

**SUCCESSOR AGENCY TO THE SAN JUAN
CAPISTRANO COMMUNITY
REDEVELOPMENT AGENCY**

Independent Accountant's Report on
Applying Agreed-Upon Procedures
on the Former Community Redevelopment Agency's
Low and Moderate Income Housing Funds

As Prescribed in Section 34179.5 of
the California Health and Safety Code

**SUCCESSOR AGENCY TO THE SAN JUAN CAPISTRANO COMMUNITY
REDEVELOPMENT AGENCY**

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Sacramento

Walnut Creek

Oakland

LA/Century City

San Diego

Seattle

Successor Agency to the San Juan Capistrano Community Redevelopment Agency
San Juan Capistrano, California

**Independent Accountant's Report on
Applying Agreed-Upon Procedures**

We have performed the procedures in Attachment A, which were agreed to by the Successor Agency to the San Juan Capistrano Community Redevelopment Agency (Successor Agency), California State Controller's Office and California Department of Finance (collectively referred to as Specified Parties) solely to assist you in determining the balances available for transfer to taxing entities from assets transferred to the Successor Agency from the low and moderate income housing funds of the former redevelopment agency, as prescribed in Section 34179.5 of the California Health and Safety Code (Code).

The scope of this engagement was limited to performing the agreed-upon procedures set forth in Attachment A. Attachment A also identifies the findings noted as a result of the procedures performed.

Management of the Successor Agency is responsible for the accounting records. 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 the Specified Parties. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested, or for any other purpose.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the assets transferred to the Successor Agency from the low and moderate income housing funds of the former redevelopment agency and the balance available for transfer to the taxing entities. 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, California State Controller's Office and the California Department of Finance, and is not intended to be, and should not be used by anyone other than these specified parties.

Macias Fini & O'Connell LLP

Newport Beach, California
October 3, 2012

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**Successor Agency to the San Juan Capistrano Community Redevelopment Agency
Attachment A - Agreed-Upon Procedures and Findings
Low and Moderate Income Housing Fund**

Our procedures and findings are as follows:

1) **Procedure:**

Obtain from the Successor Agency a listing of all assets that were transferred from the Low and Moderate Income Housing Funds of the former redevelopment agency to the Successor Agency on or about 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.

Finding: We noted the former redevelopment agency transferred assets in the amount of \$18,508,152 from the Low and Moderate Income Housing Fund, \$423,524 from the related Rental Housing Fund, and long-term assets, net of accumulated depreciation, in the amount of \$5,420,307 to the Successor Agency on February 1, 2012. We verified the transfers through a review of the Successor Agency's accounting records.

2) **Procedures:**

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 of assets from the Low and Moderate Income Housing Funds from the former redevelopment agency (excluding payments for goods and services) 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 of assets from the low and moderate income housing funds (excluding payments for goods and services) held by 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
- 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.

**Successor Agency to the San Juan Capistrano Community Redevelopment Agency
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

Findings: We noted that the State Controller's Office has not completed its review of transfers as of the date of this report. As such, we performed procedures 2A through 2C. For procedure 2A, there were no transfers of assets from the low and moderate income housing funds held by the Successor Agency (excluding payments for goods and services) to the City for the period January 1, 2011 through January 31, 2012. Please refer to Exhibit A for the results of procedure 2B. As all transfers were related to approved housing asset transfers to the San Juan Capistrano Housing Authority, procedure 2C is not applicable.

3) **Procedures:**

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 of assets from the Low and Moderate Income Housing Funds from the former redevelopment agency (excluding payments for goods and services) 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 of assets from the low and moderate income housing funds (excluding payments for goods and services) held by 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: We noted the Successor Agency did not transfer any assets from the low and moderate income housing funds held by the Successor Agency (excluding payments for goods and services) to any other public agency, other than the San Juan Capistrano Housing Authority, or to private parties for the period January 1, 2011 through June 30, 2012.

4) **Procedure:**

Obtain from the Successor Agency a listing of all assets of the low and moderate income housing funds that were held by the Successor Agency as of June 30, 2012. 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 AUP report.

**Successor Agency to the San Juan Capistrano Community Redevelopment Agency
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

Finding: No exceptions were noted as a result of the procedure. Please refer to Exhibit B for a listing of the low and moderate income housing fund assets held by the Successor Agency as of June 30, 2012.

5) **Procedures:**

Obtain from the Successor Agency a listing of asset balances transferred from the low and moderate income housing funds, and still held as of 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).

