma – Metro Loma project (43 units) and the 615 Chester - Salvation Army project (4 units) will be completed this year.

C) Special Programs

1) Code Enforcement

For 2008-09, the code enforcement augmentation program will use a $1.17 million Redevelopment Set-Aside allocation to improve and preserve housing for low and moderate-income households.

2) Section 8 Dwelling Repair and Moving Assistance Grants

In 2008-09 the Housing Authority has allocated no new funds for the Section 8 Dwelling Repair and Moving Assistance Grants. Carryover funds from previous years in the amount of $48,000 for the Dwelling Repair Grant Program and $23,000 for the Moving Assistance Grant Program are available to provide moving assistance to a total of 54 Section 8 Housing Voucher households.

3) LIFERAP and ERAP

The Housing Authority has made a new three year commitment to LIFERAP in the amount of $2.02 million. This will provide rental assistance to approximately 50 households through 2010-2011. During 2008-09, families will be recruited into the program and supported with an initial $494,000 to fund the program. ERAP will use $36,000 of Redevelopment Set-Aside Funds in order to assist approximately 8 households in need of emergency housing assistance to prevent homelessness due to an unanticipated, catastrophic event in their lives.

III) Preservation of Affordable Housing Stock

A) Home Owner Rehabilitation Loan Program

In 2008-09 the Housing Authority has allocated $744,000 of Redevelopment Set-Aside and no federal HOME funds to assist 52 households with homeowner rehabilitation loans and/or grants.

B) Multi-Family Rehabilitation Loan Program

In 2008-09 the Housing Authority has allocated $192,000 of Redevelopment Set-Aside and no federal HOME funds to rehabilitate 10 affordable multi-family rental housing units.

IV) Continuum of Care for the Homeless

A) Emergency Shelter – PATH Achieve Glendale

PATH, a nonprofit service provider to the homeless, will use carryover funding provided for the fourth year of a five year total allocation of $250,000 of Redevelopment Set-Aside funds to continue operations of the PATH Achieve Glendale project. The subsidy will assist PATH ACHIEVE to serve approximately 200 unduplicated homeless individuals during the year.

V) Administrative Activities

A) Inclusionary Zoning

As new housing development projects are proposed in the SFRCRPA, staff will implement the Housing Authority's inclusionary housing policies. One element of these policies is to review and approve inclusionary housing plans for construction of any new residential units in the Project Area. Two new developments were expected to submit an Inclusionary Housing Plan (IHP) for fulfilling the obligations of the inclusionary housing fee in 2008-09; however recent changes in the housing and credit markets may impact these two proposed projects. Staff will continue to monitor market condition changes and the impact these changes may have on proposed projects in the future.

B) Affordable Housing Impact Review

Staff will review entitlement applications, including condominium conversions, subdivision tract map requests, design review applications, and rezoning requests as they occur for their impact upon the supply of affordable housing in Glendale and potential displacement of tenants.

C) Professional Organizations

The Housing Authority will remain active in professional advocacy organizations.

D) Monitoring

Staff will continue to perform financial, physical, and occupancy eligibility monitoring reviews of completed affordable housing, rehabilitation, and FTHB projects/loans.

RECOMMENDATIONS FOR NEED STATE LEGISLATION
(Not Covered by Independent Auditor's Report)