

County of Santa Clara

Finance Agency

County Government Center
70 West Hedding Street, East Wing, 2nd Floor
San Jose, California 95110-1705
(408) 299-5205 FAX: (408) 287-7629



Tuesday, October 2, 2012

Hon. John Chiang, State Controller
P.O. Box 942850
Sacramento, CA 94250

Ms. Ana Matosantos, Director
Department of Finance
915 L Street
Sacramento, CA 95814

City of Milpitas Successor Agency
455 E Calaveras Blvd
Milpitas, CA 95035

City of Milpitas Oversight Board
455 E Calaveras Blvd
Milpitas, CA 95035

Re: Milpitas Successor Agency Due Diligence Review for Low and Moderate Income Housing Funds Pursuant to Health and Safety Code Section 34179.5

Dear State Controller, Department of Finance, Oversight Board, and Successor Agency:

We present this Due Diligence Report for the Milpitas Successor Agency ("Agency") in accordance with Health and Safety Code section 34179.5. The agreed upon procedures were performed by Macias Gini & O'Connell LLP, retained under contract by the Santa Clara County Finance Agency. Management of the Successor Agency is responsible for the accounting records.

The information presented in this report meets the requirements of Health and Safety Code section 34179.5 for the Low and Moderate Income Housing Funds of the Agency. The County Finance Agency has verified all information with the establishment of assets and liabilities per the draft agreed upon procedures report, pursuant to Health and Safety Code section 34182.

The amount to be remitted to the Auditor-Controller for distribution to taxing entities pursuant to Health and Safety Code section 34179.6 is shown in Attachment B as **\$6,582,557** as of June 30, 2012, plus interest earned on the entire amount from January 31, 2012, through the date of remittance.

Housing Due Diligence Report for the Milpitas Successor Agency

Tuesday, October 2, 2012

Page 2 of 2

This amount was determined based on the January 31, 2012 housing fund balance and the fact that there were no items on the first Recognized Obligation Payment Schedule for the period of January 1, 2012 through June 30, 2012 ("ROPS I") that had any obligations payable from Low and Moderate Income Housing Funds. Therefore, there were no allowable payments from the January 31, 2012 fund balance during the ROPS I period.

Respectfully submitted,



Irene Lui, C.P.A.
Controller-Treasurer
County of Santa Clara

Attachments:

- Attachment A – Agreed-Upon Procedures and Findings
- Attachment B – Summary of Balances Available for Allocation
- Attachment C – Asset Transfers for January 1, 2011 to January 31, 2012

City of Milpitas, Successor Agency to the Milpitas Redevelopment Agency

Attachment A – Agreed-Upon Procedures and Findings Low and Moderate Income Housing Funds

The agreed-upon procedures, as it relates to the Low and Moderate Income Housing Funds of the former Agency and Successor Agency, and findings are as follows:

1. Obtain from the Successor Agency a listing of all assets that were transferred from 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 obtained from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on or about February 1, 2012 and agreed the amounts, which totaled \$6,582,557 as of February 1, 2012, to the account balances established in the accounting records of the Successor Agency.

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.

Finding: The State Controller's Office has issued its Asset Transfer Review Report (SCO Report) dated August 28, 2012 of the Milpitas Redevelopment Agency for the period from January 1, 2011 through January 31, 2012, as required by HSC Sections 34167.5. The State Controller's Office has not completed its review of transfers required under Section 34178.8. The accompanying SCO Report is included as Appendix 1. Per Finding 3 of the SCO Report, \$8,925,178 in transfers of Low and Moderate Income Housing Fund assets should be returned to the Successor Agency. The County Auditor-Controller has further investigated the questioned \$8,925,178 and determined it to be an advance between the Low and Moderate Income Housing Fund and the Capital Projects Fund of the former Agency. Upon dissolution, both the advance receivable and advance payable of the respective funds were transferred to the Successor Agency, turning the loan into an "intrafund" loan (in other words a loan to itself). As such, the asset and liability within the Successor Agency should be removed and should not be a return of assets to the Low and Moderate Income Housing Fund.

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.

