Year Ended - June 30, 2011

2011

ANNUAL FINANCIAL REPORT

Glendale Redevelopment Agency






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INTRODUCTORY SECTION

GLENDALE, CALIFORNIA

Glendale Redevelopment Agency

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November 28, 2011

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, 2011.

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, 2011, 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, 2011, 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

New investment continues to take place throughout the city in the form of business expansion as well as businesses attracted to Glendale's central location, public safety record and low cost business environment. Of particular note is the entertainment industry which remains rooted in Southern California, with the Verdugo Region (Glendale/Burbank) particularly known for production (pre & post), animation, visual effects, and digital distribution. Glendale will benefit from growth in this sector through expansions by Disney, DreamWorks, Technicolor and hundreds of ancillary production and equipment firms.

Overall, Glendale's economy is one of the most diverse within the Los Angeles region largely due to a healthy mix of business and industry that operates within its borders. Industry clusters include:

- Retail Trade
- Healthcare
- Business Services
- Animation & Entertainment
- Manufacturing & Wholesale Trade
- Automotive Sales & Service
- Financial Services
- Technology and New Media

Economic Sector (Sales Tax) Impacts

Autos/Transportation - Vehicle shortages, a lack of manufacturer incentives, economic uncertainty and renewed consumer caution are slowing the pace of sales. However, pent-up demand remains and financing is becoming easier. Analysts expect buyers to return to dealer showrooms in the second half of the year.

Building/Construction - Private sector construction activity continues to be depressed. The loss of redevelopment financing and local and state budget cuts may further hamper spending. Housing activity has stabilized but at historically low levels. High unemployment, strict mortgage underwriting and property foreclosures will keep single family homebuilding sluggish through 2013/14. Maintenance of existing homes and repair of foreclosures keeping home improvement chains stable. Despite the general malaise in this sector, Glendale saw private investment and construction activity in three significant projects: GC3-Phase II; Broadway Lofts; and ICIS Colorado. With several multi-family housing and commercial projects processing entitlements that positive trend is expected to continue into 2012 and 2013.

Business /Industry - Manufacturing has been one of the strongest sectors of the economy in the two years since the recession officially ended. Economic activity in the manufacturing sector expanded in August for the 25th consecutive month with business purchases of technology and computer software being particularly bright spots. However, political paralysis and economic uncertainties in Europe have recently slowed the rate of growth and new investment.

Consumer Goods - Retailers serving the luxury market have fared well since the end of the recession although stock market setbacks may slow this trend. Saturation, new competition and new uncertainties for middle and lower income families have resulted in modest growth for many discounters. Consumer shifts to online spending are also impacting electronic stores and related brick-and-mortar retailers who are reducing inventories and floor space to better deal with price competition from online rivals.

Restaurant/Hotels - Hotel occupancy is creeping back following a two-year drought of leisure and business travelers. Despite high fuel prices, consumers are expected to boost spending on travel and leisure. Restaurants operators are reporting modest gains with same-store sales and increased customer traffic. New outlets are contributing to gains in the quick and full service restaurant segments.

(Source: Hdl Companies Sales Tax Trends and Economic Drivers)

Economic Development Highlights

Economic development accomplishments for 2011 in Glendale are numerous and vary in size and scope. Highlights include:

- **The Walt Disney Company** - is expanding by constructing 338,000 square feet of creative space as part of phase II of its development within the GC3 campus. In addition, the company completed an employee childcare center and has plans to complete facilities to house production, animation and a machine shop. In total, Disney will invest over $200 million in the City of Glendale.

- **LegalZoom** - Online document company LegalZoom opened its new headquarters in Glendale bringing over 350 employees to the City's Downtown business district. The company leased two floors for corporate offices at 101 N. Brand Boulevard and leased additional space for customer fulfillment at 100 W. Broadway.

- **Technicolor Film Labs** – Technicolor's Creative Services Division relocated its film lab from North Hollywood to Glendale's Creative Corridor. Both 35 millimeter and IMAX films will be processed for both studios and independent filmmakers. The move will bring over 100 employees to the City's "Creative Corridor."

- **Kinetic Lighting** - Award winning event lighting and Rental Company, Kinetic Lighting relocated to Glendale from North Hollywood following a long search for suitable facilities. The company leased space at 722 Thompson Avenue within the City's "Creative Corridor." Kinetic Lighting employs 15.

- **Pierre Garden**- The Agency worked with the ownership at the former Chuys location to attract an upscale restaurant tenant. Pierre Garden opened with the assistance of a façade grant, and a special building infrastructure matching grant, as well as Project Concierge Service through the entitlement process.

- **Accurate Dial & Nameplate** – The Agency introduced and helped facilitate a layoff aversion project resulting in Accurate Dial and Nameplate retaining 20 employees. This successful effort was coordinated by the Verdugo Workforce Investment Board utilizing funds provided through the American Recovery and Reinvestment Act (ARRA). The program provides technical assistance to manufacturers at risk of employee layoffs. Accurate Dial recently celebrated its 50th year in business in Glendale.

- **Cygnet Stamping** – The Agency provided ongoing support to this long-time manufacturer of machine tooled and stamped metal parts. The expansion of the I-5/Western off ramp forced the company to find space and relocate its facilities to 916 Western Avenue. Cygnet Stamping employs 45.

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 current and future 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. This project opened in May 2008. An expansion of the Americana was approved in October 2011 to add a 122,000 SF department store.

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 opened in November 2008.

COURTYARD BY MARRIOTT GLENDALE
Courtyard Glendale is an 11-story, 172-room hotel proposed for the northeast corner of Central and Wilson Avenues. The Agency has approved the design and the environmental analysis for the proposed project. The development team is currently negotiating the business terms for the Ground Lease Agreement. The construction is estimated to commence in 2012.

LEX ON ORANGE
The Agency approved the Lex on Orange project in October 2011. The project will add a combined total of 310 residential units on two separate sites within the downtown core in a traditionally underutilized area of the Central Project Area. Construction is expected to start in February 2012.

BROADWAY LOFTS
The Broadway Lofts project redevelops a formerly vacant Circuit City stand alone site with a 6-story, 165,000 SF mixed-use development featuring 208 residential units and lofts and 25,000 SF of ground floor commercial space. The project is currently under construction with completion estimated in early 2013.

LAEMMLE LOFTS
5 - Screen Laemmle Theatre retail space and 42 residential units in a 4-story building at Wilson and Maryland Avenue. Project anticipated to begin construction in 2012.

SAN FERNANDO CORRIDOR PROJECT

DreamWorks Expansion

DreamWorks Animation, LLC completed a $40M addition of 128,700 SF to the existing Lakeside Building and the expansion of the existing parking structure in March 2010.

Grand Central Glendale Creative Campus

The Walt Disney Co. development project is continuing at the GC3 campus, 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. A 25,000 SF childcare, licensed for over 200 children has been completed and is currently in operation. The phase II of the GC3 campus is currently under construction and consists of 338,000 SF of office space and a 6-story parking structure. The project is estimated at $110 million and will bring in 1,200 jobs and is scheduled to be completed in October 2012.

There are also three major tenant improvements within the campus of which two have been completed. Disney Toon Studios underwent an $18 million interior design while Disney TV Animation underwent a $3 million interior design. Also, Disney's Imagineering Machine Shop will be relocated within the campus and will be completed by June 2012. These businesses are expected to bring in approximately 450 jobs to the City.

Glendale Triangle Project

Camden USA, Inc is proposing a mixed-use project consisting of 229 apartment units. The Project's ground floor will consist of 37,000 SF of commercial space, which may include retail uses, restaurants, medical offices and/or live/work units. The parking is provided on the ground floor and within a 2-level subterranean parking garage consisting of 448 spaces. The Developer is currently working on construction documents for plan check submittal. The $40 million project is expected to commence construction in Spring 2012.

ICIS Project

The ICIS Project is a mixed-use development located at 524 W. Colorado and 544 W. Elk Street. The project consists of 186 apartment units, 14 town-homes and 8,500 SF of ground floor for commercial use. The project is valued at $35 million and is currently under construction. The expected completion date for the project is January 2013.

Agency Loans

Due to the California Legislature's passing of the Assembly Bill (AB) x1 26 to eliminate Redevelopment Agencies, the City Council and the Glendale Redevelopment Agency (GRA) adopted Resolutions approving the assignment of GRA loans receivable, promissory notes, and other indebtedness owing to the Agency, to the City to assist the City in appropriately implementing the projects listed in a Cooperation Agreement and other related activities as set forth in that Cooperation Agreement, to pay previously incurred indebtedness, to enforce existing covenants, contracts or other obligations, and for other municipal purposes benefiting the Central Project Area in accordance with the Redevelopment Plans. The loans receivable balance consists of loans to the Glendale Unified School District (GUSD) in the amount of $1,704,350, which was used to fund the Moyse Field improvement project of the school district and Kam Sang in the amount of $1,554,480 was to fund the purchase of the Embassy Suites Hotel property. As of June 30, 2011, the Agency's loans' receivable totaling $3,258,830 was assigned to the City.

Cash Management Policies and Practices
Cash temporarily idle during the year was invested in the City Treasurer's portfolio. The average yield was 1.43 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

I would like to take this opportunity to express my appreciation to the staff of the Finance Department and Community Development Department, 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, the Director of Community Development, Hassan Haghani and the Chief Assistant Director of Community Development, Philip Lanzafame, for their support and responsible planning of the Agency's financial affairs.

Respectfully submitted,

Robert Elliot

Robert P. Elliot, CPA
Director of Finance

Year Ended - June 30, 2011

FINANCIAL SECTION

GLENDALE, CALIFORNIA

McGladrey

Independent Auditor's Report

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

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, 2011, 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. 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 previously 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, 2011, 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.

The 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 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.

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

Los Angeles, CA
November 28, 2011

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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, 2011. 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 vii* of this report. All amounts, unless otherwise indicated, are expressed in thousands.

Financial Highlights

- The liabilities of the Agency exceeded its assets at the close of the most recent fiscal year by $72,844 (*net assets*). Of this amount, a negative $102,445 (*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 decreased by $53,490. This decrease is attributable primarily to transfers of Agency's Capital Assets, Property Held for Resale and Loans Receivable to the City. Also, the property tax increment revenue received this fiscal year decreased by $1,514 as well as the investment earnings decreased by $1,230.

- As of the close of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of $102,366; a net decrease of $11,360 in comparison with the prior year's combined fund balance of $113,726. Although the Agency received the 2011 subordinate taxable tax allocation bond proceeds in the current fiscal year, the Agency made a payment of $30,605 of its advances to the City. In addition, the Agency transferred a majority of its property held for resale, its loans receivable, and a portion of its rental and interest revenue to the City. At the end of the current fiscal year, the total restricted fund balance for the Central Project, San Fernando Project, Low and Moderate Housing, and Town Center funds was a positive $53,163, $2,247, $27,859 and $2,690 respectively.

- The Agency's total debt increased by $9,414 (4.9 percent) during the current fiscal year mainly due to the following: (1) issuance of the 2011 subordinate taxable tax allocation bonds for $50,000, net of $2,033 discount as well as $5,223 decrease in ongoing debt service; (2) net decrease of the Agency's debt to the City by $30,605 and (3) retirement of $2,726 of Low & Mod Loans.

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.

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 13-15* 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 an 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 nine 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, 2003 Tax Allocation Bonds, 2010 Tax Allocation Bonds, 2011 Subordinate Taxable Tax Allocation Bonds Funds and Low and Mod. Loans Payable.

The basic governmental fund financial statements can be found on *pages 17-27* 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 29-56* of this report.

(in thousands)

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 $72,844 at the close of the fiscal year.

The Agency has a negative balance in *unrestricted net assets* ($102,445) due primarily to a significant amount of ($201,493) outstanding debt. Restricted net assets are an additional portion of the Agency's net assets; $16,407 for debt service, represents resources that are subject to external restrictions on how they may be used.

Glendale Redevelopment Agency's Net Assets

	Governmental Activities	
	2011	**2010**
Current assets and other assets	$ 108,009	97,116
Capital assets	24,789	79,093
Total assets	132,798	176,209
Current liabilities	18,276	11,458
Long term debt	187,366	181,107
Total liabilities	205,642	192,565
Net assets (deficits):		
Investment in general FA	13,194	47,530
Restricted, debt service	16,407	34,455
Unrestricted, (deficit)	(102,445)	(101,341)
Total net assets (deficit)	$ (72,844)	(19,356)

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 decreased the Agency's net assets by $53,490 thereby accounting for the total decrease in the net assets of the Agency. Key elements of this increase are as follows:

(in thousands)

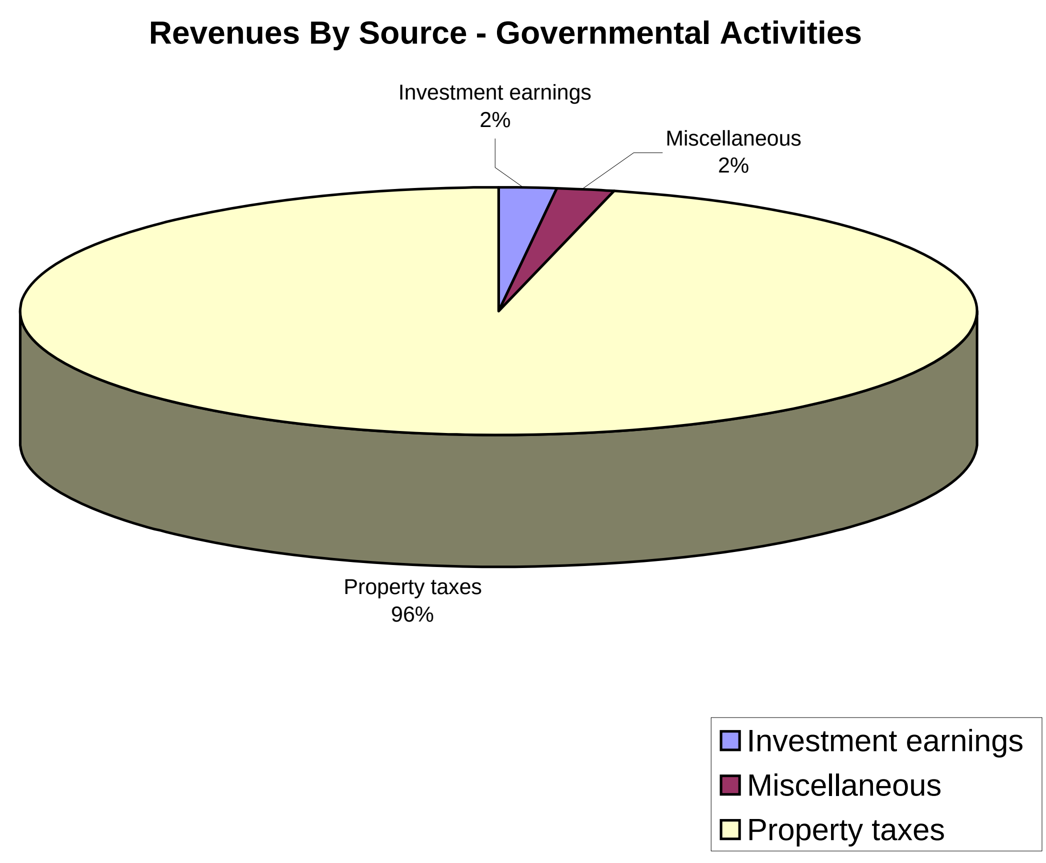
Glendale Redevelopment Agency's Changes in Net Assets

	Governmental Activities	
	2011	**2010**
Revenues:		
Program revenues:		
Charges for services	$ 148	16
General revenues:		
Property taxes	38,572	40,086
Revenue from other sources	-	2,333
Investment earnings	916	2,146
Miscellaneous	591	529
Total revenues	40,227	45,110
Special Item - contribition of assets to the City	53,113	-
Community development	17,316	11,491
Education	3,683	12,271
Housing assistance	8,374	9,718
Interest and fiscal charges on bonds	11,231	9,608
Total expenses	93,717	43,088
Change in net assets	(53,490)	2,022
Net assets - July 1	(19,356)	(21,377)
Net assets - June 30	$ (72,844)	(19,356)

- Property taxes decreased by $1,514 due to increase in delinquency.
- Investment earnings decreased by $1,230 largely due to decrease in the current year’s investment yield and reduction of cash balance due to $35,581 million of pay-down of agency's advances from the City.
- Miscellaneous revenues consist primarily of rental revenue and First Time Home Buyer Program loan payoffs.
- Community development related expenses increased by $5,825 in the current year primarily due to more development in the Central Project Area.
- Education related expenses net decrease of $8,588 is primarily due to lesser Agency payment to Supplemental Education Relief Augmentation Fund (SERAF) in the current fiscal year.
- Interest and fiscal charges on bonds increased by $1,623 due to 2010 TABs payment effective this fiscal year.

