REGULAR MEETING

Oversight Board Meeting
for the
City of San Bernardino as Successor Agency
to the
Redevelopment Agency of the City of San Bernardino

AGENDA

Monday, December 10, 2012 – 11:00 a.m.
Economic Development Agency Board Room
201 North "E" Street, Suite 301, San Bernardino, CA 92401
(909) 663-1044

The Oversight Board recognizes its obligation to provide equal access to those individuals with disabilities. Please contact us at (909) 663-1044 prior to the meeting for any requests for reasonable accommodation that includes interpreters.

CHAIRMAN CALLS MEETING TO ORDER

1. CALL TO ORDER

   Jim Morris, City of San Bernardino, Mayor Appointee
   Doug Headrick, San Bernardino Valley Municipal Water District, Largest Special District Appointee
   Carey K. Jenkins, Representing Former RDA Employees, Mayor Appointee
   Mary O'Toole, County of San Bernardino Board of Supervisors Appointee
   Gloria Macias-Harrison, County of San Bernardino Member of the Public Appointee
   John Longville, Chancellor of the California Community Colleges Appointee
   Margaret Hill, County Superintendent of Education Appointee

2. PUBLIC COMMENTS: A three-minute limitation shall apply to each member of the public who wishes to address the Oversight Board with a matter within the jurisdiction of the Oversight Board, whether or not on the agenda. . No member of the public shall be permitted to "share" his/her three minutes with any other member of the public. (Usually, any items heard under this heading are referred to Staff for further study, research, completion and/or future Oversight Board action).

3. MINUTES

   Approval of the Action Minutes for the October 22, 2012 Regular Meeting of the Oversight Board for the City of San Bernardino as Successor Agency to the Redevelopment Agency of the City of San Bernardino as submitted in typewritten form.

4. PUBLIC COMMENT SESSION WITH RESPECT TO THE DUE DILIGENCE REVIEW OF THE LOW- AND MODERATE-INCOME HOUSING FUND

   That the Oversight Board conduct a public comment session with respect to the Due Diligence Review for the Low- and Moderate-Income ("LMI") housing fund pursuant to California Health and Safety Code § 34179.6 (b).

5. APPROVAL OF THE FOLLOWING TRANSACTIONS: (1) REQUEST RECONVEYANCE OF DEEDS OF TRUST AND RESTRICTIVE COVENANTS; (2) SUBORDINATION AGREEMENTS; AND (3) APPROVAL OF SHORT SALES

   Adopt Resolution: SBOB/2012-18 - A Resolution of The Oversight Board for the City of San Bernardino Pursuant to the Approval of the Transfer of Housing Assets from the Successor Agency to the Successor Housing Agency

6. STATUS UPDATE ON DEPARTMENT OF FINANCE AND STATE CONTROLLER'S OFFICE CORRESPONDENCE DATED OCTOBER 13, 2012, OCTOBER 18, 2012, OCTOBER 30, 2012, NOVEMBER 1, 2012 AND NOVEMBER 21, 2012.

   That the Oversight Board for the City of San Bernardino receive and file status update on Department of Finance and State Controller's Office correspondence.

7. STATUS UPDATE ON SANTA ANA RIVER TRAIL SITE REVIEW (NO BACK-UP)

   That the Oversight Board receive staff's update on Santa Ana River Trail site review.

8. STATUS UPDATE ON FOLLOW-UP RELATED TO OVERSIGHT BOARD INQUIRY REGARDING SUPPLEMENTAL LEGAL SERVICES

   That the Oversight Board receive staff's update on the inquiry regarding supplemental legal services.

9. SCHEDULE SPECIAL MEETING DURING THE WEEK OF DECEMBER 17, 2012 (NO BACK-UP)

   That the Oversight Board discuss and take possible action regarding the scheduling of a Special Meeting of the Oversight Board for the week of December 17, 2012.

10. UPCOMING OVERSIGHT BOARD ITEMS/PENDING REQUIREMENTS (NO BACK-UP) :
    - Approval of LMI housing fund DDR (no sooner than 5 business days from public comment session, i.e., on or after December 17, 2012);
    - Non-housing DDR (Due to DOF by January 15, 2013; Auditor to begin on December 10, 2012);
    - ROPS IV (by March 3, 2013); and
    - Long-Range Property Management Plan (Due to DOF within 6 months of receipt of a Finding of Completion for both DDRs; presentation to OS Board anticipated during February 2013).

11. ADJOURNMENT

The next meeting is scheduled for Monday, December 24, 2012, at 11:00 a.m., in the Economic Development Agency Board Room; however, the Agency/City Hall will be closed in observance of the Christmas Holiday so the next meeting is to be determined (potential Regular meeting of Oversight Board at 11 am on Wednesday, December 26, 2012 or Monday, January 14, 2012 to be held at the EDA Board Room at 201 North "E" Street, Suite 301, San Bernardino).