Finding: While this procedure is not applicable when the State Controller's Office has issued its Asset Transfer Review report for the period from January 1, 2011 through January 31, 2012, we determined that the transfer of housing assets was not included in the scope of the SCO Report. Therefore, we obtained a listing prepared by the Successor Agency of the transfers from the former Agency to the City and noted that housing assets were transferred to the Housing Successor during the period from January 1, 2011 through January 31, 2012, as itemized in Attachment C.

City of Milpitas, Successor Agency to the Milpitas Redevelopment Agency

**Attachment A – Agreed-Upon Procedures and Findings
Low and Moderate Income Housing Funds**

- 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.

Finding: We obtained a listing prepared by the Successor Agency of the transfers from the Successor Agency to the City and noted that the Successor Agency did not list any transfers during the period from February 1, 2012 through June 30, 2012.

- 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 assets transferred from the Low and Moderate Income Housing Funds were permitted by the Health and Safety Code, and not by enforceable obligations. We obtained documentation indicating that the California State Department of Finance approved the transfer of these assets, as described in Attachment C.

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.

Finding: The State Controller's Office has issued its Asset Transfer Review Report (SCO Report) dated August 28, 2012 of the Milpitas Redevelopment Agency for the period from January 1, 2011 through January 31, 2012, as required by HSC Sections 34167.5. The State Controller's Office has not completed its review of transfers required under 34178.8. The accompanying Asset Transfer Review report is included as Appendix 1.

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.

Finding: This procedure is not necessary as the State Controller's Office has issued its Asset Transfer Review report for the period from January 1, 2011 through January 31, 2012.

- 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.

City of Milpitas, Successor Agency to the Milpitas Redevelopment Agency

**Attachment A – Agreed-Upon Procedures and Findings
Low and Moderate Income Housing Funds**

Finding: We obtained a listing prepared by the Successor Agency of the transfers from the Successor Agency to any other public agency or private parties and noted that the Successor Agency did not list any transfers during the period from February 1, 2012 through June 30, 2012.

- 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.

Finding: The procedure is not applicable following the findings in Procedures 3A and 3B above.

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.

Finding: This procedure pertains to the Successor Agency as a whole as such this procedure will be addressed in the agreed-upon procedures report that is due on December 15, 2012, pursuant to guidance provided by the DOF.

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.

Finding: We obtained from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 and noted that the Successor Agency did not list any assets. However, the results of Procedure 1 determined that the former Agency transferred \$6,582,557 in unencumbered cash to the Successor Agency on February 1, 2012, and that the Recognized Obligation Payment Schedule for the period from January 1, 2012 through June 30, 2012 did not list any enforceable obligations to be paid from Low and Moderate Income Housing Fund cash. Therefore, there are no authorized payments on enforceable obligations eligible to reduce the \$6,582,557 transferred to the Successor Agency. In addition, fund balances to be remitted must

City of Milpitas, Successor Agency to the Milpitas Redevelopment Agency

Attachment A – Agreed-Upon Procedures and Findings Low and Moderate Income Housing Funds

include interest income earned from February 1, 2012 through the date of disbursement to the Auditor-Controller for distribution to taxing entities.

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. 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.

Finding: We noted the Successor Agency did not report restricted asset balances held on June 30, 2012.

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

City of Milpitas, Successor Agency to the Milpitas Redevelopment Agency

Attachment A – Agreed-Upon Procedures and Findings Low and Moderate Income Housing Funds

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.

Finding: We noted the Successor Agency did not report asset balances that were not liquid or otherwise available for distribution as of on June 30, 2012.

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.
- 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.

City of Milpitas, Successor Agency to the Milpitas Redevelopment Agency

**Attachment A – Agreed-Upon Procedures and Findings
Low and Moderate Income Housing Funds**

- 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.

Finding: We noted the Successor Agency did not have asset balances as of June 30, 2012 that need to be retained to satisfy enforceable obligations.

- 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.

Finding: We noted the Successor Agency did not have cash balances as of June 30, 2012 that need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule for the period of July 1, 2012 through June 30, 2013.

City of Milpitas, Successor Agency to the Milpitas Redevelopment Agency

**Attachment A – Agreed-Upon Procedures and Findings
Low and Moderate Income Housing Funds**

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).

Finding: See Attachment B for the results of this procedure for the Low and Moderate Income Housing Fund.

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.

Finding: The Successor Agency's management did not agree with the finding reported in Procedure 5, which increased the June 30, 2012 balance of assets from zero to \$6,582,557. As such, the Successor Agency's management refused to sign the representation letter.