- The increase of $53,113 in the transfer is primarily due to the transfer of Capital Assets, majority of its Property Held for sale, Loans Receivable, and a portion of Rental Revenue and Interest Revenue from the Agency to the City's General Fund this year due to the California Legislature's passing of Assembly Bill (AB) x1 26, to eliminate Redevelopment Agencies.

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.

As of the end of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of $102,366, a decrease of $11,360 in comparison with the prior fiscal year. The Agency has $90,382 in *restricted fund balance.* They are restricted for the following: (1) $16,407 for debt service; and (2) $73,975 for encumbrances in the low and moderate income housing fund & for redevelopment & low and moderate income housing projects. The Agency has also a *non-spendable fund balance* in the amount of $11,984. This amount is restricted for the following: (1) prepaid expenditures for $5; (2) loans receivable for $4,959 for the low and moderate income housing fund; and (3) to hold property for future development $7,020.

The combined fund balance of the Agency's Central Project, San Fernando Project, Town Center, and Low & Moderate Housing funds decreased from $102,344 to $85,959, a net decrease of $16,385 compared to the prior fiscal year. This change is primarily due to the Agency's debt payment of $35,581 to the City. In addition, the Agency transferred majority of its Property Held for Resale to the City due to the governor's approval of the elimination of Redevelopment Agencies per AB x1 26.

The debt service funds have a total fund balance of $16,407 which is all restricted for debt service payment.

Capital Asset and Debt Administration

Capital assets

The Agency's investment in capital assets for its governmental activities as of June 30, 2011, amounts to $24,789 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and construction in progress. The total decrease in the Agency's investment in capital assets for the current fiscal year was $32,696 which was primarily due to all fixed assets except Improvements and Construction in Progress being transferred from GRA to the City.

(in thousands)

Glendale Redevelopment Agency's Capital Assets

	Governmental Activities	
	2011	**2010**
Land	$ -	28,982
Buildings and Improvements	6,624	14,982
Machinery and Equipment	-	941
Construction in progress	19,248	16,819
Total capital assets	25,872	61,724
Less Accumulated Depreciation		
Building and Improvements	1,083	3,594
Machinery and Equipment	-	645
Total Accumulated Depreciation	1,083	4,239
Capital Assets Net of Depreciation	$ 24,789	57,485

Additional information on the Agency's capital assets can be found in the notes on *page 44 of* this report.

Long-term debt.

At the end of the current fiscal year, the Agency has total bonded debt outstanding of $148,378 all of which is backed by the Agency's revenue from property tax increment.

Glendale Redevelopment Agency's Outstanding Debt

	Governmental Activities	
	2011	**2010**
GRA Tax allocation bonds	$ 148,378	105,634
Due to the City of Glendale	40,481	71,086
Low and Mod Loans	7,991	10,716
Residential Development Loan Program (RDLP)	4,643	4,643
Total outstanding debt	$ 201,493	192,079

The Agency's total debt increased by $9,414 (4.9 percent) during the current fiscal year mainly due to the following: (1) issuance of the 2011 subordinate taxable tax allocation bonds for $50,000, net of $2,033 discount as well as $5,223 decrease in ongoing debt service; (2) net decrease of the Agency's debt to the City by $30,605 and (3) retirement of $2,726 of Low & Mod Loans.

Additional information on the Agency's long-term debt can be found on *pages 45 through 49* of this report.

Credit ratings

Municipal bond ratings provide investors with a simple way to compare the relative investment quality of different bonds. Bond ratings express the opinions of the rating agencies as to the issuer's ability and willingness to pay debt service when it is due. In general, the credit rating analysis includes the evaluation of the relative strengths and weaknesses of the following four factors as they affect an issuer's ability to pay debt and service: fiscal, economic, debt and administrative/management factors. The Agency continues to receive high general credit ratings from two national rating agencies, Standard & Poor's and Moody's, despite the difficult financial and economic conditions the national and local economy has been faced with.

The Agency's Bond Ratings are as follows:

Debt Issue	Moody's	Standard & Poor's (S & P)
2002 GRA Tax Allocation Bonds	Aaa	AAA
2003 GRA Tax Allocation Bonds	Aaa	AAA
2010 GRA Tax Allocation Bonds	Baa2	A-
2011 GRA Subordinate Taxable Tax Allocation Bond	N/A	A-

Bonds which are rated 'AAA' & 'Aaa' are judged to be of the best quality. They carry the smallest degree of investment risk. Interest payments are protected by a large or an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues. Bonds rated 'AAA' are generally known as investment grade bonds of which the issuer of the Bonds is judged to have a very strong capacity to meet its financial commitments.

Debt Administration

Finance ensures that the Agency meets its debt administration obligations to:

- Pay debt service timely;
- Monitor trustee-held accounts and guaranteed investment contracts;
- Comply with bond covenants and Internal Revenue Service (IRS) rules & regulations;
- Provide continuing disclosure and other reports to the municipal bond market;
- Manage liquidity and credit enhancement contracts;

Arbitrage Rebate

Debt Management actively monitors the investment and disbursement of proceeds of tax exempt bonds for arbitrage compliance purposes. Arbitrage is the profit that results from investing low-yield tax-exempt bond proceeds in higher-yield securities (also referred to as positive arbitrage). Federal law stipulates that investment earnings in excess of the bond yield are arbitrage earnings and must be rebated to the Federal Government. However, if a jurisdiction meets certain IRS expenditure exceptions for bond proceeds, the arbitrage earnings will not have to be rebated to the Federal Government. Arbitrage regulations apply only to all of the Agency's tax-exempt financings.

Typically bond proceeds that are held by the Trustee are invested by the Trustee per bond convenant to invest at the highest yield possible, subject to the City's Investment Policy objectives of safety, liquidity and yield. The investment of bond proceeds is in accordance with the City's investment Policy and the Permitted Investment provisions of the governing documents of each series of bonds. For some types of bond funds, particularly a construction fund that must be held in short-term securities, it may be the case that the fund earns at a rate less than the bond yield. Therefore, the fund is said to be earning negative arbitrage. Through careful management of its investments, the City can use positive arbitrage earnings in one account of a bond series to offset negative arbitrage in another account of the same series.
Finance monitors and documents investments and cash flows of the City's bond funds, and then annually reviews all arbitrage provisions of individual bond funds and computes arbitrage earnings. Arbitrage earnings are rebated to the United States Treasury on a five-year installment basis. Finance conducts informal arbitrage rebate calculations to assure that the Agency stays current on compliance issues and to facilitate accountability for any potential rebate liability.

Finance engages a consultant to prepare the annual arbitrage calculations for all of the Agency's tax-exempt bonds. This calculation includes: (1) review the Agency's arbitrage compliance at five-year anniversary dates when rebate is actually due to the Federal Government; (2) compute annual and five-year installment arbitrage rebate liability; and (3) provide technical assistance to the Agency in the area of arbitrage rebate compliance. This third-party review provides an added level of confidence that the Agency is in compliance with the arbitrage regulations. Such review is particularly important given that the Internal Revenue Service has stepped-up its random audit and target audit programs for tax-exempt bond issues. As of June 30, 2011, none of the Agency's tax-exempt bond issues has a positive arbitrage rebate liability.

Continuing Disclosure

On November 10, 1994, the Securities and Exchange Commission ("SEC") adopted amendments to existing federal regulations ("Rule 15c-12" or the "Rule") under which municipalities issuing securities on or after July 3, 1995 are required to:

1. Prepare official statements meeting current requirements of the Rule;
2. Annually file certain financial information and operating data with national and state repositories; and
3. Prepare announcements of the significant events enumerated in the Rule.

As of June 30, 2011, the Agency has 4 series of bonds subject to continuing disclosure requirements. The Agency engages a consultant to prepare and disseminate continuing disclosure for its 3 tax-exempt tax allocation bonds and 1 subordinate taxable tax allocation bonds. These disclosures are disseminated through the use of Electronic Municipal Market Access ("EMMA"), the Municipal Securities Rule Making Board's ("MSRB") disclosure website. Timely and accurate communication with the municipal marketplace is vital in retaining the Agency's creditworthiness and market access. Continuing disclosure and compliance reporting constitute a significant part of Debt Management's compliance activity for the life of each series of bonds.

Economic Factors

- 96 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 Administrative Services - Finance, City of Glendale, 141 North Glendale Avenue, Suite 346, Glendale, CA 91206.

Year Ended - June 30, 2011

BASIC FINANCIAL STATEMENTS

GLENDALE, CALIFORNIA

Exhibit A

Glendale Redevelopment Agency

Statement of Net Assets (Deficits)

June 30, 2011 (in thousands)

		Governmental Activities
ASSET		
Cash and invested cash	$	73,350
Cash with fiscal agent		17,320
Interest receivable		411
Prepaid items		5
Due from other agency		2,195
Deferred charges		2,749
Loans receivable		4,959
Property held for resale		7,020
Capital assets, net of depreciation		24,789
Total assets		132,798
LIABILITIES		
Due to other agency		2,748
Interest payable		1,398
Bonds payable, due in one year		5,307
Due to the City of Glendale, due in one year		6,000
Other liabilities, due in one year		2,820
Deposits		3
Due to the City of Glendale		34,481
Bonds payable, net of current		143,072
Other long-term liabilities		9,813
Total liabilities		205,642
NET ASSETS (DEFICIT)		
Invested in capital assets, net of related debt		13,194
Restricted, debt service		16,407
Unrestricted (deficit)		(102,445)
Total net assets (deficit)	$	(72,844)

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

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Exhibit B

Glendale Redevelopment Agency

Statement of Activities

For Fiscal Year Ended June 30, 2011

(in thousands)

	Expenses	Charges for Services	Operating Grants and Contri-butions	Capital Grants and Contri-butions	Govern-mental Activities
Governmental activities:					
Community development	$ 17,316	148	-	-	(17,168)
Education	3,683	-	-	-	(3,683)
Housing assistance	8,374	-	-	-	(8,374)
Interest and fiscal charges on bonds	11,231	-	-	-	(11,231)
Total government	$ 40,604	148	-	-	(40,456)

General revenues:	
Property taxes	38,572
Investment earnings	916
Miscellaneous	591
Total general revenues	40,079
Special item - contribution of assets to the City	(53,113)
Change in net assets	(53,490)
Net assets - July 1	(19,356)
Net assets - June 30	$ (72,844)

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

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Exhibit C

Glendale Redevelopment Agency

Balance Sheet

Governmental Funds

June 30, 2011

(in thousands)

		Special Revenue funds			
		Central Project	San Fernando Project	Low and Moderate Housing	Town Center
Assets					
Cash and invested cash	$	52,557	669	16,354	2,679
Cash with fiscal agent		-	2,004	-	-
Interest receivable		204	14	182	11
Prepaid items		-	-	5	-
Due from other agency		406	1,261	528	-
Loans receivable		-	-	4,959	-
Property held for resale		1,013	-	6,007	-
Total assets		54,180	3,948	28,035	2,690
Liabilities and Fund Balances					
Liabilities:					
Due to other agency		1,014	1,701	33	-
Deferred Revenue - Housing		-	-	143	-
Deposits		3	-	-	-
Total liabilities		1,017	1,701	176	-
Fund Balances:					
Non-spendable:					
Prepaid		-	-	5	-
Loans receivable		-	-	4,959	-
Property held for resale		1,013	-	6,007	-
Restricted for:					
Debt service		-	-	-	-
Redevelopment projects and Low and Moderate Housing		52,150	2,247	16,888	2,690
Total fund balances		53,163	2,247	27,859	2,690
Total liabilities and fund balances	$	54,180	3,948	28,035	2,690

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

(Continued)

Exhibit C

Glendale Redevelopment Agency

Balance Sheet

Governmental Funds

June 30, 2011

(in thousands)

		Debt Service Funds				
		2002 Tax Allocation Bonds	2003 Tax Allocation Bonds	2010 Tax Allocation Bonds	2011 Tax Allocation Bonds	Low & Mod Loans Payable
Assets						
Cash and invested cash	$	426	653	3	-	9
Cash with fiscal agent		3,849	4,841	1,624	5,002	-
Interest receivable		-	-	-	-	-
Prepaid items		-	-	-	-	-
Due from other agency		-	-	-	-	-
Loans receivable		-	-	-	-	-
Property held for resale		-	-	-	-	-
Total assets		4,275	5,494	1,627	5,002	9
Liabilities and Fund Balances						
Liabilities:						
Due to other agency		-	-	-	-	-
Deferred Revenue - Housing		-	-	-	-	-
Deposits		-	-	-	-	-
Total liabilities		-	-	-	-	-
Fund Balances:						
Non-spendable:						
Prepaid		-	-	-		-
Loans receivable		-	-	-		-
Property held for resale		-	-	-		-
Restricted for:						
Debt service		4,275	5,494	1,627	5,002	9
Redevelopment projects and Low and Moderate Housing		-	-	-		-
Total fund balances		4,275	5,494	1,627	5,002	9
Total liabilities and fund balances	$	4,275	5,494	1,627	5,002	9