ACTION MINUTES

Oversight Board Meeting
for the
City of San Bernardino as Successor Agency
to the
Redevelopment Agency of the City of San Bernardino

REGULAR MEETING
OCTOBER 22, 2012
BOARD ROOM

The Meeting of the Oversight Board was called to order by Chairman Morris at 11:06 a.m., Monday, October 22, 2012, in the Economic Development Agency Board Room, 201 North "E" Street, Suite 301, San Bernardino, California.

ROLL CALL

Roll call was taken by Secretary Connor with the following being present: Board Members Jenkins, Morris, Headrick, Hill, Longville, O'Toole, and Macias-Harrison; Assistant to the City Manager Baker; Project Manager Trout; Successor Agency Counsel Britton; Special Counsel Clark.

Also in Attendance: Phil Krause, San Bernardino County Regional Parks; Marilee Rendulich, San Bernardino County Real Estate Services; Hitla Mosesman, RSG; Al Palazzo, LULAC; Lisa Van Proyen, member of the public; and, Dany Doueiri, member of the public.

Absent: None

1. **CALL TO ORDER –** Board Member Jim Morris

2. **PUBLIC COMMENTS**

There were no public comments

3. **APPROVAL OF THE ACTION MINUTES OF AUGUST 27, 2012 SPECIAL MEETING**

Board Member Headrick made a motion, seconded by Board Member Jenkins that the minutes for the Oversight Board for the City of San Bernardino as Successor Agency to the Redevelopment Agency of the City of San Bernardino meeting of August 27, 2012 be approved as submitted in typewritten form.

Motion carried unanimously.

ITEM 3

4. APPROVAL OF THE FOLLOWING TRANSACTIONS: (1) REQUEST RECONVEYANCE OF DEEDS OF TRUST AND RESTRICTIVE COVENANTS; (2) SUBORDINATION AGREEMENTS; AND (3) APPROVAL OF SHORT SALES

SBOB/2012-06
RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO PURSUANT TO A REQUEST TO TERMINATE AND FULLY RECONVEY A RESTRICTIVE COVENANT AND DEED OF TRUST FOR THE PROPERTY LOCATED AT: 4905 LAKEWOOD DRIVE, SAN BERNARDINO, CALIFORNIA

SBOB/2012-07
RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO PURSUANT TO A REQUEST TO TERMINATE AND FULLY RECONVEY A RESTRICTIVE COVENANT AND DEED OF TRUST FOR THE PROPERTY LOCATED AT: 218 EAST TEMPLE STREET, SAN BERNARDINO, CALIFORNIA

SBOB/2012-08
RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO PURSUANT TO A REQUEST TO TERMINATE AND FULLY RECONVEY A RESTRICTIVE COVENANT AND DEED OF TRUST FOR THE PROPERTY LOCATED AT: 3456 NORTH SIERRA WAY, SAN BERNARDINO, CALIFORNIA

SBOB/2012-09
RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN BERNARDINO PURSUANT TO APROVAL OF SUBORDINATION AGREEMENT FOR REAL PROPERTY LOCATED AT 3577 WALL AVENUE, SAN BERNARDINO, CALIFORNIA

SBOB/2012-10
RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN BERNARDINO PURSUANT TO APROVAL OF SUBORDINATION AGREEMENT FOR REAL PROPERTY LOCATED AT 3248 GREYSTONE ROAD, SAN BERNARDINO, CALIFORNIA

SBOB/2012-11
RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN BERNARDINO PURSUANT TO APROVAL OF SUBORDINATION AGREEMENT FOR REAL PROPERTY LOCATED AT 2813 NORTH CRESCENT AVENUE, SAN BERNARDINO, CALIFORNIA

SBOB/2012-12
RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN BERNARDINO PURSUANT TO APROVAL OF SUBORDINATION AGREEMENT FOR REAL PROPERTY LOCATED 3395 NORTH MAYFIELD AVENUE, SAN BERNARDINO, CALIFORNIA

SBOB/2012-13
RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN BERNARDINO PURSUANT TO APROVAL OF SUBORDINATION AGREEMENT FOR REAL PROPERTY LOCATED 5904 ROBIN ROAD, SAN BERNARDINO, CALIFORNIA

SBOB/2012-14
RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN BERNARDINO PURSUANT TO APROVAL OF SUBORDINATION AGREEMENT FOR REAL PROPERTY LOCATED AT 597 EAST 29TH STREET, SAN BERNARDINO, CALIFORNIA

SBOB/2012-15
RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO CONFIRMING THE DESIGNATION OF A DEED OF TRUST AND COVENANTS AS HOUSING ASSETS; APPROVING A SHORT SALE; AND AUTHORIZING THE RECONVEYANCE OF THE DEED OF TRUST AND TERMINATION OF COVENANTS RELATING TO PROPERTY LOCATED AT: 808 WEST 26TH STREET, SAN BERNARDINO, CALIFORNIA