C. 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. Other assets considered to be legally restricted:

- 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 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.

**Successor Agency to the San Juan Capistrano Community Redevelopment Agency
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund**

Findings: We noted the Successor Agency held unspent bond proceeds, as of June 30, 2012, in the amount of \$6,633,003, that were transferred from the low and moderate income housing funds. We traced the individual components of the computation to the Indenture of Trust between the San Juan Capistrano Community Redevelopment Agency and U.S. Bank National Association, as Trustee, previously audited financial statements, and the Successor Agency's accounting records. Additionally, we noted that the Successor Agency held program income, as of June 30, 2012, in the amount of \$417,422 that was transferred from the Rental Housing Fund. We traced individual balances to the Successor Agency's accounting records.

The legal restrictions on the unspent bond proceeds and program income are in effect until these funds are spent for their respective purposes. Please refer to Exhibit C for the results of the procedures performed.

6) **Procedures:**

- A. Obtain from the Successor Agency a listing of assets transferred from the low and moderate income housing funds, and still held 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 6A 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 6B, 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 6A 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: We noted that the Successor Agency held no non-liquid assets, transferred from the low and moderate income housing funds, and still held as of June 30, 2012.

7) **Procedures:**

- A. If the Successor Agency believes that asset balances transferred from the low and moderate income housing funds 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.

Successor Agency to the San Juan Capistrano Community Redevelopment Agency
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund

- 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.
- B. If the Successor Agency believes that future revenues, together with balances transferred from the Low and Moderate Income Housing Fund 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.

Successor Agency to the San Juan Capistrano Community Redevelopment Agency
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund

- D. If procedures 7A, B, or C were performed, calculate the amount of current unrestricted balances of assets transferred from the low and moderate income housing funds 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: For procedure 7A, we noted the Successor Agency did not believe that asset balances transferred from the low and moderate income housing funds as of June 30, 2012 are legally or contractually dedicated or restricted to satisfy enforceable obligations. However, for procedures 7B and 7D, the Successor Agency identified future net deficits related to certain enforceable obligations. As a result, the Successor Agency believes retention of current balances is necessary to cover such future net deficits related to certain enforceable obligations, in the amount of \$342,129. Please refer to Exhibit D for the results of procedures 7B and 7D. For procedure 7C, the Successor Agency did not believe that future net deficits related to debt service payments exist as of June 30, 2012.

8) **Procedure:**

If the Successor Agency believes that, as of June 30, 2012, cash balances transferred from the low and moderate income housing funds 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 transferred from the low and moderate income housing funds 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.

Finding: The Successor Agency believes that, as of June 30, 2012, cash balances in the amount of \$1,428,810 transferred from the low and moderate income housing funds, need to be retained to satisfy obligations for the period of July 1, 2012 through June 30, 2013. Please refer to Exhibit E.1 for ROPS 2 obligations totaling \$750,929, and Exhibit E.2 for ROPS 3 obligations totaling \$677,881.

9) **Procedure:**

Include a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from assets transferred to the Successor Agency from the low and moderate income housing funds. 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

Successor Agency to the San Juan Capistrano Community Redevelopment Agency
Attachment A - Agreed-Upon Procedures and Findings (Continued)
Low and Moderate Income Housing Fund

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.

Finding: Please refer to Exhibit F for the results of this procedure.

10) **Procedure:**

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 assets of the Low and Moderate Income Housing Fund 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.

Finding: No exceptions were noted as a result of this procedure.

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**SUCCESSOR AGENCY TO THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY
 EXHIBIT A - LOW AND MODERATE INCOME HOUSING FUND ASSETS HELD BY THE SUCCESSOR AGENCY THAT WERE TRANSFERRED TO THE SAN JUAN CAPISTRANO HOUSING AUTHORITY
 FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012**