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

(Continued)

Exhibit C

Glendale Redevelopment Agency

Balance Sheet

Governmental Funds

June 30, 2011

(in thousands)

		Total Governmental Funds
Assets		
Cash and invested cash	$	73,350
Cash with fiscal agent		17,320
Interest receivable		411
Prepaid items		5
Due from other agency		2,195
Loans receivable		4,959
Property held for resale		7,020
Total assets		105,260
Liabilities and Fund Balances		
Liabilities:		
Due to other agency		2,748
Deferred Revenue - Housing		143
Deposits		3
Total liabilities		2,894
Fund Balances:		
Non-spendable:		
Prepaid		5
Loans receivable		4,959
Property held for resale		7,020
Restricted for:		
Debt service		16,407
Redevelopment projects and Low and Moderate Housing		73,975
Total fund balances		102,366
Total liabilities and fund balances	$	105,260

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

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Exhibit C.1

GLENDALE REDEVELOPMENT AGENCY

Governmental Funds

Reconciliation of Balance Sheet of

Governmental Funds to the Statement of Net Assets (Deficits)

6/30/2011 (in thousands)

Fund balances of governmental funds			$ 102,366
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	$	25,872	
Accumulated depreciation		(1,083)	24,789
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		606	
2003 Tax Allocation Bonds		1,204	
2010 Tax Allocation Bonds		324	
2011 Tax Allocation Bonds		583	
Low & Mod Loan		32	2,749
Long-term debt are not included in the governmental fund activity:			
Due within one year:			
Principal:			
Due to the City of Glendale		(6,000)	
2002 Tax allocation bonds		(2,320)	
2003 Tax allocation bonds - net of deferred amount on refunding		(2,905)	
Low & Mod Loan		(2,820)	
Bond premium/discount:			
2002 Tax allocation bonds		(106)	
2003 Tax allocation bonds		(145)	
2010 Tax allocation bonds		24	
2011 Tax allocation bonds		145	(14,127)
Due more than one year:			
Principal:			
Due to the City of Glendale		(34,481)	
2002 Tax allocation bonds		(29,580)	
2003 Tax Allocation Bonds - net of deferred amount on refunding		(36,352)	
2010 Tax allocation bonds		(26,970)	
2011 Tax allocation bonds		(50,000)	
RDLP Loan		(4,643)	
Low & Mod Loan		(5,171)	
Bond premium/discount:			
2002 Tax allocation bonds premium		(1,003)	
2003 Tax allocation bonds premium		(1,355)	
2010 Tax allocation bonds discount		302	
2011 Tax allocation bonds discount		1,887	(187,366)
Accrued interest payable for the current portion of interest due are not included in the governmental fund activity:			
2002 Tax allocation bonds		(126)	
2003 Tax allocation bonds		(144)	
2010 Tax allocation bonds		(121)	
2011 Tax allocation bonds		(881)	
RDLP Loan		(87)	
Low & Mod Loan		(39)	(1,398)
Unearned Revenue-Housing			143
Net assets (deficits) of governmental activities			$ (72,844)

See accompanying notes to financial statements.

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Exhibit D

Glendale Redevelopment Agency

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Fund

For Fiscal Year Ended June 30, 2011

(in thousands)

		Special Revenue Funds			
		Central Project	San Fernando Project	Low and Moderate Housing	Town Center
Revenues:					
Property taxes	$	12,460	8,043	4,780	-
Charges for services		148	-	-	-
Use of money and property		429	50	64	29
Miscellaneous revenue		10	-	581	-
Total Revenues		13,047	8,093	5,425	29
Expenditures:					
Community development					
County property tax administration		393	113	127	-
Pass through		1,598	4,368	-	-
Administration		3,499	363	1,324	-
Housing assistance		-	-	8,374	-
Education		2,793	890	-	-
Economic or community development projects		3,920	2,754	-	798
Debt service:					
Principal retirement		33,081	2,500	-	-
Interest on notes or bonds		-	-	-	-
Costs of issuance		480	-	103	-
Total expenditures		45,764	10,988	9,928	798
Excess of revenues over (under) expenditures		(32,717)	(2,895)	(4,503)	(769)
Other financing sources (uses):					
Notes or bonds proceeds		37,068	-	7,930	-
Original issue bond discount		(1,675)	-	(358)	-
Total other financing sources (uses)		35,393	-	7,572	-
Special item - contribution of assets to the City		(5,475)	(10,105)	-	(2,885)
Net change in fund balances		(2,799)	(13,000)	3,069	(3,654)
Fund balance, July 1		55,962	15,247	24,790	6,344
Fund Balance, June 30	$	53,163	2,247	27,859	2,690

(Continued)

Exhibit D

Glendale Redevelopment Agency

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Fund

For Fiscal Year Ended June 30, 2011

(in thousands)

		Debt Service Funds			
		2002 Tax Allocation Bonds	2003 Tax Allocation Bonds	2010 Tax Allocation Bonds	2011 Tax Allocation Bonds
Revenues:					
Property taxes	$	3,737	4,673	1,823	-
Charges for services		-	-	-	-
Use of money and property		78	113	6	-
Miscellaneous revenue		-	-	-	-
Total Revenues		3,815	4,786	1,829	-
Expenditures:					
Community development					
County property tax administration		-	-	-	-
Pass through		-	-	-	-
Administration		5	5	3	-
Housing assistance		-	-	-	-
Education		-	-	-	-
Economic or community development projects		-	-	-	-
Debt service:					
Principal retirement		2,240	2,955	-	-
Interest on notes or bonds		1,566	1,813	1,823	-
Costs of issuance		-	-	-	-
Total expenditures		3,811	4,773	1,826	-
Excess of revenues over (under) expenditures		4	13	3	-
Other financing sources (uses):					
Notes or bonds proceeds		-	-	-	5,002
Original issue bond discount		-	-	-	-
Total other financing sources (uses)		-	-	-	5,002
Special item - contribution of assets to the City		-	-	-	-
Net change in fund balances		4	13	3	5,002
Fund balance, July 1		4,271	5,481	1,624	-
Fund Balance, June 30	$	4,275	5,494	1,627	5,002

(Continued)

Exhibit D

Glendale Redevelopment Agency

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Fund

For Fiscal Year Ended June 30, 2011

(in thousands)

		Low & Mod Loans Payable	Total Governmental Funds
Revenues:			
Property taxes	$	3,056	38,572
Charges for services		-	148
Use of money and property		3	772
Miscellaneous revenue		-	591
Total Revenues		3,059	40,083
Expenditures:			
Community development			
County property tax administration		-	633
Pass through		-	5,966
Administration		-	5,199
Housing assistance		-	8,374
Education		-	3,683
Economic or community development projects		-	7,472
Debt service:			-
Principal retirement		2,726	43,502
Interest on notes or bonds		330	5,532
Costs of issuance		-	583
Total expenditures		3,056	80,944
Excess of revenues over (under) expenditures		3	(40,861)
Other financing sources (uses):			
Notes or bonds proceeds		-	50,000
Original issue bond discount		-	(2,033)
Total other financing sources (uses)		-	47,967
Special item - contribution of assets to the City		-	(18,465)
Net change in fund balances		3	(11,359)
Fund balance, July 1		6	113,726
Fund Balance, June 30	$	9	102,366

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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
6/30/2011 (in thousands)

Net change in fund balances - total governmental funds		$ (11,359)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital assets changes as expenditures		2,481
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		(529)
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	$ (58)	
2003 Tax Allocation Bonds	(118)	
2010 Tax Allocation Bonds	(23)	
2011 Tax Allocation Bonds	583	
Low & Mod Housing Loan	(16)	368
In the statement of activities, bond premium/discounts are allocated over the life of the bonds as an adjustment to interest expense		
2002 Tax Allocation Bonds	106	
2003 Tax Allocation Bonds	145	
2010 Tax Allocation Bonds	(23)	228
Repayment of bond principal is an expenditure in the governmental funds, the repayment reduces long-term liabilities in the statement of net assets.		
2002 Tax Allocation Bonds	2,240	
2003 Tax Allocation Bonds	2,755	
Low & Mod Loan	2,726	
Due to the City of Glendale	35,581	43,302
In the statement of activities, interest is accrued on outstanding debt; whereas in the governmental fund, interest is recognized when matured.		
2002 Tax Allocation Bonds	7	
2003 Tax Allocation Bonds	12	
2010 Tax Allocation Bonds	364	
2011 Tax Allocation Bonds	(881)	
Low & Mod Loan	13	
RDLP Loan	(51)	
Interest due to the City of Glendale	(4,976)	(5,512)
Contribution of GRA Assets to the City		(34,645)
Deferred Interest Revenue - Housing		143
2011 TAB Bond Proceeds were recorded in the govermental fund as other sources whereas liability is recognized in government-wide's statement of net assets.		(47,967)
Change in net assets of governmental activities		$ (53,490)

See accompanying notes to financial statements.

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I. Summary of Significant Accounting Policies

A. Entity

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

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. Although the Agency is a separate legal entity, it is subject to the oversight responsibility of the City Council of the City of Glendale (the City) and accordingly, is a component unit of the City for financial reporting purposes. The Agency's governing board is the City Council.

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 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.

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, fund balance, revenues, and expenditures, as appropriate. The Agency records all of its transactions 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. The Glendale Redevelopment Agency (the Agency) has categorized the Town Center Project Fund; the 2002, 2003, 2010 Tax Allocation Bonds and the 2011 Subordinate Taxable Tax Allocation Bonds; the Low and Mod Loans Payable, as major funds for public interest reasons. The Agency believes that these judgmentally determined major funds are particularly important to the financial statement users. 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. Administrative expenditures for the project area are expended in this fund.
- 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. Administrative expenditures for the project area are expended in this fund.
- Low and Moderate Housing Fund - To account for housing set aside required under redevelopment laws of the State of California. Administrative expenditures for the Low and Mod projects or programs expended in this fund.
- 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 80% of 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 80% of the incremental property tax from the Glendale Redevelopment Agency.

- 2010 Tax Allocation Bond Fund - To accumulate monies for the payment of interest and principal of the 2010 Tax Allocation bonds. Debt service is financed via the 80% of the incremental property tax from the Glendale Redevelopment Agency.
- 2011 Subordinate Taxable Tax Allocation Bond Fund - To accumulate monies for the payment of interest and principal of the 2011 Subordinate Taxable Tax Allocation bonds. Debt service is financed via the 80% of the incremental property tax from the Glendale Redevelopment Agency for the Agency portion of the Debt Service and the 20% portion of the Debt Service is financed via the 20% set-aside of the Low and Mod Income of the incremental property tax from the Glendale Redevelopment Agency.
- Low and Mod Loans Payable Fund - To accumulate monies for the payment of interest and principal of the Glendale Housing Authority Loan. Debt Service is financed via the 20% Housing set-aside of the incremental property tax from the Glendale Redevelopment Agency.

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

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.

Charges for services and intergovernmental revenue are recognized in the period when they become both measurable and available to finance the expenditures of the fiscal period. Intergovernmental revenue is considered available if it is expected to be collected within 60 days of fiscal year-end and all eligibility requirements are met.

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.

All property taxes are collected and allocated by the County of Los Angeles to the various taxing entities. Property taxes are determined annually as of January 1 and attached as enforceable liens on real property as July 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. Secured property taxes become a lien on the property on March 1. Property taxes on the unsecured roll are due on the March 1 lien date and become delinquent if unpaid on August 31. Property tax revenues are recognized in the fiscal period for which they are levied and collected, adjusted for any amounts deemed uncollectible and amounts expected to be collected more than 60 days after the fiscal year.

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.

Inter-fund 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.

Housing Loans Receivable

The Housing Authority federal HOME funds from the Department of Housing and Urban Development and 20% of redevelopment agency's property tax increment (Housing Funds) for development (new construction or acquisition/rehabilitation), rehabilitation, and home buyer down payment assistance of affordable housing for low and moderate income households. The majority of the Housing Authority loans are either deferred payment loans to a future date uncertain; may be repaid or restructured at the end of the loan term from 56 years, 75 years, or 99 years in the future; or are simply forgiven when all requirements are met at the end of the loan term. Therefore these loans are not recorded on the financial statements. These deferred loans are described by type below. However, one development loan is recorded in the financial statements, the Doran Gardens Development Loan in the amount of $5. This loan was to fund the Doran Gardens Homeownership New Construction project and is a short term loan receivable due to the Housing Authority.

Housing Authority Loan programs include:

Single Family Home Rehab Loan

The program provides funds for moderate rehabilitation of owner occupied homes for low and moderate income households. The deferred payment loan is interest bearing (0% to 4% simple annual for up to 10 years), with a loan amount up to $25. Generally, the loan is repaid at the time of sale or transfer of the property. The loan is secured by a deed of trust on the property.

First Time Home Buyer Loan

The program provides funds for down payment and affordability gap assistance for the purchase of a newly constructed or a resale home by a low or moderate income first time home buyer household. The loan is a 0% interest rate, 2nd mortgage deferred payment, forgivable loan up to $75 for resale homes. For new construction units, the amount of the loan is based upon the amount of the affordability gap. The loan is secured by a deed of trust on the property and affordable housing covenants. The loan term is 45 years and the loan is forgiven at the end of the loan term. If the property is sold or transferred, or if the property is no longer owner occupied before the term expires, the borrower must repay the original principal amount plus an appreciation share.

Multi Family Apartment Rehab Loan

The program provides funds for moderate rehabilitation of rental properties by private or nonprofit owners. Units must be rented to low and moderate income tenants at an affordable rent for the term of the loan. The loan is secured by a deed of trust and affordable housing covenants on the property. The loan is an interest bearing (4% simple interest), deferred payment, forgivable loan. The maximum loan amount is $10 per unit for a 5 year loan. (In target neighborhoods the maximum per unit is up to $15 per unit for a 7 year loan for repairs and rehab.) The maximum amount allowed per project is up to $100. The owner needs to contribute at least 10% of the total project cost. Repayments are due on an annual basis. If the property is in compliance with the terms of the loan agreement, the annual payment is forgiven.

New Construction and/or Acquisition/Rehab Development Loan

The program provides funds for new construction or acquisition and substantial rehabilitation of affordable rental housing or affordable home ownership housing. Loan terms and loan underwriting requirements are negotiated with the developer on a project by project basis. The loan is secured by a deed of trust and affordable housing covenants on the property. Loans provide gap assistance to make housing units affordable to low and moderate income households and units must be rented at an affordable rent or sold at an affordable purchase price. Leveraging of funds with other sources and contribution of developer equity is required. For affordable rental development loans, loan principal plus interest must be repaid at the end of the loan term. The term depends upon funding source. Residual receipt payments are required. For affordable ownership development loans, the developer loan generally converts to a First Time Home Buyer Loan (see above) with each individual home buyer.