SBOB/2012-16
RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO CONFIRMING THE DESIGNATION OF A DEED OF TRUST AND COVENANTS AS HOUSING ASSETS; APPROVING A SHORT SALE; AND AUTHORIZING THE RECONVEYANCE OF THE DEED OF TRUST AND TERMINATION OF COVENANTS RELATING TO PROPERTY LOCATED AT: 1460 KENDALL DRIVE #48, SAN BERNARDINO, CALIFORNIA

SBOB/2012-17
RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO CONFIRMING THE DESIGNATION OF A DEED OF TRUST AND COVENANTS AS HOUSING ASSETS; APPROVING A SHORT SALE; AND AUTHORIZING THE RECONVEYANCE OF THE DEED OF TRUST AND TERMINATION OF COVENANTS RELATING TO PROPERTY LOCATED AT: 5585 ASTER STREET, SAN BERNARDINO, CALIFORNIA

Board Member Longville made a motion, seconded by Board Member Macias-Harrison that the Oversight Board adopts Resolutions SBOB/2012-06 through SBOB/2012-17 and authorize the Successor Agency representative to submit to the Mayor and Common Council of San Bernardino ("Council") acting as the Housing Successor Agency of the former Redevelopment Agency of the City of San Bernardino for consideration:

Motion carried unanimously: 7-0

Dany Doueiri, member of the public, spoke regarding his mortgage, the assistance provided to him by the Redevelopment Agency, how the refinancing of his current mortgage will reduce his interest rate; and thanked the Oversight Board for its approval of the item.

5. SANTA ANA RIVER TRAIL

A presentation was given by San Bernardino County staff Krause and Rendulich regarding the history of the Santa Ana River Trail project, title issues, and the importance of acquiring easement access and/or transfer of property for the Santa Ana River Trail.

Board Member Longville made a motion, seconded by Board Member Jenkins directing staff to prepare a Resolution to authorize the conveyance pursuant to Health & Safety Code 34181 from the Successor Agency to the County of San Bernardino of the easements on parcels 0281-021-30 and 0281-031-52 for the Santa Ana River Trail project and file the necessary documents with the Department of Finance.

Before the matter was put to the vote, Board Member Longville withdrew the motion. The Chairman acknowledged and accepted the request for withdrawal.

After discussion, it was agreed upon that further analysis is necessary and that the matter be continued to the next meeting of the Oversight Board.

6. DEPARTMENT OF FINANCE RESPONSE TO ROPS III

Assistant to the City Manager Baker indicated that a response was received from the Department of Finance on October 13 and 18, 2012 for ROPS III and explained the two letters. She stated that Stradling Yocca Carlson & Rauth has prepared a meet and confer request and provided the Board with a copy of the request.

Discussion ensued regarding the disallowed items of ROPS III.

7. LOW/MODERATE INCOME DUE DILIGENCE AUDIT UPDATE

Assistant to the City Manager Baker indicated that the Low/Moderate Income Due Diligence Audit would be completed by the week ending November 2, 2012; after which, the public comment meeting would need to be set.

8. DISCUSSION ITEM – NEED FOR ADDITIONAL SERVICES

Discussion ensued regarding the necessity to have separate legal counsel. After discussing, Staff was directed to obtain a copy of the City of Rialto's Request for Proposal. The matter was continued to the next meeting agenda.

9. UPCOMING OVERSIGHT BOARD ITEMS/PENDING REQUIREMENTS (NO BACK-UP) :

- ROPS IV (by March 3, 2013)
- Cash Flow Analysis/Fiscal Year Budget
- Agreed Upon Procedures (AUP) Audit of Successor Agency by Rogers, Anderson, Malody and Scott (RAMS)
- Asset Transfer Audit of Successor Agency by State Controller
- Low/Moderate Due Diligence Review
- Housing Fund Due Diligence Review (Due to DOF by October 15, 2012)
- Non-Housing Fund Due Diligence Review (Due to DOF by January 15, 2013)
- Finding of Completion (Due to DOF by April 1, 2013)
- Long-Term Property Management Plan (Due to DOF within 6 months of receipt of Finding of Completion)

- Obligations:
  a) PERS Unfunded Liability - approximately $5,000,000 in latest PERS report but the final amount will be determined at the time of termination of the contract after all retirements and transfers; to be included on subsequent ROPS starting with ROPS III

10. ADJOURNMENT

At 12:58 p.m., the meeting adjourned to November 13, 2012 at 11:00 a.m., in the Economic Development Agency Board Room, 201 North "E" Street, Suite 301, San Bernardino, California.