Asset Description	Name of the recipient	Date of Transfer	Book value of asset at date of transfer	Describe the purpose of the transfer and specify the enforceable obligation or other legal requirement requiring such transfer.	Finding
Land - Jimenez Acquisition	San Juan Capistrano Housing Authority	5/16/2012	\$ 214,568		\$
Land - Jimenez Acquisition	San Juan Capistrano Housing Authority	5/16/2012	389,440		-
Land-Peinado Acquisition	San Juan Capistrano Housing Authority	5/16/2012	180,000		-
26508 Mission St.	San Juan Capistrano Housing Authority	5/16/2012	143,350		-
26510 Mission St.	San Juan Capistrano Housing Authority	5/16/2012	143,350		-
26511 Mission St.	San Juan Capistrano Housing Authority	5/16/2012	143,350		-
26512 Mission St.	San Juan Capistrano Housing Authority	5/16/2012	143,350		-
26592 Mission St.	San Juan Capistrano Housing Authority	5/16/2012	143,350		-
26602 Mission St.	San Juan Capistrano Housing Authority	5/16/2012	143,350		-
26603 Mission St.	San Juan Capistrano Housing Authority	5/16/2012	109,633		-
26604 Mission St.	San Juan Capistrano Housing Authority	5/16/2012	94,769		-
26610 Mission St.	San Juan Capistrano Housing Authority	5/16/2012	143,350		-
26611 Mission St.	San Juan Capistrano Housing Authority	5/16/2012	143,350		-
26613 Mission St.	San Juan Capistrano Housing Authority	5/16/2012	143,350		-
26571 Ramos St.	San Juan Capistrano Housing Authority	5/16/2012	40,185		-
26587 Ramos St.	San Juan Capistrano Housing Authority	5/16/2012	62,704		-
26591 Ramos St.	San Juan Capistrano Housing Authority	5/16/2012	143,350		-
31646 Ramos Way	San Juan Capistrano Housing Authority	5/16/2012	313,811		-
31650 Ramos Way	San Juan Capistrano Housing Authority	5/16/2012	313,811		-
31651 Ramos Way	San Juan Capistrano Housing Authority	5/16/2012	313,811		-
31654 Ramos Way	San Juan Capistrano Housing Authority	5/16/2012	313,811		-
31655 Ramos Way	San Juan Capistrano Housing Authority	5/16/2012	313,811		-
31664 Ramos Way	San Juan Capistrano Housing Authority	5/16/2012	313,811		-
31668 Ramos Way	San Juan Capistrano Housing Authority	5/16/2012	313,811		-
31676 Ramos Way	San Juan Capistrano Housing Authority	5/16/2012	313,811		-
31678 Ramos Way	San Juan Capistrano Housing Authority	5/16/2012	313,811		-
31682 Ramos Way	San Juan Capistrano Housing Authority	5/16/2012	313,811		-
Construction in Progress	San Juan Capistrano Housing Authority	5/16/2012	285,121		-
Seasons Apartments - Phase I	San Juan Capistrano Housing Authority	5/16/2012	872,171		-
Seasons Apartments - Phase II	San Juan Capistrano Housing Authority	5/16/2012	4,333,957		-
Former Community Housing Corp. Loan	San Juan Capistrano Housing Authority	5/16/2012	15,625		-
Former Community Housing Corp. Loan	San Juan Capistrano Housing Authority	5/16/2012	15,500		-
Developer Loan Repayment	San Juan Capistrano Housing Authority	5/16/2012	58,850		-
Tenant Rent Payments	San Juan Capistrano Housing Authority	5/16/2012	104,335		-
			\$ 11,348,468		

Pursuant to Health and Safety Code section 34176 (a)(1), "The city, county, or city and county that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the redevelopment agency." The Successor Agency submitted the Housing Asset Transfer Form to the Department of Finance and obtained approval to retain the housing assets listed within.

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**SUCCESSOR AGENCY TO THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY
EXHIBIT B - LOW AND MODERATE INCOME HOUSING FUND ASSETS HELD BY THE SUCCESSOR AGENCY**

Assets	6/30/2012
Cash - Low and Moderate Income Housing Fund (Fund 21)	\$ 12,726,009
Cash - Rental Housing Fund (Fund 22)	417,422
Total Assets	\$ 13,143,431

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**SUCCESSOR AGENCY TO THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY
EXHIBIT C - LOW AND MODERATE INCOME HOUSING FUND RESTRICTED ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY**