City of Milpitas, Successor Agency to the Milpitas Redevelopment Agency

**Attachment B - Low and Moderate Income Housing Funds
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 5)	\$ 6,582,557
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 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 2012-13 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	-
Amount to be remitted to county for disbursement to taxing entities	<u>\$ 6,582,557</u>

City of Milpitas, Successor Agency to the Milpitas Redevelopment Agency

**Attachment C - Low and Moderate Income Housing Funds
Asset Transfers to the City of Milpitas and its Component Units for the Period January 1, 2011 through January 31, 2012**

Asset Description	Name of the Borrower	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 and the date of such requirement. Also, note whether the asset transfer was reversed and the date of such reversal.	Finding
					Section 341.76 authorizes the transfer of housing assets other than cash to the City if the City elects to perform the housing functions. The City formed the Milpitas Housing Authority to perform such functions. The asset listed is a first-time homebuyer loan provided to a low or moderate income household to purchase the housing unit and is subject to affordability restrictions. The asset listed herein was approved as Housing Assets by the State Department of Finance.	
1	Loan	Victoria & Carlos Uy	Milpitas Housing Authority	1/31/2012	\$ 42,279	No exceptions were noted as a result of this procedure.
2	Loan	Jack Lee & Shirley Lir	Milpitas Housing Authority	1/31/2012	44,482	No exceptions were noted as a result of this procedure
3	Loan	Helconida & Roque Umali	Milpitas Housing Authority	1/31/2012	44,619	No exceptions were noted as a result of this procedure
4	Loan	Hung Tran & Hui Le	Milpitas Housing Authority	1/31/2012	40,124	No exceptions were noted as a result of this procedure
5	Loan	Elroy Wong & Canmil Leung	Milpitas Housing Authority	1/31/2012	44,950	No exceptions were noted as a result of this procedure
6	Loan	Yu, Sandy Suimei	Milpitas Housing Authority	1/31/2012	94,931	No exceptions were noted as a result of this procedure
7	Loan	Ronnie & Michelle Baluyo	Milpitas Housing Authority	1/31/2012	95,283	No exceptions were noted as a result of this procedure
8	Loan	David & Anita Matheson	Milpitas Housing Authority	1/31/2012	34,032	No exceptions were noted as a result of this procedure
9	Loan	Maro Boghos	Milpitas Housing Authority	1/31/2012	95,633	No exceptions were noted as a result of this procedure
10	Loan	Henry Nguyen	Milpitas Housing Authority	1/31/2012	95,060	No exceptions were noted as a result of this procedure
11	Loan	Susana & Rita Velasquez	Milpitas Housing Authority	1/31/2012	96,826	No exceptions were noted as a result of this procedure
12	Loan	Nicholas Pham	Milpitas Housing Authority	1/31/2012	33,962	No exceptions were noted as a result of this procedure
13	Loan	Fanping Zhang & Haiming Lir	Milpitas Housing Authority	1/31/2012	96,152	No exceptions were noted as a result of this procedure
14	Loan	Michele Ynegas	Milpitas Housing Authority	1/31/2012	96,152	No exceptions were noted as a result of this procedure
15	Loan	Jennifer Wadahara	Milpitas Housing Authority	1/31/2012	96,989	No exceptions were noted as a result of this procedure
16	Loan	Michael & Amel Vieyr	Milpitas Housing Authority	1/31/2012	34,577	No exceptions were noted as a result of this procedure
17	Loan	Tang, Muoi & Lam, Hung T.	Milpitas Housing Authority	1/31/2012	96,664	No exceptions were noted as a result of this procedure
18	Loan	Chacko, Thomas C.	Milpitas Housing Authority	1/31/2012	97,002	No exceptions were noted as a result of this procedure
19	Loan	Bhagvat, Bimalkumar D & Sangnya E	Milpitas Housing Authority	1/31/2012	97,002	No exceptions were noted as a result of this procedure
20	Loan	Sedillo, Rosie	Milpitas Housing Authority	1/31/2012	96,998	No exceptions were noted as a result of this procedure
21	Loan	Wang, Tom D & Win, Khin Swc	Milpitas Housing Authority	1/31/2012	97,170	No exceptions were noted as a result of this procedure
22	Loan	Concepcion, L & E	Milpitas Housing Authority	1/31/2012	96,970	No exceptions were noted as a result of this procedure
23	Loan	R & T Banzon	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
24	Loan	Matthew Seeberger	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
25	Loan	A & L Richards	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
26	Loan	Y Liu & B Chin	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
27	Loan	Adelaida Sibal	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
28	Loan	Joel De Vera	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
29	Loan	Chen-fen Tung	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
30	Loan	David Earl Greathouse	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
31	Loan	Ya Hui Tsai	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
32	Loan	Julie A Sutton	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
33	Loan	Azin Arefi Anbarani	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
34	Loan	J & M Madarazo	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
35	Loan	Gong, shuqing	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
36	Loan	Sharwan Uberoi	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
37	Loan	G Campos & J Barillas	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
38	Loan	M. Ear & T Chua	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
39	Loan	Paul Bryzek	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
40	Loan	M Subramanian	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
41	Loan	Kelsey Lee	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
42	Loan	Sarah Chang	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
43	Loan	Douglas Kwok	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
44	Loan	Simeng Wu	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
45	Loan	Ragni Panikar	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
46	Loan	C & J Meyers	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
47	Loan	S Drequito & Yamat	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
48	Loan	Erica De La Pena	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
49	Loan	Paula Araya	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
50	Loan	Samuel Wong	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
51	Loan	Marina Birman	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
52	Loan	Jessica X F Liang	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
53	Loan	Jordan Queensbury	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
54	Loan	Michael M K Chan	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
55	Loan	Diane Macz	Milpitas Housing Authority	1/31/2012	50,000	No exceptions were noted as a result of this procedure
56	Loan	Wei Zhao	Milpitas Housing Authority	1/31/2012	35,000	No exceptions were noted as a result of this procedure
57	Loan	William T Gong	Milpitas Housing Authority	1/31/2012	35,000	No exceptions were noted as a result of this procedure
58	Loan	Jennery Wang	Milpitas Housing Authority	1/31/2012	35,000	No exceptions were noted as a result of this procedure
59	Loan	Sufen Sheng	Milpitas Housing Authority	1/31/2012	35,000	No exceptions were noted as a result of this procedure

