

DRAFT COPY 11/08/12

**City of Huntington Beach
Redevelopment Successor Agency**

**Independent Accountants' Report on Applying
Agreed-Upon Procedures pursuant to
AB 1484 (Low and Moderate Income Housing Fund)**

June 30, 2012

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Oversight Board of the
City of Huntington Beach Redevelopment Successor Agency
Huntington Beach, California

We have performed the Agreed-Upon Procedures enumerated in Exhibit A, which were agreed to by the California State Controller's Office, the California Department of Finance, the County Auditor-Controller, and the City of Huntington Beach Redevelopment Successor Agency (Successor Agency) to determine the Successor Agency's Low and Moderate Income Housing Fund's unobligated balances that are available for transfer to taxing entities, solely to assist you in ensuring that the Successor Agency is complying with its statutory requirements with respect to *Health and Safety Code* Section 34179.5. Management of the Successor Agency is responsible for the accounting records pertaining to statutory compliance pursuant to *Health and Safety Code* Section 34179.5. This Agreed-Upon Procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Exhibit A and Exhibits B through B-1 identify the procedures and findings.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Exhibit A and Exhibits B through B-1. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Laguna Hills, California,
November 7, 2012

**CITY OF HUNTINGTON BEACH REDEVELOPMENT SUCCESSOR AGENCY
EXHIBIT A
AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

DRAFT COPY 11/08/12

Our findings and procedures are as follows:

A. Low and Moderate Income Housing Fund of the Successor Agency

For the Low and Moderate Income Housing Fund, the following procedures were performed:

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

Findings – We noted that all assets of the former redevelopment (RDA) Low and Moderate Income Housing Funds were transferred to the City of Huntington Beach Low/Moderate Housing Asset Fund, a governmental fund of the City. Accordingly, no amounts were transferred to the Successor Agency. Further, management asserted that the transfer was performed on January 31, 2012, with balances effective on that date.

We noted that the assets of the former RDA Low and Moderate Income Housing Fund in the amount of \$46,611,749.45 were transferred to Fund 352 – Low/Moderate Income Housing Asset Fund, effective January 31, 2012. We agreed the amounts on this listing to account balances established in the accounting records without exception. Of the total assets transferred they consisted of cash and cash equivalents, land, supplemental education revenue augmentation fund (SERAF) advance to the RDA and loans receivables.

We noted the housing activities and assets (assets and functions, rights, powers, duties, and obligations) of the former RDA were transferred to the Authority on January 9, 2012. We obtained resolution number 2012-02 authorizing the City Housing Authority (Authority) to maintain the housing assets and functions of the former RDA. The City of Huntington Beach formerly accepted the Housing assets and functions on January 9, 2012, through Resolution No. 01. We noted the assets transferred were those in Fund 352, as described above.

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

**CITY OF HUNTINGTON BEACH REDEVELOPMENT SUCCESSOR AGENCY
EXHIBIT A
AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

DRAFT COPY 11/08/12

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Findings – The Successor Agency asserted the State Controller's Office has not completed a review of transfers required under both *Health and Safety Code* (HSC) Sections 34167.5 and 34178.8. The Successor Agency also asserted no transfers were made from the former RDA or the Successor Agency to the City for the period from February 1, 2012 through June 30, 2012.

In January, the former RDA transferred all Low and Moderate Income Housing Assets to the Authority in accordance with 34176(a)(1) and Resolution 2012-02. A listing of the housing assets transferred is included in Exhibit B of the AUP report. We noted the assets include loans receivable, SERAF loans receivable, cash and cash equivalents, and land.

For each asset listed on Exhibit B, we obtained the legal document that formed the basis for the enforceable obligation supporting the transfer. We noted the transfer of the SERAF loan receivable was supported by HSC Section 34191.4(b)(2). The City provided documentation and has asserted that the Cash and cash equivalents were supported by the following:

- Resolution 2012-02, “A Resolution of the City Council of the City of Huntington Beach Under Part 1.85 of Division 24 of the Health and Safety Code Designating the Housing Authority to Perform the Housing Functions Previously Performed by the Huntington Beach Redevelopment Agency Subject to Reservations Herein Stated”
- Affordable Housing Agreement by and between the City of Huntington Beach Redevelopment Agency and BTDJM Phase II Associates, LLC executed October 4, 2010. The outstanding portion of the loan to be repaid with housing funds totals \$15,722,100.
- Owner Participation Agreement by and among the City of Huntington Beach and 21002 HB, LLC executed August 20, 2012, requiring a \$6,500,000 obligation for Very Low Income Units, supported by the following additional documentation:
 - June 14, 2004 City Council Approved Findings and Conditions of Approval for Pacific City Project (Tentative Tract Map No. 16338/ Conditional Use Permit No. 02-20/ Special Permit No. 02-04/ Coastal Development Permit No. 02-12/ Master Plan – Pacific City Mixed Use Project) (*see Conditions of Approval – Tentative Tract map No. 16338, Condition of Approval 2.b.*)
 - The Five Year Implementation Plan 2005-2009 for the Huntington Beach Project (“Merged Project Area”) (*see Table III on page 22*)
 - Ten Year Housing Compliance Plan 2005-14 (*see Table 5(a) on page 9 and Table 7 on page 13*)
 - Affordable Housing Plan dated June 16, 2006, appended as Attachment No. 4 to the Owner Participation Agreement by and among Redevelopment Agency of the City of Huntington Beach, the City of Huntington Beach and Makallon Atlanta Huntington Beach, LLC