A. Unspent Bond Proceeds				
Assets	6/30/2012	Computation of the Restricted Balance	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate the period of time for which the restriction is in effect. Note whether the restriction is in effect until the related assets are expended for their intended purpose.
Bond Proceeds - 2008 TABs, Series B	\$ 6,633,003	\$ 6,607,841	Balance as of June 30, 2011 noted in the Comprehensive Annual Financial Report.	Page 23 of the Official Statement, 2008 Tax Allocation Bonds, Series B, Indenture of Trust legally restricts this asset. The restriction is in effect until the bond proceeds are expended "to increase or improve the supply of low and moderate income housing within, or of benefit to, the Project Area."
			(2,056) Amount represents a correcting journal entry for non-housing activity as noted in the accounting records.	
			27,218 Amount represents the fiscal year 2012 accrued interest as noted in the City's Interest Allocation Spreadsheet.	
Total Assets	\$ 6,633,003	\$ 6,633,003		
B. Grant Proceeds and Program Income				
Assets	6/30/2012	Computation of the Restricted Balance	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate the period of time for which the restriction is in effect. Note whether the restriction is in effect until the related assets are expended for their intended purpose.
Little Hollywood Rental Housing -Program Income, Tenant Rents	\$ 417,422	Not Applicable	Accounting records	H&S Code Section 34176(e)(4) restricts "in-lieu funds derived from rents or operation of properties acquired for low- and moderate-income housing purposes by other parties that were financed with any source of funds, including....principal and interest payments from homebuyers subject to enforceable income limits." This restriction is in effect until this program income is expended for housing related activities.
Total Assets	\$ 417,422	\$ 417,422		
C. Other Assets Considered Legally Restricted				
Assets	6/30/2012	Computation of the Restricted Balance	Source for the computation of the restricted balance (i.e. accounting records or other supporting documentation)	Identify the document requiring the restriction. For each restriction identified on these schedules, indicate the period of time for which the restriction is in effect. Note whether the restriction is in effect until the related assets are expended for their intended purpose.
None noted				
Total Assets	\$ -	\$ -		
Summary of Restricted Assets Listed in Tables A, B and C	\$ 7,050,425	\$ 7,050,425		

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SUCCESSOR AGENCY TO THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY
EXHIBIT D - LOW AND MODERATE INCOME HOUSING FUND ASSETS HELD BY THE SUCCESSOR AGENCY: PROJECTION OF SPENDING REQUIREMENTS
AND REVENUES OVER THE TERM OF THE OBLIGATIONS

Enforceable Obligation	Total Obligation	Projected spending requirement over the term of the obligation	Assumptions utilized in the spending projections	Projected revenues over the term of the obligation	Assumptions utilized in the revenue projections	(Deficit)/Surplus
MDM Associates Personal Services Agreement July 1, 2013 through June 30, 2014 - Rental Subsidy Program	\$ 43,155	\$ 43,155	The projected spending requirement is calculated based on the terms noted within the executed professional services agreements for the duration of the agreements.	\$ -	Management does not believe that there will be sufficient RPTTF provided to the Successor Agency to satisfy these enforceable obligations for the period of July 1, 2013 through June 30, 2014.	\$ (43,155)
MDM Associates Personal Services Agreement July 1, 2013 through June 30, 2014 - Rental Housing Management Program	125,940	125,940		-		(125,940)
Rental Subsidy Agreement - July 1, 2013 through January 1, 2015 (Bhatia)	31,500	31,500		7,524		(23,976)
Rental Subsidy Agreement - July 1, 2013 through August 31, 2016 (Hughes)	72,200	72,200		20,406	The projected revenues are calculated based on the tenant's monthly share of the required rent as noted within the terms of the executed rental subsidy agreement multiplied by the duration of the agreements.	(51,794)
Rental Subsidy Agreement - July 1, 2013 through May 1, 2016 (Kashani)	54,400	54,400		15,572		(38,828)
Rental Subsidy Agreement - July 1, 2013 through June 6, 2014 (McCorkell)	17,600	17,600		7,227		(10,373)
Rental Subsidy Agreement - July 1, 2013 through December 31, 2013 (Alaniz)	12,060	12,060		3,036		(9,024)
Rental Subsidy Agreement - July 1, 2013 through March 31, 2016 (Meadors)	57,750	57,750		18,711		(39,039)
Total Projections/Net Projections	\$ 414,605	\$ 414,605		\$ 72,476		\$ (342,129)

Note 1 - Based on the RPTTF projections from the County Auditor-Controller, for FY 12/13, management projected RPTTF for future years with an annual increase of 2%. Additionally, debt service and enforceable obligation payments were projected through FY 2019-2020. Based on these projections, there is not sufficient RPTTF remaining after the payment of County Administrative costs, pass-through payments, bond payments, non-housing enforceable obligation payments and administrative costs to provide funding for these obligations.