(Continued)

City of Milpitas, Successor Agency to the Milpitas Redevelopment Agency

**Attachment C - Low and Moderate Income Housing Funds
Asset Transfers to the City of Milpitas and its Component Units for the Period January 1, 2011 through January 31, 2012**

Asset Description	Name of the Borrower	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 and the date of such requirement. Also, note whether the asset transfer was reversed and the date of such reversal.	Finding
(Continued)						
60 Loan	Maty Thi Dinh	Milpitas Housing Authority	1/31/2012	75,000	See explanation on item 1	No exceptions were noted as a result of this procedure
61 Loan	Yi Ding	Milpitas Housing Authority	1/31/2012	75,000	See explanation on item 1	No exceptions were noted as a result of this procedure
62 Loan	Shantel Hernandez	Milpitas Housing Authority	1/31/2012	35,000	See explanation on item 1	No exceptions were noted as a result of this procedure
63 Loan	Wynne Kim	Milpitas Housing Authority	1/31/2012	75,000	See explanation on item 1	No exceptions were noted as a result of this procedure
64 Loan	Lodina Banawa	Milpitas Housing Authority	1/31/2012	75,000	See explanation on item 1	No exceptions were noted as a result of this procedure
65 Loan	Yung Lin Chau	Milpitas Housing Authority	1/31/2012	75,000	See explanation on item 1	No exceptions were noted as a result of this procedure
66 Loan	Jonathan M Nguyen	Milpitas Housing Authority	1/31/2012	35,000	See explanation on item 1	No exceptions were noted as a result of this procedure
67 Loan	You J Li	Milpitas Housing Authority	1/31/2012	75,000	See explanation on item 1	No exceptions were noted as a result of this procedure
68 Loan	Albert Hadiprojdo	Milpitas Housing Authority	1/31/2012	75,000	See explanation on item 1	No exceptions were noted as a result of this procedure
69 Loan	K Anukulsuplert	Milpitas Housing Authority	1/31/2012	133,000	See explanation on item 1	No exceptions were noted as a result of this procedure
70 Loan	Jose & Lorna Montoya	Milpitas Housing Authority	1/31/2012	133,000	See explanation on item 1	No exceptions were noted as a result of this procedure
71 Loan	Paul Chang	Milpitas Housing Authority	1/31/2012	133,000	See explanation on item 1	No exceptions were noted as a result of this procedure
72 Loan	Rich Lichyun Young	Milpitas Housing Authority	1/31/2012	133,000	See explanation on item 1	No exceptions were noted as a result of this procedure
73 Loan	F & M Yue	Milpitas Housing Authority	1/31/2012	133,000	See explanation on item 1	No exceptions were noted as a result of this procedure
74 Loan	Pey Hwa Young	Milpitas Housing Authority	1/31/2012	133,000	See explanation on item 1	No exceptions were noted as a result of this procedure
75 Loan	Michael Gabriel	Milpitas Housing Authority	1/31/2012	133,000	See explanation on item 1	No exceptions were noted as a result of this procedure
76 Loan	Joann Chang Tu	Milpitas Housing Authority	1/31/2012	133,000	See explanation on item 1	No exceptions were noted as a result of this procedure
77 Loan	Sabrina Wen Lee	Milpitas Housing Authority	1/31/2012	133,000	See explanation on item 1	No exceptions were noted as a result of this procedure
78 Loan	C Nguyen & D Le	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
79 Loan	Douglas Hatran	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
80 Loan	E & F Casenas	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
81 Loan	C Souvannavong	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
82 Loan	Mahvish Bari	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