<u>Capital Assets</u>

The Agency's capital assets include land, buildings, improvements and equipments that are reported in the Agency government-wide financial statements. As a component unit of the City, the Agency follows the City's asset capitalization policy. Capital assets are defined as assets with an initial, individual cost of $5 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost of estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Capital outlays are recorded as expenditures of the Agency's Special Revenue and Capital Project Funds and as assets in the Agency's government-wide financial statements to the extent that the asset capitalization policy is met. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Buildings improvements and equipment assets are depreciated using the straight-line depreciation at the beginning of the following fiscal year over the following estimated useful lives:

Assets	Years
Buildings and improvements	10-75
Machinery and equipment	4-10

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 net realizable value (realizable value less cost to sell).

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, Glendale Community College, the County of Los Angeles and other County Taxing Entities.

Long-term Debt

In the Government-wide Financial Statements, long-term debt and other obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance cost are reported as deferred charges and amortized over the term of the related debt. In the governmental funds statement of revenues, expenditures and changes in fund balances, issuance of debt, premiums, discounts and issuance costs are recorded as other financing source (use) in the respective fund. Issuance costs and payment of principal are reported as debt service expenditures.

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. The City and the Agency entered into cooperation agreements through which the City agreed to advance funds to the Central Redevelopment and the San Fernando Road Corridor Redevelopment project areas to begin redevelopment before tax increment build up. The advances are interest bearing at a fixed rate of 7% per annum effective fiscal year 2009-10. Resolutions were adopted in January 2011 by the City Council and the Glendale Redevelopment Agency Board approving the repayment schedule of the Agency's advances from the City.

Compensated Absences

As a component unit of the City, the Agency follows the City's policies on compensated absences. The City records a liability for its employees' earned but unused accumulated vacation and overtime. The unused accumulated vacation and overtime are expensed in the Employee Benefits Fund, an Internal Service Fund, which incurs the liability. As of June 30, 2011, the total liability is $14,680, and the City has $6,267 available in the Employee Benefits Fund dedicated to this liability. Employees earn one day of sick leave per month.

The City compensated absences policies also provide sick leave conversion benefits through the Retiree Health Saving Plan (RHSP). Employees earn one day of sick leave per month. Unused sick leave is converted to a dollar amount and deposited in the employee's RHSP account at retirement or termination with 20 years of City service for Glendale Police Officers Association (GPOA), Glendale City Employee Association (GCEA) and Glendale Management Association (GMA). The account is used to pay healthcare premiums for the retiree and beneficiaries. After the account is exhausted, the retirees can terminate coverage or elect to continue paying the healthcare premiums from personal funds. Total benefits paid by the City under the RHSP for the fiscal year ended June 30, 2011 is $2,036.

Based on the most recent actuarial valuation, the actuarial accrued liability for the RHSP as of June 30, 2009 is $17,074. The City has a reserve of $4,245 in the RHSP Benefits Fund, an Internal Service Fund, dedicated to provide benefits, so the unreserved actuarial accrued liability is $12,829 as of June 30, 2009. The City has $5,092 in reserve for RHSP as of June 30, 2011, and the unreserved actuarial accrued liability is $12,193. The actuarial accrued liability takes into account an estimate of future sick leave usage, additional sick leave accumulation for current active employees, and investment return of $4.5% and no increase for sick leave conversion hourly rate.

Post Employment Benefits

As a component unit of the City, all Agency personnel are employees of the City of Glendale. For Glendale City Employees Association (GCEA) and Glendale Management Employees Association(GMA) who retired prior to July 2001, the accumulated unused sick leave upon their retirement may be converted to the number of months that the City will contribute all or partial of these retirees' monthly medical insurance premiums. The conversion calculations are based on the respective bargaining units' MOU or Benefit Ordinance. Currently, there are 29 retirees receiving this City paid benefit. These 29 retirees may also elect at any time to receive a one-time cash payment of a maximum of 50% of the value of the remainder of their unused sick leave conversion for the insurance plan for which they qualify. After all the accumulated unused sick leaves are exhausted or cashed out, the retirees can terminate coverage or elect to continue paying the medical insurance premiums from personal funds.

The City also has a Retiree Healthcare Plan which is a single-employer defined benefit healthcare plan administered by the City. The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established by and may be amended by the City. The City does not have a separate audited GAAP-basis postemployment benefit plan report for this defined benefit plan.

(in thousands)

The City provides retiree medical benefits through the City's standalone healthcare plans. The City allows pre-Medicare eligible retirees to purchase healthcare coverage at blended employee rates. This results in an "implied subsidy" since the healthcare costs are lower for active employees than for retirees.

The City's contribution is currently based on a projected pay-as-you-go funding method, that is, benefits are payable when due. For fiscal year 2010-11, the City contributed $2,094 in benefit payments ($142 for the premium subsidy and $1,952 for the implied subsidy). No assets were invested in an irrevocable plan trust.

The annual required contribution is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the City's annual Other Post Employment Benefits (OPEB) cost for the year, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation.

	Amount
Annual required contribution	$ 10,445
Interest on net OPEB obligation	534
Adjustment to annual required contribution	(898)
Annual OPEB cost (expense)	10,081
Contributions to irrevocable trust	-
Benefit payments	(2,094)
Increase in net OPEB obligation	7,987
Net OPEB obligation – beginning of year	11,868
Net OPEB obligation – end of year	$ 19,855

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the three preceding years were:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	$ 3,109	39%	$ 1,885
6/30/2009	3,392	38%	3,997
6/30/2010	9,408	16%	11,868
6/30/2011	10,081	21%	19,855

(in thousands)

The funded status of the plan as of June 30, 2009, the plan's most recent actuarial valuation date, was:

Actuarial accrued liability (AAL)	$	103,947
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	$	103,947
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active Plan members)	$	140,934
UAAL as a percentage of covered payroll		74%

The June 30, 2009 unfunded actuarial accrued liability has increased significantly from the June 30, 2007 valuation. There are two main reasons for the increases:

- Impact on blending rates: The 2007 valuation assumed the premiums charged to Medicare eligible retirees properly reflected the cost of providing medical coverage. In the 2009 valuation, it became evident that premiums were insufficient to cover the cost resulting in Medicare retirees being subsidized. Therefore, the implied subsidy was included in the 2009 valuation for Medicare retirees as well as for early retirees. The impact on the actuarial accrued liability is approximately $49.8 million.

- Impact of not increasing Medicare eligible retiree rates by actual experience: The Medicare eligible retiree actual cost (unblended rates) experienced an increase ranging from 10% to 45% in 2009 and 2010 but the Medicare eligible premium rates were only increased 4% to 12%. The impact on the actuarial accrued liability is approximately $25.6 million

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

(in thousands)

In the June 30, 2009 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is the expected long-term investment return on the City's investments, a 3% general inflation assumption, an annual pre-Medicare eligible HMO medical cost trend rate of 8.4% (9.0% for PPO's) for 2011 decreasing to 4.5% after 6 years. The post-Medicare eligible medical cost trend rate started 0.3% higher for 2011. The UAAL is being amortized as a level percentage of projected payroll over 30 years on an open basis. The remaining amortization period at June 30, 2009 was 30 years.

Schedule of Funding Progress
Postemployment Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2007	$ -	$ 27,902	$ 27,902	0%	$133,050	21%
6/30/2009	-	103,947	103,947	0%	$140,934	74%

Fund Equity

The Agency implemented the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definition, for the year ended June 30, 2011. In the Agency's fund financial statements, the governmental funds may report nonspendable & restricted fund balances to show the level of constraint governing the use of the funds.

Nonspendable fund balances cannot be spent, because they are in nonspendable form or are required to be maintained intact.

Restricted fund balances are restricted for specific purposes by third parties or enabling legislation.

The Agency does not have General Fund type. It only has Special Revenue Funds and Debt Service Funds. Receipt of property tax increment revenue are directly recorded in the Debt Service Funds first then when debt service requirement is fully satisfied, property tax increment revenue is recorded in the Special Revenue Funds assigned to each project area. Due to the level of constraint governing the use of these funds, it is the Agency's policy to spend restricted resources only for an incurred expenditures.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets net of related debt are capital, 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.

(in thousands)

F. Expenditures

Pass-through expenditures are Other County Taxing Entities' share of the property tax incremental revenue from both Central and San Fernando Project Areas. Other County Taxing Entities are: County General, County Flood Control, County Fire Dept., County Vector Control and the City of Glendale.

Education expenditures are the Glendale Unified School District, Glendale Community College and Los Angeles County Office of Education share of the property tax incremental revenue from both Central and San Fernando Project Areas. Also included in this category is the State's "take-away" of $2.3 million of the Agency's fund in this fiscal year that was paid to the Supplemental Educational Relief Augmentation Fund (SERAF) on May 10, 2011.

Housing assistance expenditures are expenditures to assist low and moderate income families such as first time home buyer program, housing rehabilitation program, rental assistance program, emergency assistance program, etc. Also, funds are awarded to developers to develop new construction of low and moderate income rental housing. Administrative expenditures for administering these programs are included in this category.

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 restricted or committed for encumbrances. As of June 30, 2011, the Agency had $457 in outstanding encumbrances in the Low and Moderate Housing Fund.

III. Cash and Investments

The Agency pools its cash and investments with the City. Of the amounts detailed below, $73,350 pertains to the Agency for fiscal year 2011 of which $17,320 is cash with fiscal agents. 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	$	480,895
Cash with fiscal agents		30,516
		511,411
Cash held in financial institutions & imprest cash		(17)
Total	$	511,394

(in thousands)

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	20%
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 operation.

(in thousands)

		Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Commercial Paper	$ 5,000	5,000	-	-	-
Federal Agency Term Notes	30,311	5,051	-	25,260	-
U.S. Government Agency Callable Bonds	192,262	-	21,557	170,705	-
Corporate Notes	30,310	2,565	14,629	13,116	-
State Investment Pool	150,236	150,236	-	-	-
Money Market Funds	72,776	72,776	-	-	-
Held by Fiscal Agents					
Federal Agency Term Notes	9,847	9,847	-	-	-
Guaranteed Investment Contracts	6,313	-	-	-	6,313
Money Market Funds	14,356	14,356	-	-	-
	$511,411	259,831	36,186	209,081	6,313

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 rated government securities, AAA or AA rated corporate securities, and A1,P1 rated commercial paper, negotiable certificates of deposit and banker's acceptance securities. The City's Investment Policy requires the City to sell any security with a credit rating below A.

		Rating as of Year End				
		AAA	AA	Aa2	A1,P1	Unrated
Commercial Paper	$ 5,000	-	-	-	5,000	-
Federal Agency Term Notes	30,311	30,311	-	-	-	-
U.S. Government Agency Callable Bonds	192,262	192,262	-	-	-	-
Corporate Notes	30,310	-	12,863	-	17,447	-
State Investment Pool	150,236	-	-	-	-	150,236
Money Market Funds	72,776	72,776	-	-	-	-
Held by Fiscal Agents						
Federal Agency Term Notes	9,847	9,847	-	-	-	-
Guaranteed Investment Contracts	6,313	-	-	6,313	-	-
Money Market Funds	14,356	14,356	-	-	-	-
	$511,411	319,552	12,863	6,313	22,447	150,236

(in thousands)

Concentration on Credit Risk

Issuer	Investment Type	Reported Amount
FHLB	Federal Agency Term Notes	$ 5,051
FHLB	Federal Agency Callable Bonds	48,071
	Total	53,122
FHLMC	Federal Agency Term Notes	3,034
FHLMC	Federal Agency Callable Bonds	45,055
	Total	48,089
FNMA	Federal Agency Term Notes	22,225
FNMA	Federal Agency Callable Bonds	89,534
	Total	$ 111,759

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 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, 2011, the carrying amount of the City's deposits was ($17) and the corresponding bank balance was $7,933. The difference of $7,950 was principally due to outstanding warrants, wires, deposits in transit and some pending miscellaneous adjustments. Of the Bank balance, $250 was insured by the FDIC depository insurance and $7,683 was covered by the collateralization requirement.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 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 City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. As of June 30, 2011, in accordance with the City's investment policy, none of the City's investments were held with counter-party. All of the City's investments were held with an independent third party custodian bank. The City uses Bank of America as a third party custody and safekeeping service for its investment securities.

(in thousands)

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, 2011 is as follows:

	Balance at July 1	Increases	De-creases/ Reclass	Balance at June 30
Governmental activities - Housing, health, and community development:				
Capital assets not being depreciated				
Land	$ 28,982	8	(28,990)	-
Construction in progress	16,819	2,429	-	19,248
Total	45,801	2,437	(28,990)	19,248
Other capital assets				
Building and improvements	14,982	-	(8,358)	6,624
Machinery and equipment	941	45	(986)	-
Total other capital assets at cost	15,923	45	(9,344)	6,624
Less accumulated depreciation:				
Building and improvements	3,594	513	(3,024)	1,083
Machinery and equipment	645	16	(661)	-
Total accumulated depreciation	4,239	529	(3,685)	1,083
Total assets being depreciated	11,684	(484)	(5,659)	5,541
Governmental activities capital assets, net	$ 57,485	1,953	(34,649)	24,789

GLENDALE REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements
June 30, 2011
(in thousands)

V. Property Held for Resale

The following is a list of property held for resale at June 30, 2011:

Purpose	Acquisition Date	Location	Carrying Value
Other	Mar-1986	225 W. Wilson	$ 1,013
			1,013
Housing Project	Oct-2011	Fifth & Sonora	6,007
			6,007
Total			$ 7,020

VI. Outstanding Indebtedness and Changes in Long-Term Debt

A summary of outstanding bonds payable at June 30, 2011 is as follows:

	Out - standing at June 30, 2010	Additions	Retire- ments	Out- standing at June 30, 2011	Due within one year
Governmental Activities					
2002 GRA Tax Allocation Bonds	$ 34,140	-	2,240	31,900	2,320
2003 GRA Tax Allocation Bonds	42,012	-	2,755	39,257	2,905
2010 GRA Tax Allocation Bonds	26,970	-	-	26,970	-
2011 GRA Subordinate Taxable Tax Allocation Bonds	-	50,000	-	50,000	-
2002 GRA Bond Premium	1,214	-	106	1,108	106
2003 GRA Bond Premium	1,647	-	145	1,502	145
Net Original Bond Discount – 2010 GRA Tax Allocation Bonds	(349)	-	(23)	(326)	(24)
Net Original Bond Discount – 2011 GRA Subordinate Taxable Tax Allocation Bonds	-	(2,033)	-	(2,033)	(145)
Total bonds payable	105,634	47,967	5,223	148,378	5,307
Low & Mod Loans Payable	10,716	-	2,726	7,991	2,820
Residential Dev Loan Program	4,643	-	-	4,643	-
Due to the City of Glendale	71,086	4,976	35,581	40,481	6,000
Total long term liabilities	$192,079	52,943	43,530	201,493	14,127

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

2002 GRA Tax Allocation Bonds

The Agency issued $48,015 in 2002 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 $2,320 to $3,655 from 2012 to 2022. The 80% of all incremental propety taxes revenues allocated to and received by the Agency for the Central Project Area net of county share of statutory tax sharing and county adminsitration charge, has been pledged to the payment of principal, interest and premium (if any) on these bonds. 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 principal and interest paid for the current year and total net revenues were $3,806 and $21,183 respectively.