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**SUCCESSOR AGENCY TO THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY
EXHIBIT E.1 - LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY THAT ARE NEEDED TO SATISFY OBLIGATIONS ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE
FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013**

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE
July 1, 2012 through December 31, 2012**

Item #	Project Name / Debt Obligator	Payee	Description	Date	Notes	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by Month					Existing cash needed to satisfy the obligation	Successor Agency rationale for retaining cash balances to satisfy the obligation	
								July-12	August-12	September-12	October-12	November-12			December-12
1	1997 Subordinated Taxable Tax Allocation Bonds	Bank of New York	Affordable Housing Projects	1997		\$ 830,000	\$ 180,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,163	\$ 147,163	The Successor Agency did not receive any RPTTF for ROPS 2 (July 1, 2012 - December 31, 2012), thus requiring cash reserves for the bond payments in August 2012. Housing bonds are paid from low and moderate income housing funds and therefore would be paid for from such cash reserves.
2	1998 Tax Allocation Refunding Bonds	U.S. Bank, N.A.	Advance Refunding of the 1991 Tax Allocation Bonds	1998		2,280,000	514,512	C -	469,554	-	-	-	469,554	93,911	
4	2008 Tax Allocation Bonds, Series B (Taxable)	U.S. Bank, N.A.	Finance Agency Affordable Housing Projects	2008		9,825,000	661,085	C -	358,648	-	-	-	358,648	358,647	
7	Personal Services Agreement dated June 7, 2011	MDM Associates	Rental Subsidy Program Management	06-07-11	3	-	43,155	A	3,596	3,596	3,596	3,596	21,578	21,578	The Department of Finance approved ROPS 2 which indicated the need to use low and moderate income housing fund monies for the professional services and rental subsidy agreements for the period of July 1, 2012 - December 31, 2012.
8	Personal Services Agreement dated June 7, 2011	MDM Associates	Little Hollywood Program Management	06-07-11	3	-	125,940	A	10,495	10,495	10,495	10,495	62,970	62,970	
9	Rental Subsidy Agmt Dec. 2008- Dec. 2013	Gulab Bhatia	Rental Subsidy Program	Dec. 2008	4	31,500	21,000	A	1,750	1,750	1,750	1,750	10,500	10,500	
10	Rental Subsidy Agmt Sept. 2011- June 2016	Vince Hughes	Rental Subsidy Program	Sept. 2011	4	40,800	20,400	A	1,700	1,700	1,700	1,700	10,200	11,400	Based on our review of the corresponding Rental Subsidy Agreement, we noted that the terms of the Agreement were incorrect, as listed on ROPS 2. This resulted in the Successor Agency increasing this obligation by \$1,200.
11	Rental Subsidy Agmt - May 2011 H. Kashani - May 2016	H. Kashani	Rental Subsidy Program	May 2011	4	95,000	22,800	A	1,900	1,900	1,900	1,900	11,400	9,600	Based on our review of the corresponding Rental Subsidy Agreement, we noted that the terms of the Agreement were incorrect, as listed on ROPS 2. This resulted in the Successor Agency decreasing this obligation by \$1,800.
12	Rental Subsidy Agmt - June 2009- Tom McCorkell June 2014	Tom McCorkell	Rental Subsidy Program	June 2009	4	36,000	18,000	A	1,500	1,500	1,500	1,500	9,000	9,000	The Department of Finance approved ROPS 2 which indicated the need to use low and moderate income housing fund monies for the professional services and rental subsidy agreements for the period of July 1, 2012 - December 31, 2012.
13	Rental Subsidy Agmt - July 2008 - Loma Webber July, 2013	Loma Webber	Rental Subsidy Program	July 2008	4	21,600	21,600	A	1,800	1,800	1,800	1,800	10,800	3,600	Based on our review of the corresponding Rental Subsidy Agreement, we noted that the terms of the Agreement were incorrect, as listed on ROPS 2. This resulted in the Successor Agency decreasing this obligation by \$7,200.
15	Rental Subsidy Agmt - Dec. 2010- Angel Alanziz Dec. 2015	Angel Alanziz	Rental Subsidy Program	Dec. 2010	4	84,420	24,120	A	2,010	2,010	2,010	2,010	12,060	12,060	The Department of Finance approved ROPS 2 which indicated the need to use low and moderate income housing fund monies for the professional services and rental subsidy agreements for the period of July 1, 2012 - December 31, 2012.
16	Rental Subsidy Agmt - Oct. 2008- Mr. Meadors Oct. 2013	Mr. Meadors	Rental Subsidy Program	Oct. 2008	4	25,000	21,000	A	1,750	1,750	1,750	1,750	10,500	10,500	
Total existing cash needed to satisfy obligations from ROPS 2													\$ 750,929		

Source:
(A) Low and Moderate Income Housing Fund
(C) Tax Increment

**SUCCESSOR AGENCY TO THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY
FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013**