83 Loan	Joanna Chao Kim	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
84 Loan	J & J Barbhaiya	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
85 Loan	Sarang Alamooti	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
86 Loan	Robert Vrscaj	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
87 Loan	Alexander Zabyshtny	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
88 Loan	Wilson Ta	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
89 Loan	David & Lid Huynh	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
90 Loan	Vinh & Tam Ho	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
91 Loan	T Nguyen & K Le	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
92 Loan	Siew K Chung	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
93 Loan	Rashad Ferguson	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
94 Loan	T Nguyen & T Tran	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
95 Loan	Johathan Lalw	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
96 Loan	Hui Li Chang	Milpitas Housing Authority	1/31/2012	25,000	See explanation on item 1	No exceptions were noted as a result of this procedure
97 Loan	Chi & Tammy Yang	Milpitas Housing Authority	1/31/2012	25,000	See explanation on item 1	No exceptions were noted as a result of this procedure
98 Loan	Michael Quintana	Milpitas Housing Authority	1/31/2012	25,000	See explanation on item 1	No exceptions were noted as a result of this procedure
99 Loan	Jose Agerico Moncada	Milpitas Housing Authority	1/31/2012	25,000	See explanation on item 1	No exceptions were noted as a result of this procedure
100 Loan	Rozina Kapadia	Milpitas Housing Authority	1/31/2012	25,000	See explanation on item 1	No exceptions were noted as a result of this procedure
101 Loan	Kim Anh Nhieu	Milpitas Housing Authority	1/31/2012	50,000	See explanation on item 1	No exceptions were noted as a result of this procedure
102 Loan	Sanual Haque and Syveda Sultana	Milpitas Housing Authority	1/31/2012	94,931	See explanation on item 1	No exceptions were noted as a result of this procedure
103 Loan	Truc & Loan Le	Milpitas Housing Authority	1/31/2012	96,309	See explanation on item 1	No exceptions were noted as a result of this procedure
104 Loan	C & E Aldana	Milpitas Housing Authority	1/31/2012	97,170	See explanation on item 1	No exceptions were noted as a result of this procedure
					Section 34176 authorizes the transfer of housing assets other than cash to the City if the City elects to perform the housing functions. The City formed the Milpitas Housing Authority to perform such functions. The asset listed is a loan provided to a housing developer to assist in the development of affordable housing units and is subject to a Regulatory Agreement. The asset listed herein was approved as Housing Assets by the State Dept. of Finance	
105 Loan	MidPen Housing	Milpitas Housing Authority	1/31/2012	15,279,301		No exceptions were noted as a result of this procedure.
106 Loan	Montague Parkway Asso.	Milpitas Housing Authority	1/31/2012	1,018,297	See explanation on item 105.	No exceptions were noted as a result of this procedure
107 Loan	Milpitas Housing Asso.	Milpitas Housing Authority	1/31/2012	4,428,366	See explanation on item 105.	No exceptions were noted as a result of this procedure
108 Loan	Mil Aspen Asso.	Milpitas Housing Authority	1/31/2012	2,436,503	See explanation on item 105.	No exceptions were noted as a result of this procedure
Sub-total Housing loans				\$ 29,775,734		