2003 GRA Tax Allocation Bonds

The Agency issued $58,880 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 $3,105 to $4,520 from 2012 to 2022. The 80% of all incremental property taxes revenues allocated to and received by the Agency for the Central Project Area net of county share of statutory tax sharing and county administration charge and on a parity with the Agency's previously issued 2002 tax allocation bonds, has been pledged to the payment of principal, interest and premium (if any) on these 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. Principal and interest paid for the current year and total net revenues were $4,768 and $21,183 respectively.

2010 GRA Tax Allocation Bonds

The agency issued $26,970 in 2010 tax allocation bonds with an average rate of 5% for 15 years to fund economic development activities of the Agency primarily relating to the Adult Recreation Center Improvement; Glendale Central Library Renovation and Columbus Soccer Field Project, 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 bonds mature in amounts ranging from $150 to $8,510 from 2014 to 2025. The incremental property taxes revenues allocated to and received by the Agency for the Central Project Area on a parity with the Agency's previously issued 2002 tax allocation bonds and 2003 tax allocation refunding bonds, net of county share of statutory tax sharing and county administration charge, are pledged to the payment of principal, interest and premium (if any) on those bonds. Principal and interest paid for the current year and total net revenues were $1,823 and $21,183 respectively.

(in thousands)

2011 GRA Subordinate Taxable Tax Allocation Bonds

The agency issued $50,000 in 2011 subordinate taxable tax allocation bonds with an average rate of 6.75% for 14 years. The Bonds were issued to finance redevelopment projects and low and moderate income housing activities; to fund the Reserve Requirement for the Bonds; and to provide for the costs of issuing the Bonds. The bonds mature in amounts ranging from $1,730 to $7,210 from 2013 to 2025. For the security of the Non-Housing portion of the Bonds, the Agency grants a first pledge of and lien on all of the Subordinate Tax Revenues consisting of Non-Housing Tax Revenues on a parity with the pledge and lien which secures any Parity Debt. For the security of the Housing portion of the Bonds, the Agency grants a first pledge of and lien on all of the Subordinate Tax Revenues consisting of Housing Tax Revenues, on a parity with the pledge and lien which secures any Parity Debt. Subordinate Tax Revenues are pledged to the payment of principal and interest on the Bonds pursuant to the Indenture until the Bonds are paid, or until moneys are set-aside irrevocably for that purpose. There was no principal and interest payment made for the current year.

The annual requirements (including payments to sinking fund) to amortize all bonded indebtedness outstanding as of June 30, 2011:

Fiscal Year	Interest	Principal	Total
2012	$ 8,839	5,307	14,146
2013	8,091	7,212	15,303
2014	7,760	7,677	15,437
2015	7,415	8,032	15,447
2016	7,027	9,012	16,039
2017-2021	27,018	54,326	81,344
2022-2026	9,310	56,812	66,122
	$ 75,460	148,378	223,838

Low & Mod Loans Payable

The Housing Authority obtained a $14,000 loan from Union Bank in February 2009 to fund the development of affordable rental and owner housing projects. The Housing Authority received $13,920 in February, net of cost of issuance of $80. The term of the loan is five years, and the interest rate is 3.35%. The total interest is $1,281. The loan is secured by the 20% set-aside funds of property tax increment received by the Housing Authority from Glendale Redevelopment Project areas.

(in thousands)

The annual requirements to amortize the Loan outstanding as of June 30, 2011:

Fiscal Year	Interest	Principal	Total
2012	$ 237	2,820	3,057
2013	139	2,917	3,056
2014	39	2,253	2,292
	$ 414	7,991	8,405

Residential Development Loan Program (RDLP) Loan

The Glendale Redevelopment Agency is acting as "pass-through" capacity of this loan. This Loan is not secured by the 20% set-aside funds of property tax incremental revenue received by the Housing Authority from Glendale Redevelopment Agency project areas. The loan amount of $5,000 was approved by the California Housing Finance Authority to the Housing Authority of the City of Glendale, from proceeds of the Housing and Emergency Shelter Trust Fund of 2006 (Proposition 1C Housing Bond.) on November 5, 2008. The loan has a 5 year 9 month term (as amended) with a 3% simple annual interest rate. The Housing Authority drew $4,809 in August 2009, and returned $253 unused funds in March 2010, of which $165 was applied to principal repayment, and $88 was applied to interest. The purpose of the loan is to provide land acquisition financing for a portion of the Doran Gardens' low and moderate income housing project. The Loan Agreement states that it is an unsecured loan, and repayment is a general obligation of the Housing Authority. The RDLP loan principal and interest will be repaid upon the sale of the affordable units for the Doran Gardens project.

The annual requirements to amortize the Loan outstanding as of June 30, 2011:

Fiscal Year	Interest	Principal	Total
2012	$ -	-	-
2013	-	-	-
2014	-	-	-
2015	571	4,643	5,214
	$ 571	4,643	5,214

Due to the City of Glendale

The Agency and the City have entered into various cooperation 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 project areas. All of the agreements are interest bearing at a fixed rate of 7% per annum effective fiscal year 2009-10. Resolutions were adopted in January 2011 by the City Council and the Glendale Redevelopment Agency Board approving the repayment schedule of the Agency's advances from the City.

GLENDALE REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements
June 30, 2011
(in thousands)

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

	Date of	Balance at July 1			Additions		Reductions/	Balance at June 30		
	Agreement	Principal	Interest	Total	Principal	Interest	Reclass	Principal	Interest	Total
Central Project										
South Brand Improvement	May-77	$ -	2,918	2,918	-	204		-	3,122	3,122
Glenoaks Improvement	Oct-77	660	3,694	4,353	-	305		660	3,998	4,658
Parking lots transferred to the Agency	Apr-83	3,062	14,280	17,342	-	1,214		3,062	15,494	18,556
North Brand Improvement	Apr-83	80	4,593	4,673	-	327		80	4,920	5,000
Verdugo Utility Improvement	Dec-85	3,314	7,293	10,608	-	743	(9,223)	-	2,128	2,128
Block 24 Parking Structure	Oct-85	4,677	17,621	22,298	-	1,561	(23,858)	-	-	-
Sub-total		**11,792**	**50,398**	**62,191**	**-**	**4,354**	**(33,081)**	**3,802**	**29,662**	**33,464**
San Fernando Project										
San Fernando Project-Advance	Dec-96	1,272	1,659	2,931	-	205	-	1,271	1,865	3,136
New Business Incentive	Dec-96	16	16	32	-	2	-	16	18	34
Dreamworks	Dec-96	178	153	331	-	23	-	178	176	354
San Fernando Master Plan	Dec-96	602	417	1,019	-	71	-	602	489	1,091
Facade Program	Dec-96	184	54	238	-	17	-	184	71	255
Water Treatment Facilities	Jul 1997	1,600	1,032	2,632	-	184	(668)	932	1,216	2,148
Grand Central Business	Nov-97	50	30	80	-	6	(86)	-	-	-
Recycling Center	Jul 1996	1,000	632	1,632	-	114	(1,746)	-	-	-
Sub-total		**4,902**	**3,993**	**8,895**	**-**	**622**	**(2,500)**	**3,183**	**3,835**	**7,017**
Grand Total fro both Projects		**$ 16,694**	**54,391**	**71,086**	**-**	**4,976**	**(35,581)**	**6,985**	**33,497**	**40,481**

VII. Employee Retirement System and Plans

Plan Description

As a component unit of the City, all Agency personnel are employees of the City of Glendale. 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 (fire and police) and miscellaneous (general and management) 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. For all employees hired under the 1st tier plan, the benefit is calculated as follows: years of credited service multiplied by their highest twelve consecutive months of salary multiplied by a percentage factor. Effective January 1, 2011 the City implemented a 2nd tier plan and for all new hired miscellaneous employees, the benefit is calculated as follows: years of credited service multiplied by their highest three average years multiplied by a percentage factor. The percentage factor is age-based. All public safety employees hired under the 1st tier plan use the 3% at age 50 factor and effective January 1, 2011, the 2nd tier plan implemented all new hired fire safety employees to use the 3% at age 55 factor.

All miscellaneous employees hired under the 1st tier plan use the 2.5% at age 55 factor, and effective January 1, 2011, the 2nd tier plan implemented all new hired miscellaneous employees to use the 2.0% 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. The City's miscellaneous employees hired under the 1st tier plan are required to contribute 8.0% of their annual salary and effective January 1, 2011, the 2nd tier plan implemented all new hired miscellaneous employees are required to contribute 7.0% of their annual salary. All the City's safety employees are required to contribute 9.0% of their annual salary. The City is also required to contribute at an actuarially determined rate. The City's contribution rate for miscellaneous members effective July 1, 2010 was 11.672%. The City's contribution rate for safety members effective July 1, 2010 was 25.067%. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Based on the Memoranda of Understanding (MOU's) between the City and the five City Associations, {International Brotherhood of Electrical Workers (IBEW) was established within the City effective May 1, 2011}, all employees contribute part of the City's PERS cost in fiscal year 2010-11, which is in addition to their required employees' contributions. For fiscal year 2010-11, the Glendale City Employee Association (GCEA) and the International Brotherhood of Electrical Workers (IBEW) contributed an additional 0.5% of their persable earnings. The Glendale Management Association (GMA) contributed an additional 0.5% of their persable earnings for the month of July 2010, and effective August 1, 2010, contributed an additonal 1.5% of their persable earnings, thus totaling a 2.0% deduction through the end of the fiscal year. From July 1, 2010 through December 31, 2010, the Glendale Fire Fighter Association (GFFA) contributed an additional 1.5% of their persable earnings and effective January 1, 2011, contributed an additional 0.5% of their persable earnings thus totaling a 2.0% deduction through the end of the fiscal year. For fiscal year 2010-11, the Glendale Police Officers Association (GPOA) contributed an additional 1.5% of their annual salaries.

Annual Pension Cost

The Agency's portion of the contribution to CalPERS in fiscal year 2010-2011 was $328. The City's contributions to CalPERS totaling $24,838 were made during the fiscal year ended June 30, 2011 in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2009. 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 a 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.

(in thousands)

Three year Trend Information

Fiscal year ending	Plan	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/2009:				
	Misc.	$ 12,004	100%	$ -
	Safety	11,885	100%	-
	Total	23,889		
06/30/2010:				
	Misc.	11,829	100%	-
	Safety	12,023	100%	-
	Total	23,852		
06/30/2011:				
	Misc.	11,922	100%	-
	Safety	12,916	100%	-
	Total	$ 24,838		

(in thousands)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability <AAL> – Entry Age	(Over-funded AAL) / Unfunded AAL	Funded Ratio	Covered Payroll	(Over funded AAL) / Unfunded AAL as a Percentage of Covered Payroll
	(A)	(B)	(B-A)	(A/B)	(C)	{(B-A)/C}
06/30/2008:						
Misc.	$ 641,356	678,218	36,862	94.60%	101,970	36.10%
Safety	413,321	485,398	72,077	85.20%	46,911	153.60%
Total	1,054,677	1,163,616	108,939	90.60%	148,881	73.20%
06/30/2009:						
Misc.	666,773	759,485	92,712	87.80%	104,075	89.10%
Safety	430,823	533,851	103,028	80.70%	48,703	211.50%
Total	1,097,596	1,293,336	195,740	84.90%	152,778	128.10%
06/30/2010:						
Misc.	694,063	788,085	94,022	88.1%	104,409	90.05%
Safety	449,556	560,655	111,099	80.2%	50,320	220.78%
Total	$1,143,619	1,348,740	205,121	84.8%	154,729	132.57%

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 through the City's self-insurance program which is accounted for in the internal service fund of the City.

The City is exposed to various risks of loss related to torts, theft of, damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City retains risks for the following types of liabilities: worker's compensation insurance, unemployment insurance, post employment benefits, general auto, dental, medical and visions as well as public liability 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, and destruction of assets as well as excess workers' compansation and general public liability claims. The City also purchases property, aviation and employee dishonesty insurance. There were no significant settlement or reductions in insurance coverage from settlements for the past three years. The insurance schedule for fiscal year 2011-12 is as follows:

(in thousands)

Insurance Type	Program Limits	Deductible /SIR (self insured retention)
Excess	$20,000	$2,000 SIR per occurrence
D &O	$2,000	$250 SIR non-safety; $500 SIR safety
Excess Workers' Comp Employer's Liability Ins.	Statutory	$2,000 SIR per occurrence
Property	$250,000	Various deductibles up to $250
Property	$400,000	$25 deductible all locations
Aviation	$50,000	Various deductibles
Employee	$1,000	$10

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, 2011 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 for the current fiscal and the prior fiscal year are as follows:

Fiscal Year	Beginning Balance	Claims and Changes	Claim Payments	Ending Balance
2009-10	36,124	$45,743	41,091	40,776
2010-11	40,776	$48,863	42,745	46,894

IX. Commitments, Contingencies & Subsequent Events

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.

In July 2009, the State of California Legislature approved a $2.05 billion shift of Redevelopment Tax Increment funds to the Supplemental Educational Revenue Augmentation Fund (SERAF) for fiscal years 2009-10 and 2010-11. The State approved $1.7 billion in transfer for fiscal year 2009-10 and $350 million for fiscal year 2010-2011. The State Department of Finance calculated each Agency's SERAF payment each year. Payments are due by May 10 of the applicable year.

The Agency made payments to the "SERAF" in the amount of $11.2 million in May 2010 and $2.3 million in May 2011. A portion of the property tax increment received by the Agency were used to pay "SERAF" in both fiscal years.

In June 2011, the California Legislature passed Assembly Bills AB x1 26 and x1 27 which together could have a significant impact on the Agency's ability to operate. AB x1 26 eliminates Redevelopment Agencies throughout the State and AB x1 27 allows agencies to "opt-in" and continue to operate by remitting significant funds to the State. In July 2011, the Glendale Redevelopment Agency and Housing Authority passed an ordinance that would allow the Agency to opt-in under the provisions of AB x1 27. A payment of approximately $9.3 million would be made during FY 2011-12 and another $2.8 million the year after. The Agency would be required to make annual payments thereafter in order to continue to operate.