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE
January 1, 2013 through June 30, 2013**

Item #	Project Name / Debt Obligation	Contract/ Agreement Execution Date	Contract/ Agreement Termination Date	Payee	Description/ Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source				Existing Cash needed to satisfy the obligation	Successor Agency rationale for retaining cash balances to satisfy the obligation	
									LMHFF	Bond Proceeds	Reserve Balance	Admin Allowance			RPTTF
1	1997 Subordinated Taxable Tax Allocation Bonds	1997	Indefinite	Bank of New York	Affordable Housing Projects	Central	\$ 830,000	\$ 180,413	\$ -	\$ -	\$ -	\$ -	\$ 27,706	\$ 27,706	Prior to the January 31, 2012, 20% of all tax increment received (\$876,994) was set-aside in the Low and Moderate Income Housing Fund as required. Of that amount, \$346,721 was used to pay housing bond debt service on February 1, 2012, under ROPS 1 (January 1, 2012 through June 30, 2012). The remaining cash reserves of \$530,273 is now required by the Department of Finance to satisfy obligations on the ROPS.3 (January 1, 2013 through June 30, 2013).
2	1998 Tax Allocation Refunding Bonds	1998	Indefinite	US Bank, N.A.	Advance Refunding of the 1991 Tax Allocation Bonds	Central	2,280,000	514,512	-	-	-	-	44,958	44,958	
4	2008 Tax Allocation Bonds, Series B (Taxable)	2008	Indefinite	US Bank, N.A.	Finance Agency Affordable Housing Projects	Central	9,825,000	661,085	-	-	-	-	302,438	302,438	
5	Tax Allocation Bond Reserve Set-Aside (See Notes)	Various - See Items 1-4	Various - See Items 1-4	Not Applicable	Reserve set-aside for August 1, 2013 debt service payment - H&S Code Section 3417(b)	Central	-	-	-	-	-	-	797,864	797,864	
33	Personal Services Agreement	6/7/2011	6/30/2014	MDM Associates	Rental Subsidy Program Management	Central	86,310	43,155	21,578	-	-	-	21,578	21,578	The projected RPTTF available for ROPS 3 (January 1, 2013 through June 30, 2013) is \$2,726,994. After funding bond debt service (including housing bonds and other non-housing enforceable obligations, there is no RPTTF remaining to fund the obligations formerly funded from the Low and Moderate Income Fund (LMHFF) for the period from January 1, 2013 through June 30, 2013. Therefore, reserves from the LMHFF are necessary to meet these enforceable obligations.
34	Personal Services Agreement	6/7/2011	6/30/2014	MDM Associates	Little Hollywood Program Management	Central	251,880	125,940	62,970	-	-	-	62,970	62,970	
35	Rental Subsidy Agmt	December-08	December-13	Gulab Bhatia	Rental Subsidy Program	Central	31,500	21,000	10,500	-	-	-	10,500	10,500	
36	Rental Subsidy Agmt	September-11	June-16	Vince Hughes	Rental Subsidy Program	Central	68,400	22,800	11,400	-	-	-	11,400	11,400	
37	Rental Subsidy Agmt	May-11	May-16	H. Kashani	Rental Subsidy Program	Central	75,200	19,200	9,600	-	-	-	9,600	9,600	
39	Rental Subsidy Agmt	June-09	June-14	Tom McCorkell	Rental Subsidy Program	Central	36,000	18,000	9,000	-	-	-	9,000	9,000	
42	Rental Subsidy Agmt	December-10	December-15	Angel Alaniz	Rental Subsidy Program	Central	84,420	24,120	12,060	-	-	-	12,060	12,060	
43	Rental Subsidy Agmt	June-11	March-16	Mr. Mendors	Rental Subsidy Program	Central	78,750	21,000	10,500	-	-	-	10,500	10,500	

Total existing cash needed to satisfy obligations from ROPS 3

\$ 677,881

**SUCCESSOR AGENCY TO THE SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY
EXHIBIT F - LOW AND MODERATE INCOME HOUSING FUND ASSETS TRANSFERRED TO THE SUCCESSOR AGENCY THAT ARE AVAILABLE TO DISTRIBUTE TO
AFFECTED TAXING ENTITIES**

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 4)	\$ 13,143,431
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)	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 5)	(7,050,425)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 6)	-
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 7)	(342,129)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 8)	(1,428,810)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	-
Amount to be remitted to county for disbursement to taxing entities	\$ 4,322,067

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