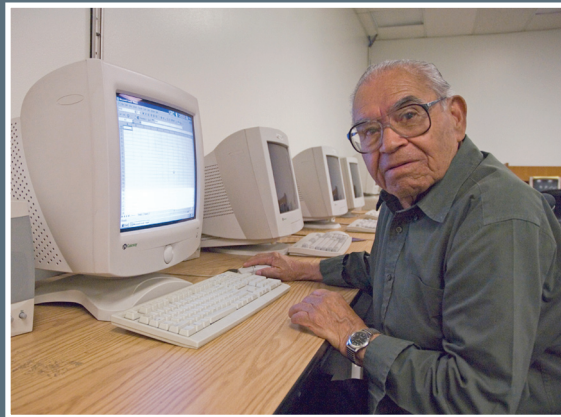
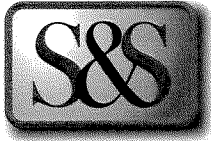


COMPLIANCE SECTION



Angelus Plaza is the largest affordable housing community for older adults in the United States. Through its Senior Activity Center, a variety of programs and services are offered to the ethnically diverse community of 1,300 adults, who have an average age of 82.



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
CARL P. SIMPSON, CPA

*The Honorable Laura N. Chick
Controller of the City of Los Angeles and
The Community Redevelopment Agency of
The City of Los Angeles, California*

*The Board of Commissioners of
The Community Redevelopment Agency of
The City of Los Angeles, California*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of The Community Redevelopment Agency of the City of Los Angeles, California (Agency) for the year ended June 30, 2007 and have issued our report thereon dated December 10, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and accordingly, included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

We performed the procedures contained in the publication entitled *Guidelines for Compliance Audits of California Redevelopment Agencies* as promulgated by the controller of the State of California in connection with a review of the Agency's compliance with laws, regulations and administrative requirements governing activities of the Agency, as required by Section 33080.1 of the Health and Safety Code of the State of California. The procedures we performed would not necessarily disclose all instances of non-compliance because they were based on selective tests of accounting records and related data.

During the performance of the aforementioned procedures, nothing came to our attention that would lead us to believe that the Agency did not comply with applicable laws, regulations and administrative requirements governing its activities.

This report is intended solely for the information and use of the Board of Commissioners, management, Controller of the City of Los Angeles and for filings with appropriate regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Los Angeles, California
December 10, 2007