Shortly after the passage of AB x1 26 & AB x1 27, the California Redevelopment Association & Leage of California Cities filed a lawsuit challenging the constitutionality of both bills. In August 2011, the California Supreme Court issued a partial stay of the legislation and a ruling is expected before January 15, 2012, of which one-half of the Voluntary Alternative Redevelopment Program (VARP) calculated initial remittance amount is due to be paid to the county auditor-controller for deposit in the county's Educational Revenue Augmentation Fund (ERAF). In the meantime, the future of Redevelopment Agencies in California is uncertain. The range of possibilities include the elimination of all Redevelopment Agencies throughout California; their continued operation under the provisions of AB x1 27; or, the California Supreme Court could rule that both Assembly Bills are unconstitutional and Agencies would continue to operate as normal.

After the passage of AB x1 26 in June 2011, the City Council and the Glendale Redevelopment Agency adopted resolutions assigning, GRA receivables, promissory notes and other indebtedness owing to the Agency to the City to assist the City in appropriately implementing the projects and other related activities as set forth in the previous Cooperation Agreements. Such implementation includes paying previously incurred indebtedness, enforcing existing covenants, contracts or other obligations, and for other municipal purposes benefiting the Project Areas in accordance with the Redevelopment Plans. The City Council and the Glendale Redevelopment Agency also adopted Resolutions contributing Agency owned properties to the City pursuant to Health & Safety Code Sections 33430 & 33432. At the end of this fiscal year, the following took place:

- The Agency assigned its loans receivable balance of $3,259 to the City. These loans receivable consist of the following: (1) Agency's loan to the Glendale Unified School District (GUSD) to fund the Moyse Turf Field (the loan balance was $1,704), and (2) the Agency's loan to Embassy Suites Hotel to fund the purchase of the Embassy Suites property (the loan balance was $1,555); and

- The Agency transferred $5,101 of its Real Property Held for Resale to the City;

- The Agency transferred the Capital Project balance of the San Fernando Road Corridor Tax Share Fund in the amount of $10,105 to the City; and

- The Agency transferred its Capital Assets of $34,645 to the City.

X. Pronouncement Issued but Not yet Accepted

GASB issued pronouncements prior to June 30, 2011 that have an effective date that may impact future financial presentation. Management has not currently determined any impact on the implementation of the following statements may have on the financial statements of the City:

- Governmental Accounting Standards Board Statement No. 57 - *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.*

- Governmental Accounting Standards Board Statement No. 60 – *Accounting and Financial Reporting for Service Concession Arrangements.*

- Governmental Accounting Standards Board Statement No. 61 – *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34.*

- Governmental Accounting Standards Board Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*

- Governmental Accounting Standards Board Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

- Governmental Accounting Standards Board Statement No. 64 – *Derivative Instruments: Application of Hedge Accounting Termination Provisions-An Amendment of GASB Statement No. 53.*

Year Ended - June 30, 2011

STATISTICAL SECTION

GLENDALE, CALIFORNIA

SUPPLEMENTAL INFORMATION

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GLENDALE REDEVELOPMENT AGENCY

Computation of Low-Moderate Income Housing Excess/Surplus Funds
Year Ended June 30, 2011
(in thousands)

Fund Balance - Beginning of Year		$ 24,796
Less unavailable funds - included in beginning fund balance:		
Prepaid items		(17)
Encumbrances		(983)
Land held for resale		(10,809)
Unspent debt proceeds		(4,643)
Total unavailable funds		(16,452)
Available Fund Balance - Beginning of Year		8,344
Current year proceeds/uses (actual plus changes in unavailable):		
Proceeds		8,485
Uses		(12,882)
Changes in unavailable amounts		5,024
Available Fund Balance - End of Year for Excess Surplus		8,971
Does available fund balance for excess/surplus exceed one-million dollars? If so, enter available fund balance and evaluate that amount against tax increment. If less, enter zero.		8,971
Does available fund balance for excess/surplus exceed the greater of prior years' set aside deposits or one-million dollars?		
Fiscal year 2006-07	$ 5,883	
Fiscal year 2007-08	6,467	
Fiscal year 2008-09	7,056	
Fiscal year 2009-10	8,017	
Total set-aside deposited into fund	27,423	
Greater of the tax increment deposits or one-million dollars		27,423
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		27,868
Available fund balance - end of year above		8,971
Add unavailable funds - end of year:		
Prepaid items	5	
Encumbrances	457	
Loans receivable	4,959	
Land held for resale	6,007	
Unspent bond proceeds	7,469	
Total unavailable funds		18,897
Computed Ending Fund Balance		$ 27,868

GLENDALE REDEVELOPMENT AGENCY
CIP Projects and Low and Moderate Housing Programs
June 30, 2011
(in thousands)

The following are the on-going Capital Improvement Projects for both Central Project Area and San Fernando Project Area and the Low and Moderate Housing Programs:

A. Central Glendale Redevelopment Projects

Project Description		Project Budget	Current Year Expenditures	Expenditures To Date	Remaining Balance
Block 24/25 Rehab	$	7,774	-	7,702	72
800 North Central		4,951	825	5,726	(775)
Glendale City Center		451	-	415	36
DPSS Site		3,907	-	3,877	30
Block 29/30		4,856	-	4,818	38
Alex Theater Project		7,779	538	6,425	1,354
Downtown Green Space		422	-	372	50
Freeway Landscape		200	-	-	200
Town Center 2001		44,491	2,122	44,450	41
CA Central Office Project		7	-	7	-
Downtown Development Standards		1,183	100	1,150	33
Citywide Public Signage Program		50	-	40	10
Town Center/ARC East Brand Con		1,210	269	438	772
Central Glendale Area Facade		606	170	444	162
Galleria Expansion		175	-	21	154
Central Ave SR134 Off Ramp		1,200	-	-	1,200
Brand Const Marketing Campaign		45	-	45	-
Armenian Society of LA		120	23	23	97
Orange Street Garage		65	3	34	31
Verdugo Gardens-610 N. Central		20	-	3	17
Brand at 134 Fwy Mixed Use Project		25	-	-	25
Agency Development Site		120	17	38	82
Intracorp Orange/Wilson Mixed		10	-	2	8
Milford & Orange Project		1	-	1	-
Brand Boulevard Capital Costs		213	-	113	100
Environmental Graphics		67	24	47	21
Art Installation Program		183	52	52	131
Museum of Neon Art (MONA)		1,000	-	-	1,000
Total (Central Projects)	**$**	**81,131**	**4,144**	**76,243**	**4,888**

GLENDALE REDEVELOPMENT AGENCY
CIP Projects and Low and Moderate Housing Programs
June 30, 2011
(in thousands)

B. Town Center Projects

Project Description		Project Budget	Current Year Expenditures	Expenditures To Date	Remaining Balance
Town Center 2001	$	40,590	787	40,590	-
Town Center/ARC East Brand Con		173	2,895	2,919	(2,746)
Total (Town Center Projects)	**$**	**40,763**	**3,682**	**43,509**	**(2,746)**

C. 2010 Tax Allocation Bonds Proceeds Projects

Project Description		Project Budget	Current Year Expenditures	Expenditures To Date	Remaining Balance
Adult Rec. Center Improvement	$	7,000	562	6,750	250
Renovate Existing Libraries		6,050	40	40	6,010
Town Center/ARC East Brand Con		4,500	1,040	1,040	3,460
Columbus Soccer Field		2,825	-	-	2,825
Total (Town Center Projects)	**$**	**20,375**	**1,642**	**7,830**	**12,545**

D. San Fernando Road Corridor Redevelopment Projects

Project Description		Project Budget	Current Year Expenditures	Expenditures To Date	Remaining Balance
DreamWorks	$	200	-	199	1
San Fernando Streetscape		6,562	89	5,728	834
Flower Street Rail Crossing		679	14	668	11
KABC 7		387	-	3	384
San Fernando Rd. Facade Grant		1,219	318	1,114	105
Griffith Manor Park		3,000	2,287	2,728	272
Broadway & Doran Sts RR Improv.		2,000	-	31	1,969
Disney GC3 Phase II		41	44	44	(3)
GC3 Project		3,965	2	1,328	2,637
Total (San Fernando Projects)	**$**	**18,053**	**2,754**	**11,843**	**6,210**

GLENDALE REDEVELOPMENT AGENCY
CIP Projects and Low and Moderate Housing Programs
June 30, 2011
(in thousands)

D. Low and Moderate Housing Programs

FY 2010-2011			
Programs		**Program Budget**	**Current Year Expenditures**
Housing Rehabilitations Program	$	725	668
First Time Home Buyer Program		225	-
New Construction of Ownership Housing Program		5,125	5,103
New Construction of Rental Housing Program		7,598	1,048
Code Enforcement Program		1,200	1,162
Section 8 HQS Repair Program		5	-
Section 8 Moving Assistance Program		23	5
Low Income Family Employment and Rent Assistance Program		543	330
Emergency Rental Assistance Program		23	7
Emergency Shelter-PATH Achieve Glendale Program		58	50
Total	$	15,525	8,373

Note: The program budget includes both the FY2010-11 budget and the carryover budget from prior fiscal years.

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.

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Schedule 1
GLENDALE REDEVELOPMENT AGENCY
Net Assets by Component
Last Seven Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year						
	2011	2010	2009	2008	2007	2006	2005
Governmental activities							
Invested in capital assets, net of related debt	$ 13,194	47,530	49,809	44,545	38,768	11,726	11,190
Restricted	16,407	34,455	34,131	34,933	35,343	31,630	28,930
Unrestricted	(102,445)	(101,341)	(105,317)	(109,024)	(108,018)	(62,103)	(58,157)
Total governmental activities net assets	$ (72,844)	(19,356)	(21,377)	(29,547)	(33,907)	(18,747)	(18,037)

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 Seven Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year						
	2011	2010	2009	2008	2007	2006	2005
Expenses							
Governmental activities:							
Community Development	$ 17,168	11,475	13,774	31,451	41,560	24,418	12,323
Education	3,683	12,271	1,740	675	762	2,173	2,665
Housing Assistance	8,374	9,718	11,151	2,252	2,365	6,841	3,666
Interest and fiscal charges on bonds	11,231	9,608	5,950	6,948	6,914	6,402	6,870
Total governmental activities expenses	40,456	43,073	32,615	41,326	51,601	39,833	25,525
General Revenues							
Property Taxes	38,572	40,086	35,282	32,334	29,417	27,931	27,740
Revenue from other sources	-	2,333	2,279	2,244	1,249	1,416	1,458
Investment Earnings	916	2,146	2,521	3,332	3,982	1,904	3,315
Sale of Property	-	-	-	5,980	-	-	-
Miscellaneous	591	529	703	1,795	1,792	7,873	2,132
Total governmental activities revenues	40,079	45,094	40,785	45,686	36,441	39,123	34,645
Special Item- contribution of assets to the City	(53,113)	-	-	-	-	-	-
Change in Net Assets	$ (53,490)	2,022	8,170	4,361	(15,160)	(710)	9,120

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 Seven Fiscal Years (in thousands)

(modified accrual basis of accounting)

	Fiscal Year						
	2011	2010	2009	2008	2007	2006	2005
All Governmental Funds							
Reserved	$ 85,959	30,122	40,167	31,713	27,839	86,696	104,991
Unserved, reported in:							
Special revenue funds	-	81,887	51,105	47,969	56,921	44,394	31,647
Debt service funds	16,407	1,718	1,385	1,462	1,446	1,008	537
Total all governmental funds	$ 102,366	113,726	92,657	81,143	86,206	132,098	137,175

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 Seven Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year						
	2011	2010	2009	2008	2007	2006	2005
Revenues							
Property taxes	$ 38,572	40,086	35,282	32,334	29,417	27,931	27,740
Revenue from other agencies	-	2,333	2,279	2,244	1,249	1,416	1,458
Charges for services	148	16	19	25	18	14	13
Use of money and property	772	2,146	2,499	3,332	3,982	1,904	3,315
Sale of Property	-	-	131	5,980	-	-	-
Miscellaneous revenue	591	529	725	1,795	1,792	7,742	2,132
Total Revenues	40,083	45,110	40,935	45,712	36,459	39,006	34,658
Expenditures							
Community development							
County property tax administration	633	554	601	575	534	446	429
Pass through	5,966	5,878	5,732	4,851	3,291	2,363	2,450
Administration	5,199	4,932	4,043	4,048	3,616	4,148	3,526
Housing and community development	7,472	-	-	-	-	-	5,195
Housing assistance	8,374	9,718	11,151	7,712	8,032	12,813	4,905
Education	3,683	12,271	1,740	967	762	2,173	2,665
Capital outlay	-	-	-	-	-	-	-
Capital projects	-	7,800	8,681	22,027	55,512	11,614	-
Principal retirement	43,502	7,781	5,428	4,590	4,415	4,235	3,865
Interest on notes or bonds	5,532	4,107	3,925	4,004	4,189	4,366	4,511
Interest on debt to City	-	2,081	2,040	2,000	2,000	1,925	1,747
Costs of issuance	583	-	-	-	-	-	-
Total Expenditures	80,944	55,122	43,341	50,774	82,351	44,083	29,293
Excess of revenues over (under) expenditures	(40,861)	(10,012)	(2,406)	(5,062)	(45,892)	(5,077)	5,365
Other Financing Sources (Uses)							
Notes Proceeds	50,000	31,081	14,000	-	-	-	-
Cost of Issuance	-	-	(80)	-	-	-	-
Original Issue Bond Discount	(2,033)	-	-	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-	-	-	-
Total other financing sources (uses)	47,967	31,081	13,920	-	-	-	-
Special Item - contribution of assets to the City	(18,465)	-	-	-	-	-	-
Net change in fund balances	$ (11,359)	21,069	11,514	(5,062)	(45,892)	(5,077)	5,365
Debt service as a percentage of noncapital expenditures	60.6%	21.6%	21.6%	16.9%	10.4%	19.5%	28.6%

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

Please note that the administration expenses, housing assistance expenses, capital project expenses do not exactly match Exhibit D because the report layout does not correctly categorize Fund 242's expenses, so manually adjust it on the statistical section.