**CITY OF HUNTINGTON BEACH REDEVELOPMENT SUCCESSOR AGENCY
EXHIBIT A
AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

DRAFT COPY 11/08/12

- Notice of Action dated July 25, 2012 relating to Entitlement Plan Amendment No. 12-005 and Development Agreement No. 12-001 (Amendments to Conditional Use Permit No. 02-20/ Tentative Tract map No. 16338 and to Enter Into a Development Agreement – Pacific City) (*see Attachment No. 1 – Findings and Conditions of Approval – Entitlement Plan Amendment No. 12-005*)

Subsequently, the State Department of Finance (DOF) denied the enforceable obligation/encumbrance related to the Owner Participation Agreement with 21002 HB, LLC in the amount of \$6,500,000 reported on the Housing Asset Inventory form, submitted in accordance with HSC 34176(a)(2). The City has asserted that the cash and cash equivalents of \$4,959,144.64 is legally obligated pursuant to the aforementioned enforceable obligations and their related executed contracts and agreements listed above.

We noted the City reported the loans receivable and land identified on Exhibit B on its Housing Asset Transfer Schedule submitted to the California Department of Finance (DOF) on August 1. The assets were approved by the DOF in accordance with HSC Section 34176 (e)(6), with the exception of encumbrance mentioned above.

The Successor Agency has asserted that it is appealing all denied items with the meet-and-confer process in accordance with HSC 34176(a)(2). The assets noted above have not been added to the Summary of Balances Available for Allocation to Affected Taxing Entities, pending the outcome of the meet-and-confer.

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

Findings – The City asserted the State Controller's Office has not completed a review of transfers required under both HSC Sections 34167.5 and 34178.8. The Successor Agency asserted no transfers were made from the former RDA or the Successor Agency to any other public agency or to private parties for the period from February 1, 2012 through June 30, 2012.

**CITY OF HUNTINGTON BEACH REDEVELOPMENT SUCCESSOR AGENCY
EXHIBIT A
AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

DRAFT COPY 11/08/12

The City asserted there were four (4) loans that were disbursed during the period January 1, 2011 through January 31, 2012. These loans were approved and signed prior to January 1, 2011; however, due to delays in the escrow closing process, the loan funds were disbursed subsequent to January 1, 2011. The loans were for down payment assistance programs and fell within the criteria established for use of Low and Moderate Income Housing Funds. The City reported these loans to the Department of Finance on the Housing Asset Transfer Form. The loan receivables were transferred to the Authority as noted in procedure #2.

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

Findings – Procedure 4 is not applicable to the Low and Moderate Income Housing Fund.

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

Findings – As further described in Procedure #1, the former RDA transferred Low and Moderate Income Housing assets directly to the Authority. Accordingly, the Successor Agency maintains no assets of the former RDA Low and Moderate Income Housing Fund as of June 30, 2012.

**CITY OF HUNTINGTON BEACH REDEVELOPMENT SUCCESSOR AGENCY
EXHIBIT A
AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

DRAFT COPY 11/08/12

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012, that are restricted for the following purposes:
 - A. Unspent bond proceeds:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
 - B. Grant proceeds and program income that are restricted by third parties:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
 - C. Other assets considered to be legally restricted:
 - i. The Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such Obtain documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.
 - D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Findings – As further described in Procedure #1, the former RDA transferred Low and Moderate Income Housing assets directly to the Authority. Accordingly, the Successor Agency maintains no assets of the former RDA Low and Moderate Income Housing Fund as of June 30, 2012.

**CITY OF HUNTINGTON BEACH REDEVELOPMENT SUCCESSOR AGENCY
EXHIBIT A
AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

DRAFT COPY 11/08/12

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012, that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Findings – The Successor Agency asserted that the Low and Moderate Income Housing Fund does not have assets that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) as of June 30, 2012. As such, the procedures noted above were not performed.

8. Perform the following procedures:

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

**CITY OF HUNTINGTON BEACH REDEVELOPMENT SUCCESSOR AGENCY
EXHIBIT A
AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

DRAFT COPY 11/08/12

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012, and for the six month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
 - iii. For the forecasted annual revenues:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
 - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
 - iii. Include the calculation in the AUP report.

Findings – As further described in Procedure No. 1, the former RDA transferred assets to the City Housing Fund. Accordingly, the Successor Agency maintains no assets of the former RDA Low and Moderate Income Housing Fund. As such, this procedure was not performed.

**CITY OF HUNTINGTON BEACH REDEVELOPMENT SUCCESSOR AGENCY
EXHIBIT A
AGREED UPON PROCEDURES
PURSUANT TO AB 1484 - LOW AND MODERATE INCOME HOUSING FUND**

DRAFT COPY 11/08/12

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

Findings – The Successor Agency asserted that cash balances as of June 30, 2012, do not need to be retained to satisfy obligations on the ROPS for the period of July 1, 2012 through June 30, 2013, of the Low and Moderate Income Housing Fund. As such, the procedures noted above were not performed.