(Continued)

(Continued)

City of Milpitas, Successor Agency to the Milpitas Redevelopment Agency

**Attachment C - Low and Moderate Income Housing Funds
Asset Transfers to the City of Milpitas and its Component Units for the Period January 1, 2011 through January 31, 2012**

Asset Description	Name of the Borrower	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 and the date of such requirement. Also, note whether the asset transfer was reversed and the date of such reversal.	Finding
Section 34176 authorizes the transfer of housing assets other than cash to the City if the City elects to perform the housing functions. The transfers first made to the City on 3/7/11 were subsequently transferred to the Milpitas Housing Authority on 1/31/12, as the Housing Successor. The asset listed is a property purchased by the Low and Moderate Income Housing Fund to maintain affordability of the housing unit. The asset listed herein was approved as Housing Assets by the State Department of Finance.						
109 Land-22 Wind Song #324	APN: 086-53-070	City of Milpitas	3/7/2011	\$ 339,958		No exceptions were noted as a result of this procedure.
110 Land -600 S. Abel St. #101	APN: 086-61-212	City of Milpitas	3/7/2011	376,795	See explanation on item 109.	No exceptions were noted as a result of this procedure
111 Land-700 S. Abel St. #306	APN: 086-61-082	City of Milpitas	3/7/2011	294,921	See explanation on item 109.	No exceptions were noted as a result of this procedure
112 Land-347 Imagination Place #195	APN: 086-49-057	City of Milpitas	3/7/2011	248,184	See explanation on item 109.	No exceptions were noted as a result of this procedure
113 Land-48 Rainwalk #306	APN: 086-53-052	City of Milpitas	3/7/2011	357,837	See explanation on item 109.	No exceptions were noted as a result of this procedure
114 Land-351 Celebration Drive #225	APN: 086-49-033	City of Milpitas	3/7/2011	299,580	See explanation on item 109.	No exceptions were noted as a result of this procedure
115 Land -340 Celebration Drive	APN: 086-49-046	City of Milpitas	3/7/2011	258,160	See explanation on item 109.	No exceptions were noted as a result of this procedure
116 Land-254 Parc Place Dr.#905	APN: 086-54-052	City of Milpitas	3/7/2011	305,095	See explanation on item 109.	No exceptions were noted as a result of this procedure
117 Land-600 S. Abel St. #208	APN: 086-61-177	City of Milpitas	3/7/2011	227,924	See explanation on item 109.	No exceptions were noted as a result of this procedure
118 Land-642 Claridad Loop	APN: 086-60-010	City of Milpitas	3/7/2011	374,253	See explanation on item 109.	No exceptions were noted as a result of this procedure. Also, see Note A , below.
119 Land-1101 S. Main St #313	APN: 086-67-078	City of Milpitas	3/7/2011	248,056	See explanation on item 109.	No exceptions were noted as a result of this procedure.
Section 34176 authorizes the transfer of housing assets other than cash to the City if the City elects to perform the housing functions. The transfers first made to the City on 3/7/11 were subsequently transferred to the Milpitas Housing Authority on 1/31/12, as the Housing Successor. The asset listed is a property purchased by the Low and Moderate Income Housing Fund for the development of affordable housing units and is subject to a DDA with a developer.						
120 Land- 1504-1620 S. Main St	APN: 086-22-027, 28,33,34,41,42	City of Milpitas	3/7/2011	12,443,137	The asset listed herein was approved as Housing Assets by the State Department of Finance.	No exceptions were noted as a result of this procedure.
Sub-total Properties Held for Resale				\$ 15,773,900		
Total Housing Asset Transfers				\$ 45,549,634		

Note A - Item #118, Land - 642 Claridad Loop: This property was sold on August 10, 2011. The proceeds from the sale of the property, in the amount of \$250,000, were transferred to the former Agency, which was subsequently transferred to the Successor Agency as unencumbered cash upon dissolution of the former Agency on February 1, 2012.