Not covered by independent auditor's report

Schedule 5
GLENDALE REDEVELOPMENT AGENCY
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years (In $thousands)

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
2002	25,519	1,204,413	515	489,187	47,371	1,672,263	0.96750%
2003	26,494	1,199,414	389	486,471	19,696	1,693,072	0.96604%
2004	27,665	1,463,270	230	356,955	21,433	1,826,687	0.96817%
2005	29,878	1,446,991	446	332,276	25,736	1,783,855	0.96666%
2006	31,631	1,813,451	455	280,192	23,596	2,102,133	0.97197%
2007	35,234	2,063,043	464	265,800	24,282	2,340,259	0.97484%
2008	36,409	2,137,311	473	261,620	12,425	2,423,387	0.97477%
2009	37,534	2,249,908	483	542,574	12,425	2,818,074	0.97867%
2010	39,282	2,236,155	492	595,368	12,071	2,859,226	0.95752%
2011	41,132	2,208,078	491	707,725	12,071	2,945,355	0.97468%

SAN FERNANDO PROJECT

2002	41,218	253,274	521,580	272,607	7,033	1,081,647	0.44679%
2003	43,289	255,854	547,928	278,207	6,608	1,118,670	0.45562%
2004	47,992	269,460	569,884	273,000	7,257	1,153,079	0.47241%
2005	50,650	290,255	577,573	265,764	7,987	1,176,255	0.48331%
2006	50,274	335,263	563,159	258,064	10,236	1,196,523	0.49332%
2007	59,105	368,785	603,894	309,711	16,291	1,325,205	0.54376%
2008	61,694	447,241	623,365	309,040	16,713	1,424,628	0.57724%
2009	74,852	482,580	676,696	326,876	20,829	1,540,175	0.60858%
2010	77,421	483,880	680,086	329,235	21,881	1,548,740	0.53839%
2011	76,825	473,405	684,303	354,791	26,662	1,562,663	0.54384%

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 Six 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%
2009	0.13573%	1.00430%	0.26764%	0.00430%	0.00000%	0.00000%	0.02119%	0.04559%
2010	0.13573%	1.00430%	0.26915%	0.00430%	0.00000%	0.00000%	0.02366%	0.04603%
2011	0.13573%	1.00370%	0.27303%	0.00370%	0.00000%	0.00000%	0.02344%	0.03541%

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 Ten Fiscal Years (in thousands)

Fiscal Year Ended June 30,		Redevelopment Agency					
		Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2002	$	20,012	17,532	87.6%	472	18,005	90.0%
2003		21,931	21,704	99.0%	510	22,215	101.3%
2004		23,474	21,406	91.2%	590	21,996	93.7%
2005		28,489	26,662	93.6%	1,078	27,740	97.4%
2006		26,505	25,798	97.3%	2,132	27,931	105.4%
2007		29,118	27,415	94.2%	2,002	29,417	101.0%
2008		31,205	30,982	99.3%	1,352	32,334	103.6%
2009		36,408	34,667	95.2%	615	35,282	96.9%
2010		41,442	39,884	96.2%	202	40,086	96.7%
2011		39,048	37,801	96.8%	771	38,573	98.8%

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 Ten Fiscal Years (in thousands)

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	2010 Tax Allocation Bond
2002	$ 440	1,025	61,250	-	-	-
2003	-	-	59,315	49,969	-	-
2004	-	-	-	48,053	58,129	-
2005	-	-	-	46,083	56,184	-
2006	-	-	-	44,057	53,924	-
2007	-	-	-	41,971	51,543	-
2008	-	-	-	39,831	49,043	-
2009	-	-	-	37,625	46,418	-
2010	-	-	-	35,355	43,658	26,970
2011	-	-	-	33,008	40,758	26,970

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.

(5) 2011 and revised 2010 population data were obtained from the California State Department of Finance Demographic Research Unit, Population Estimates for California Cities, January 2010 and 2011 (E-1). (Note: 2010 population data differs from the previous year estimate as it incorporates 2010 Census counts as the benchmark.)

Not covered by independent auditor's report

(Continued)

Schedule 8

GLENDALE REDEVELOPMENT AGENCY

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years (in thousands)

Fiscal Year	2011 Tax Allocation Bond	(1) Total Primary Government	(2) Total Personal Income	Percentage of Personal Income	(3) Population	per Capita
2002	-	62,715	6,305,299	0.99%	200	313
2003	-	109,284	6,496,217	1.68%	203	539
2004	-	106,182	6,768,245	1.57%	205	517
2005	-	102,266	7,137,808	1.43%	207	494
2006	-	97,981	7,516,626	1.30%	206	475
2007	-	93,515	8,186,637	1.14%	207	451
2008	-	88,874	8,557,034	1.04%	207	429
2009	-	84,043	8,761,661	0.96%	207	405
2010	-	105,983	8,786,978	1.21%	192 (5)	552
2011	50,000	150,736	7,865,794	1.92%	192	785

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.

(5) 2011 and revised 2010 population data were obtained from the California State Department of Finance Demographic Research Unit, Population Estimates for California Cities, January 2010 and 2011 (E-1). (Note: 2010 population data differs from the previous year estimate as it incorporates 2010 Census counts as the benchmark.)

Not covered by independent auditor's report

Schedule 9

GLENDALE REDEVELOPMENT AGENCY

Pledged-Revenue Coverage

Last Ten Fiscal Years (in thousands)

Fiscal Year	Tax Allocation Bonds: Property Tax Increment	Less: Operating Expenses	(3)	Net Available Revenue	Debt Service: Principal	Debt Service: Interest	Coverage
2002	12,564	6,400		6,164	1,845	3,442	1.17
2003	14,045	4,433		9,612	1,935	4,366	1.53
2004	14,201	3,588		10,613	1,810	3,626	1.95
2005	17,921	6,324		11,597	3,865	4,511	1.38
2006	18,233	5,063		13,170	4,235	4,366	1.53
2007	19,872	4,301		15,571	4,415	4,189	1.81
2008	19,301	4,174		15,127	4,590	4,004	1.76
2009	21,561	5,900	(1)	15,661	4,780	3,808	1.82
2010	25,254	17,166	(2)	8,088	4,980	3,599	0.94
2011	20,870	8,283	(2)	12,587	4,995	5,201	1.23

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

(1) Fiscal Year 2009 Operating Expenses increased due to AB1389 of the Health & Safety Code 33684.

(2) The Operating Expenses increase in fiscal years 2010 & 2011 was due to the Agency's payment to the County of Los Angeles auditor-controller Supplemental Education Relief Augmentation Fund "SERAF" in the amount of $11.2 million in fiscal year 2010 & $2.3 million in fiscal year 2011.

(3) The Operating Expenses column was inadvertently omitted in fiscal year 2009-2010.

Not covered by independent auditor's report

Schedule 10
GLENDALE REDEVELOPMENT AGENCY
Principal Employers
Fiscal Year 2011

Employer	2011 Employees	(1)(II)	2011 Rank	2011 Percentage of Total City Employment (3)	2006 Employees	(1)(I)	2006 Rank	2006 Percentage of Total City Employment
GLENDALE ADVENTIST MED CENTER #262	2,234	(I)	1	3.1%	1,999		3	2.62%
CITY OF GLENDALE	2,122	(I)	2	3.0%	2,706		1	3.55%
GLENDALE UNIFIED SCHOOL DISTRICT	1,886	(I)	3	2.6%	2,681		2	3.51%
GLENDALE MEMORIAL MEDICAL CENTER	1,463	(I)	4	2.0%	1,248		5	1.64%
GLENDALE COMMUNITY COLLEGE	1,406	(I)	5	2.0%	1,141		6	1.50%
NESTLE COMPANY	1,269	(I)(2)	6	1.8%	1,735	(2)	4	2.27%
WALT DISNEY IMAGINEERING	1,025	(I)	7	1.4%	765		9	1.00%
DIAGNOSTIC LABORATORIES	931	(I)	8	1.3%	n/a		n/a	n/a
CARNEY EDUCATION SERVICES	720	(I)	9	1.0%	n/a		n/a	n/a
VERDUGO HILLS HOSPITAL	707	(I)	10	1.0%	n/a		n/a	n/a
DISNEY CONSUMER & INTERACTIVE					n/a		n/a	n/a
ACCO ENGINEERED SYSTEMS					711		10	0.93%
PUBLIC STORAGE INC					967		7	1.27%
BANK OF AMERICA NORTH AMERICA					834		8	1.09%

Notes:

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

(2) It includes the three subsidiaries of Nestle in Glendale.

(3) In 2011, % of total employment is calculated using a baseline of 71,837 workers. In 2006, the % of total employment was calculated using a baseline of 76,276 workers employed in Glendale.

(4) Data prior fiscal year 2006 are not available.

Sources:

(I) 2006 data is from the Labor Market Information Division, California Employment Development Department

(II) 2011 data, with the exception of the City of Glendale data, is from the Verdugo Workforce Investment Board. 2011 City of Glendale data is from the City Finance Department.

Not covered by independent auditor's report

Schedule 11
GLENDALE REVELOPMENT AGENCY
Market Values of Taxable Properties
Last Ten Fiscal Years (in thousands)

CENTRAL PROJECT

Fiscal year	Market value	Base year (1972)	Net increment	Secured	Unsecured	Total
1973-1974	30,235	24,659	5,576	5,212	363	5,576
2001-2002	1,672,263	85,370	1,586,893	1,416,463	170,430	1,586,893
2002-2003	1,693,072	85,370	1,607,702	1,421,359	186,343	1,607,702
2003-2004	1,826,687	85,370	1,741,318	1,556,323	184,995	1,741,318
2004-2005	1,783,855	85,370	1,698,485	1,547,948	150,537	1,698,485
2005-2006	2,102,133	85,370	2,016,763	1,870,512	146,251	2,016,763
2006-2007	2,340,259	85,370	2,254,889	2,122,309	132,580	2,254,889
2007-2008	2,436,359	85,370	2,350,989	2,215,358	135,631	2,350,989
2008-2009	2,818,074	85,370	2,732,704	2,593,325	139,379	2,732,704
2009-2010	2,871,297	85,370	2,785,927	2,618,032	167,896	2,785,927
2010-2011	2,957,426	85,370	2,872,056	2,705,636	166,419	2,872,056

SAN FERNANDO PROJECT

Fiscal year	Market value	Base year (1993)	Net increment	Secured	Unsecured	Total
1994-1995	803,254	730,208	73,046	88,434	(15,389)	73,046
2001-2002	1,081,647	730,208	351,439	319,079	32,360	351,439
2002-2003	1,118,670	730,208	388,461	350,487	37,974	388,461
2003-2004	1,153,079	730,208	422,870	391,488	31,383	422,870
2004-2005	1,176,255	730,208	446,047	417,272	28,775	446,047
2005-2006	1,196,523	730,208	466,314	456,956	9,358	466,314
2006-2007	1,325,205	730,208	594,996	545,734	49,262	594,996
2007-2008	1,424,628	730,208	694,420	649,292	45,128	694,420
2008-2009	1,540,175	730,208	809,967	743,384	66,583	809,967
2009-2010	1,570,621	730,208	840,413	754,134	86,275	840,410
2010-2011	1,589,324	730,208	859,116	741,213	117,903	859,116

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

Not covered by independent auditor's report

Schedule 12

GLENDALE REVELOPMENT AGENCY

Schedule of Credits

Robert Elliot, CPA	General Overview
Director of Administrative Services-Finance	Letter of Transmittal
Philip S. Lanzafame	General Overview
Chief Assistant Director of Community Development	
Lily Fang, Accounting Services Administrator	General Overview
	Management's discussion & analysis
	Combined Statements Overview
	Notes to the Financial Statements
Zinda Jimenez, Senior Accountant	Glendale Redevelopment Agency
Rima Dagbashyan, Accountant I	Glendale Redevelopment Agency
Nan Chao, Accountant I	Debt Reporting
Artak Khachatryan, Senior Accountant	PeopleSoft Nvision Report Writing
Shu-Jun Li, Senior Accountant	Glendale Housing Authority
Anne Bockenkamp, Senior Administrative Analyst	Low and Moderate Housing
Adriana Escutia, Office Services Supervisor	Community Development
Erica Gharibian	Community Development
	Cover Design
Graphics Section	Cover Design & Reprographics

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Year Ended - June 30, 2011

COMPLIANCE SECTION

GLENDALE, CALIFORNIA

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

ACCOMPLISHMENTS-FISCAL YEAR 2010-11

Accomplishment	Expenditures FY 10-11	Blighting Conditions Alleviated	Corresponding Citywide Strategic Goals
CENTRAL GLENDALE REDEVELOPMENT PROJECT AREA			
• Approved a Disposition and Development Agreement for the Laemmle Lofts project, a mixed used development with a 400 seat theatre, 42 residential units and 6,000 SF of retail.	$17,957	Factors that hinder the economically viable use or capacity of lots; Mixed character; Shifting of uses	Arts and Culture, Economic Vitality, Community Planning, Housing, Sense of Community
• Completed construction of the Armenian Society of Los Angeles building.	$23,190	Prevalence of depreciated values, excessive vacant lots with an area developed for urban use	Arts and Culture, Sense of Community
• Began construction of Broadway Lofts mixed-use housing and commercial project.	$0	Depreciated values; Social and economic maladjustment; stagnant property values; Mixed Character; Shifting of uses	Community Planning, Economic Vitality, Housing, Sense of Community
• Completed Stage I Design for a 310 unit residential project (Lex on Orange).	$0	Depreciated values; Social and economic maladjustment; stagnant property values; Mixed Character; Shifting of uses	Community Planning, Economic Vitality, Housing, Sense of Community
• Approved final entitlements including design review and lease terms for the Museum of Neon Art (MONA) project.	$268,823	Defective design and character; High business vacancies; High turnover rates; Abandoned building	Arts and Culture, Economic Vitality, Community Services and Facilities, Sense of Community
• Provided ongoing management and coordination of the Alex Theatre operations. Completed façade restoration work and began Phase I of the expansion project.	$238,061	Defective design and character; Age; Deterioration; Dilapidation	Arts and Culture, Community Services and Facilities, Safe Community, Sense of Community
• Completed entitlement and design review of a 7,000 SF BevMo! at 200 S. Brand Boulevard.	$42,500	Defective design and character; Age; Deterioration; Dilapidation	Arts and Culture, Economic Vitality
• Completed four (4) storefront renovations through the Façade Improvement Grant Program for the Central Redevelopment Project Area.	$170,000	Defective design and character; Age; Deterioration; Dilapidation; Mixed Character	Economic Vitality, Safe Community