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

Findings – We have included a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. See Exhibit B-1.

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

Findings – The Successor Agency provided a management representation letter. No exceptions were noted.

City of Huntington Beach Redevelopment Successor Agency
 Low and Moderate Income Housing Fund
 Schedule of Asset Transfers to the City, County, or City and County, and Other Public Agencies or Private Parties

Exhibit B

DRAFT COPY 11/08/12

DATE OF TRANSFER	DESCRIPTION OF ASSETS	RECIPIENT	\$ VALUE OF ASSETS TRANSFERRED	\$ VALUE OF ASSETS NOT SUPPORTED	PURPOSE OF TRANSFER	SOURCE DOC BASIS FOR TRANSFER
<i>Period of Jan 1, 2011 through Jan 31, 2012</i>						
1/31/2012	Land Improved with Low-Moderate Senior Housing Funds	Huntington Beach Housing Authority	\$ 885,000	\$ -	Transfer of Low-Mod Housing Fund Assets to the Housing Authority	City Resolution 12-002 and Housing Authority Resolution 01
	Cash and Cash Equivalents	Huntington Beach Housing Authority	4,959,144.64	-	(a) Transfer of Low-Mod Housing Fund Assets to the Housing Authority	(b)
	SERAF Loans Receivable	Huntington Beach Housing Authority	3,927,706.00	-	Transfer of Low-Mod Housing Fund Assets to the Housing Authority	City Resolution 12-002 and Housing Authority Resolution 01
	Loans Receivable, funded from the Low and Moderate Income Housing Fund, to homebuyers, homeowners, nonprofit or for profit developers and other parties that require occupancy by persons of low and moderate income.	Huntington Beach Housing Authority	36,839,898.81	-	Transfer of Low-Mod Housing Fund Assets to the Housing Authority	City Resolution 12-002 and Housing Authority Resolution 01
<i>Period of Feb 1, 2012 through June 30, 2012</i>						
2/1/2012	None reported					
TOTAL			<u>\$ 46,611,749.45</u>	<u>\$ -</u>		

Notes

- (a) Refer to Procedure 2C for a listing of the enforceable obligations for which the City has asserted will to be paid with Housing funds cash and cash equivalents.
- (b) Agreement By and Between the Redevelopment Agency of the City of Huntington Beach and the City of Huntington Beach and related Promissory Note executed May 18, 2009, authorizing a loan for the repayment of the Emerald Cove portion of the Lease Revenue Refunding Bonds, Series A
 Affordable Housing Agreement by and between the City of Huntington Beach Redevelopment Agency and BTDJM Phase II Associates, LLC Affordable Housing Agreement dated August 20, 2012 by and between the City of Huntington Beach and 21002 HB, LLC, appended as Exhibit D to the Development Agreement dated August 20, 2012 by and between the City of Huntington Beach and 21002 HB, LLC supporting by the following additional documentation:
 - June 14, 2004 City Council Approved Findings and Conditions of Approval for Pacific City Project (Tentative Tract Map No. 16338/ Conditional Use Permit No. 02-20/ Special Permit No. 02-04/ Coastal Development Permit No. 02-12/ Master Plan – Pacific City Mixed Use Project) (see Conditions of Approval – Tentative Tract map No. 16338, Condition of Approval 2.b.)
 - The Five Year Implementation Plan 2005-2009 for the Huntington Beach Project (“Merged Project Area”) (see Table III on page 22)
 - Ten Year Housing Compliance Plan 2005-14 (see Table 5(a) on page 9 and Table 7 on page 13)
 - Affordable Housing Plan dated June 16, 2006, appended as Attachment No. 4 to the Owner Participation Agreement by and among Redevelopment Agency of the City of Huntington Beach, the City of Huntington Beach and Makallon Atlanta Huntington Beach, LLC
 - Notice of Action dated July 25, 2012 relating to Entitlement Plan Amendment No. 12-005 and Development Agreement No. 12-001 (Amendments to Conditional Use Permit No. 02-20/ Tentative Tract map No. 16338 and to Enter Into a Development Agreement – Pacific City) (see Attachment No. 1 – Findings and Conditions of Approval – Entitlement Plan Amendment No. 12-005)

**City of Huntington Beach Redevelopment Successor Agency
 Low and Moderate Income Housing Fund
 Summary of Balances Available for Allocation to Affected Taxing Entities**

Total amount of assets held by the Successor Agency as of June 30, 2012 (procedure 5)	\$	-	
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)		-	(a)
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)		-	
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		-	
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)		-	
Less balances needed to satisfy ROPS for the 2012-2013 fiscal year (procedure 9)		-	
Less the amount of payments made on July 12, 2012, to the County Auditor-Controller as directed by the California Department of Finance		-	
		<hr/>	
Amount to be Remitted to County for Disbursement to Taxing Entities	\$	<hr/> <hr/>	

(a) See Footnote referenced on Exhibit B.