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

ACCOMPLISHMENTS-FISCAL YEAR 2010-11

Accomplishment	Expenditures FY 10-11	Blighting Conditions Alleviated	Corresponding Citywide Strategic Goals
SAN FERNANDO ROAD CORRIDOR REDEVELOPMENT PROJECT AREA			
• Began construction of the second phase of The Walt Disney Co. Grand Central Creative Campus (GC3), consisting of 331,000 SF of office space and 1,200 parking spaces.	$41,000	Factors that hinder the economically viable use or capacity of lots; Mixed character; Faulty interior arrangement	Community Planning and Character, Economic Vitality
• Completed construction of a 25,000 SF state of the art, Childcare facility for 250 infants and toddlers, serving the GC3 campus.	$0	Factors that hinder the economically viable use or capacity of lots; Mixed character; Dilapidation; Deterioration	Community Planning and Character, Economic Vitality
• Completed construction of a 9,000 SF simulation building for Disney.	$0	Factors that hinder the economically viable use or capacity of lots; Mixed character; Age; Dilapidation; Deterioration	Community Planning and Character, Economic Vitality
• Completed final entitlements for Walt Disney Imagineering Machine Shop (900 Grand Central) for addition to an existing building totaling 54,000 SF.	$0	Factors that hinder the economically viable use or capacity of lots; Mixed character; Age; Dilapidation; Deterioration	Community Planning and Character, Economic Vitality
• Completed final entitlements for Disney Toon Studios (833 Sonora) which included tenant improvement of 2nd floor.	$0	Factors that hinder the economically viable use or capacity of lots; Mixed character; Age; Dilapidation; Deterioration	Community Planning and Character, Economic Vitality
• Completed final entitlements for Disney TV Animation (811 Sonora) which included tenant improvement of the whole building.	$0	Factors that hinder the economically viable use or capacity of lots; Mixed character; Age; Dilapidation; Deterioration	Community Planning and Character, Economic Vitality
• Completed Stage II Design (final entitlements) for a 163,000 SF, mixed use retail and office building at 435 Los Feliz Road (Mitaa Plaza)	$0	Defective design and character; Age; Obsolescence; Deterioration; Dilapidation; Mixed Character; Shifting of uses	Community Planning and Character, Sense of Community, Economic Vitality
• Completed final entitlement for Gateway Animal Hospital (431 W. Los Feliz) for extensive tenant improvements	$0	Age; Deterioration; Dilapidation	Community Planning and Character, Economic Vitality, Sense of Community
• Completed plan check for the Riverwalk Project and is now under construction.	$0	Existence of inadequate public improvements, open spaces and utilities	Community Planning and Character, Sense of Community, Safe Community

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

ACCOMPLISHMENTS-FISCAL YEAR 2010-11

Accomplishment	Expenditures FY 10-11	Blighting Conditions Alleviated	Corresponding Citywide Strategic Goals
SAN FERNANDO ROAD CORRIDOR REDEVELOPMENT PROJECT AREA			
• Completed construction of Griffith Manor Park project.	$2,287,247	Existence of inadequate public improvements, public facilities, open spaces and utilities	Community Planning and Character, Sense of Community, Safe Community
• Prepared bid packages for construction documents for the Grandview/Sonora Railroad Crossing project.	$0	Existence of inadequate public improvements, open spaces and utilities	Community Planning and Character, Safe Community
• Completed six (6) storefront renovations through the Façade Improvement Grant Program for the San Fernando Road Corridor Redevelopment Project Area.	$255,000	Defective design and character; Age; Deterioration; Dilapidation; Mixed Character	Economic Vitality, Safe Community
ECONOMIC DEVELOPMENT			
• Completed Urban Art Policy and Guidelines.	$0	Defective Design and Character	Art & Culture
• Completed sixteen (16) temporary art displays/installation for the GATE program.	$52,402	Deterioration; Mixed Character; Shifting Uses; Obsolescence	Art & Culture, Economic Vitality
• Completed policy, zone changes, and incentives for Art & Entertainment District.	$0	Defective Design and Character; Mixed Character; Shifting Uses; Obsolescence	Art & Culture, Community Planning, Economic Vitality

WORK PROGRAM – FISCAL YEAR 2011-12
(Not Covered by the Independent Auditor's Report)

Goals	Corresponding Citywide Strategic Goals
CENTRAL GLENDALE REDEVELOPMENT PROJECT AREA	
• Begin construction of pedestrian passageway from the Central Library & Adult Recreation Center to Brand Boulevard.	• Community Planning and Character, Economic Vitality, Housing, Parks and Open Space, Sense of Community
• Complete the public bidding process and start construction of the Museum of Neon Art and related alley/paseo improvements.	• Arts and Culture, Community Services and Facilities, Economic Vitality, Sense of Community
• Complete construction documents for Courtyard by Marriott.	• Economic Vitality
• Complete the entitlement and plan check process for the Glendale Galleria renovation.	• Economic Vitality
• Provide ongoing staff assistance with the management and coordination of the Alex Theatre operations and capital improvement projects.	• Arts and Culture, Community Services and Facilities, Sense of Community
• Complete entitlement process for the Vedugo Gardens project located at 613 N. Central Avenue.	• Economic Vitality
• Complete entitlement process for Laemmle Lofts project.	• Economic Vitality
• Complete entitlement and plan check process for the 310 unit The Lex on Orange project.	• Economic Vitality
• Complete plan check process and begin construction of the Legendary Tower project located at 300 N. Central Avenue.	• Economic Vitality
• Continue promotion of the façade improvement grant program in the Central Redevelopment Project Area.	• Community Planning and Character, Economic Vitality, Safe Community
SAN FERNANDO ROAD CORRIDOR REDEVELOPMENT PROJECT AREA	
• Complete construction of the 2nd Phase of the Walt Disney Co. Grand Central Creative Campus (GC3) project (Parking Garage).	• Community Planning and Character, Economic Vitality
• Continue construction of the ICIS multifamily housing project.	• Community Planning and Character, Housing, Sense of Community
• Complete construction documents of Mitaa Plaza located at 435 W. Los Feliz Boulevard.	• Community Planning and Character, Economic Vitality
• Complete restoration of Seeley Building and construction of the associated three live/work units at 1800 S. Brand Boulevard.	• Community Planning and Character, Economic Vitality, Housing, Sense of Community

Goals	Corresponding Citywide Strategic Goals
• Complete tenant improvements for 833 & 811 Sonora (Disney Toon Studio & Disney TV Animation).	• Community Planning and Character, Economic Vitality
• Complete construction of Walt Disney Imagineering Machine Shop (900 Grand Central Creative Campus).	• Community Planning and Character, Economic Vitality
• Continue promotion of the façade improvement grant program in the San Fernando Road Redevelopment Project Area.	• Community Planning and Character, Economic Vitality, Safe Community

CITYWIDE ECONOMIC DEVELOPMENT

Goals	Corresponding Citywide Strategic Goals
• Assist major industry clusters, business districts and merchant associations in the areas of retention, attraction, expansion and small business development. Identify and promote new and innovative value-added business service.	• Community Sense of Community, Economic Vitality, Safe Community
• Complete the formation of the Downtown Property Business Improvement District (PBID) including but not limited to, petition gathering, Council vote, resolution, and balloting.	• Economic Vitality
• Complete new branding program and develop strategic marketing action plan.	• Economic Vitality, Sense of Community
• Continue to promote the Creative Corridor to attract and retail creative industry in the San Fernando Road Corridor Redevelopment Project Area.	• Economic Vitality
• Complete office attraction and retention strategy.	• Economic Vitality
• Develop a retail focused tenant/business mix and attraction/retention strategy for Downtown – building on the Downtown Strategic Plan.	• Economic Vitality
• Continue to support and promote development of Neighborhood Business Districts (NBDs).	• Economic Vitality, Sense of Community
• Continue to identify and encourage business and industry to utilize Glendale education and workforce development system.	• Economic Vitality
• Complete design specifications for downtown wayfinding and parking identification signs.	• Community Planning and Character, Economic Vitality, Safe Community

ACTIVITIES AFFECTING HOUSING AND DISPLACEMENT

(Not Covered by Independent Auditors' Report)

ACCOMPLISHMENTS-FISCAL YEAR 2010-11

Note: Activities are 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. Projects funded with federal HOME funds through the Housing Authority are noted in accomplishments, but not in Expenditures section.

Accomplishment	RDA Expenditures 2010-11	Population Served	Corresponding Citywide Strategic Goals
INCREASING AFFORDABLE HOME OWNERSHIP OPPORTUNITIES – NEW CONSTRUCTION			
• In Construction: Doran Gardens 331-353 W. Doran Street Homes Developer: Heritage Housing Partners $13 million	$5,094,985	57 units Large and Small Moderate Income Families ½ acre Open Space Amenity	Housing Economic Vitality Sense of Community
• In Construction: 624 – 630 Geneva Street Homes Developer: San Gabriel Valley Habitat for Humanity (ENA) $2.62 million	$10,907	5 units Large Low Income Families	Housing Economic Vitality Sense of Community
INCREASING AFFORDABLE HOME OWNERSHIP OPPORTUNITIES – HOMEBUYER ASSISTANCE			
• Homeownership Education Classes Targeted to Low and Moderate Income People Who Live and Work in Glendale	$4,200	204 persons 7 classes	Housing Education, Knowledge & Literacy
INCREASING AFFORDABLE RENTAL OPPORTUNITIES – NEW CONSTRUCTION			
• Completed: Vassar City Lights 1814 Vassar Street Developer: Vassar City Lights, LP $11.8 million RDA; $2.2 million HOME	$1,026,247	70 units Large and Small Low and Very Low Income Families	Housing Economic Vitality
• Predevelopment: Central City Lights 327-331 W. Salem Developer: Central City Lights, LP $3.9 million RDA; $2.3 million HOME	$0	35 units Large and Small Low and Very Low Income Families	Housing Economic Vitality Sense of Community
• Predevelopment: Mercy Housing Family Apartments and Veterans 209 W. Los Feliz Developer: Mercy Housing $0.6 million RDA; $4 million HOME (Anticipated)	$0	52 units Large and Small Low and Very Low Income Families Veterans Preference	Housing Economic Vitality

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

ACCOMPLISHMENTS-FISCAL YEAR 2010-11

Accomplishment	RDA Expenditures 2010-11	Population Served	Corresponding Citywide Strategic Goals
INCREASING AFFORDABLE RENTAL OPPORTUNITIES – SPECIAL RENTAL ASSISTANCE PROGRAMS			
• Special Rental Assistance Provided	$342,249	33 households assisted	Housing
Low Income Family Employment Rental Assistance Program (LIFERAP)		Low and Very Low Income Families	Economic Vitality
Emergency Rental Assistance Program (ERAP)		Extremely Low Income Elderly	
Moving Assistance Grant Program			
Veterans Rental Assistance Program			
SUPPORT CONTINUUM OF CARE			
• PATH Achieve Glendale Operations	$50,000	N/A	Housing
Nonprofit Organization Support Housing Related Services			Economic Vitality
(RDA Administrative funds)			
PRESERVATION OF AFFORDABLE HOUSING – HOUSING REHABILITATION			
• Completed	$668,359		
Single Family Rehabilitation – Home Ownership		40 SF units	Housing
Multi Family Rehabilitation – Renter		0 MF units	Economic Vitality
Housing Accessibility Assistance Grants		Very Low, Low and Moderate Income Households	Sense of Community
• Completed	$1,162,106	5,101 residential units compliance inspections	Housing
Housing Compliance Inspections Program		352 buildings - habitability cases resolved as compliant	Sense of Community
Systematic Rental Housing Inspection Program		4 classes – Property Management Certification	
Housing Security Program		6,366 residential units systematic inspections	
		331 buildings – deficiencies resolved	
		Target Low and Moderate Income Neighborhoods	

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

ACCOMPLISHMENTS-FISCAL YEAR 2010-11

Accomplishment	RDA Expenditures 2010-11	Population Served	Corresponding Citywide Strategic Goals
RESIDENTIAL DISPLACEMENTS, RELOCATIONS, OR DEMOLITIONS IN 2010-2011 - None			
ADMINISTRATION PROGRAMS			
• Overall Operations of Housing Development & Preservation Programs • Monitoring of Affordable Housing Covenants • Planning and Reporting per State, Federal and other funder requirements. • Professional Service Agreements – Legal, Financial	$1,489,405	Program Delivery: see above. Residential units monitored annually: 843 Rental New Construction 267 Single and MF Rehab 43 Homeownership-Resale/NC 2 Group Homes	Housing Trust in Government

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

WORK PROGRAM-FISCAL YEAR 2011-12*

Goals	Population To Be Served	Corresponding Citywide Strategic Goals
INCREASE AFFORDABLE OWNERSHIP OPPORTUNITIES		
• Complete Construction and Home Sales: Doran Gardens Developer: Heritage Housing Partners 331-353 W. Doran Street Homes	57 units Large and Small Moderate Income Families ½ acre Open Space Amenity	Housing Economic Vitality Sense of Community
• Provide Down Payment and Closing Cost Assistance Loans for Resale Homes	1 household Small Moderate Income Families	Housing Economic Vitality
• Provide Homeownership Education Classes Targeted to Low and Moderate Income People Who Live and Work in Glendale	190 persons 6 classes Target Low and Moderate Income Families	Housing Economic Vitality Education, Knowledge & Literacy
INCREASE AFFORDABLE RENTAL OPPORTUNITIES		
• Start Construction: Los Feliz Family & Veteran Apartments 209 W. Los Feliz Developer: Vassar City Lights, LP	53 units Large and Small Low and Very Low Income Families Veterans Preference	Housing Economic Vitality
• Complete Disposition and Development Agreement: Fifth & Sonora Site	Units and Population Served – To be determined	Housing Economic Vitality
• Low Income Family Employment Rental Assistance Program (LIFERAP) Veterans Rental Assistance Program Emergency Rental Assistance Program (ERAP) Moving Assistance Grant Program	30 households assisted Low and Very Low Income Families Extremely Low Income Elderly Veterans Preference	
SUPPORT GLENDALE CONTINUUM OF CARE		
• Support PATH Achieve Glendale Operations Nonprofit Organization Support (RDA Administration Program funds)	N/A	Housing Economic Vitality

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

WORK PROGRAM-FISCAL YEAR 2011-12*

Goals	Population To Be Served	Corresponding Citywide Strategic Goals
PRESERVATION OF AFFORDABLE HOUSING – HOUSING REHABILITATION		
• Provide SF and Special Accommodations' Housing Rehabilitation Grants and Loans	30 SF units Very Low, Low and Moderate Income Households Families with Physically Disabled Persons	Housing Economic Vitality Sense of Community
• Complete Agreement for MF Rehab Loan	1 project - 9 MF units Very Low Income Households	Housing Economic Vitality Sense of Community
• Provide Housing Compliance Inspections Program Systematic Rental Housing Inspection Program Housing Security Program	4,200 residential units compliance inspections 400 building habitability cases resolved as compliant 2 classes – Property Management Certification 5,000 residential units systematic inspections 400 buildings – deficiencies resolved Tenant/Landlord educational brochure updated – 4 languages – Korean, Armenian, Spanish and English Target Low & Moderate Income Neighborhoods	Housing Sense of Community
RESIDENTIAL DISPLACEMENTS, RELOCATIONS, OR DEMOLITIONS IN 2011-12 – None anticipated.		
ADMINISTRATION PROGRAM		
• Overall Program Operations and Delivery • Monitoring of Affordable Housing Covenants • Planning and Reporting per State, Federal and other funder requirements. • Professional Service Agreements – legal and financial	Program Delivery: see above. Residential units monitored annually: 843 Rental New Construction 316 Single and MF Rehab 42 Homeownership-Resale/NC 2 Group Homes	Housing Trust in Government

* Note: Work program subject to changes in funding and program requirements that may be required based upon State legislation that may impact Redevelopment Set Aside funds. Housing Compliance Inspections Program, Systematic Rental Housing Inspections, and Housing Security Programs based on projected 12 month funding level.