By: _____
Lisa Connor, Secretary

OVERSIGHT BOARD

FOR THE CITY OF SAN BERNARDINO AS SUCCESSOR AGENCY
TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO

TO: OVERSIGHT BOARD MEMBERS DATE: DECEMBER 6, 2012

FROM: TERI BAKER, ASSISTANT TO THE CITY MANAGER

SUBJECT: Public Comment Session With Respect to the Due Diligence Review of the Low- and Moderate-Income Housing Fund

RECOMMENDATIONS:

It is recommended that the Oversight Board conduct a public comment session with respect to the Due Diligence Review for the Low- and Moderate-Income ("LMI") housing fund pursuant to California Health and Safety Code § 34179.6 (b).

BACKGROUND:

The Redevelopment Agency of the City of San Bernardino was dissolved February 1, 2012. The Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino ("Oversight Board") has been established pursuant to Health and Safety Code Section 34179 to assist in the wind-down of the dissolved redevelopment agency.

Per Health and Safety Code § 34179.5, the Successor Agency is required to employ a licensed accountant, approved by the County Auditor-Controller, to conduct a due diligence review ("DDR") to determine the unobligated balances, as defined in the Health and Safety Code, that are available for transfer to taxing entities. A separate DDR is required for both the LMI housing fund and the non-housing fund of the former redevelopment agency. Per Health and Safety Code, an Oversight Board-approved LMI housing fund DDR and the non-housing DDR is to be submitted to the Department of Finance ("DOF") by October 15, 2012 and January 15, 2013, respectively. At least five (5) business days prior to approving a DDR, the Oversight Board must conduct a public comment session with respect to a DDR. In addition, the DOF shall complete its reviews and determinations, as required by the Health and Safety Code, for the LMI housing fund DDR and the non-housing DDR by November 9, 2012 and April 1, 2013, respectively.

The attached LMI housing fund DDR was prepared by Eadie & Payne, LLP, Certified Public Accountants as a sub-consultant to and under the auspices of Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants ("Eadie & Payne/RAMS"). These CPA firms were

approved by the County Auditor-Controller for this assignment. Due to Eadie & Payne's/RAMS' heavy workload with respect to the preparation of DDRs for several successor agencies, they were unable to submit their draft of the LMI housing fund DDR to Successor Agency staff until November 21, 2012. Given this circumstance, Successor Agency staff informed DOF of the anticipated delay and requested a submittal date extension. The Successor Agency will not be subject to any penalties as a result of submitting the LMI housing fund DDR to DOF after October 15, 2012.

The DDR indicates that the total amount of assets held by the Successor Agency in the LMI housing fund as of June 30, 2012 was $4,688,237.00. Consistent with the Health and Safety Code, Eadie & Payne/RAMS has determined that the Successor Agency does not have any unobligated liquid assets and therefore is not required to transfer any money to the County Auditor-Controller for transfer to the taxing entities.

For your information and pursuant to Health and Safety Code § 34179.6, copies of this staff report and the attached LMI housing fund DDR have been submitted to the County Auditor-Controller, County Administrative Officer and the State Department of Finance within the prescribed manner and timeframe. In addition, Successor Agency staff suggests that the Oversight Board consider holding a special meeting on or after December 17, 2012 for the purpose of considering the approval of the LMI housing fund DDR.

FISCAL IMPACT:

Per the LMI housing fund DDR, the Successor Agency does not have any unobligated liquid assets and therefore is not required to transfer any money to the County Auditor-Controller for transfer to the taxing entities.

ATTACHMENT: LMI housing fund DDR

SUCCESSOR AGENCY TO THE CITY OF SAN BERNARDINO REDEVELOPMENT AGENCY

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON DUE DILIGENCE REVIEW PROCEDURES

LOW AND MODERATE INCOME HOUSING FUND

ITEM 4

SUCCESSOR AGENCY TO THE CITY OF SAN BERNARDINO REDEVELOPMENT AGENCY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON DUE DILIGENCE REVIEW PROCEDURES

Successor Agency to the City of San Bernardino
Redevelopment Agency
San Bernardino, California

We have performed the due diligence review procedures enumerated below, which were agreed to by the Successor Agency to the City of San Bernardino Redevelopment Agency ("Successor Agency") and the California State Controller's Office and the Department of Finance, solely to assist you in determining the unobligated balances in the Low and Moderate Income Housing Funds available to transfer to taxing entities pursuant to California Health and Safety Code Section 34179.5(c). Management of the Successor Agency is responsible for the accounting records pertaining to the unobligated balances. This engagement to apply agreed-upon procedures 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 the report has been requested or for any other purpose.

Our procedures 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 Low and Moderate Income Housing Fund of 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.

We noted that $9,421,618 of Low and Moderate Income Housing Fund assets were transferred from the former redevelopment agency to the Low and Moderate Income Housing Fund of the Successor Agency as of February 1, 2012.

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 Low and Moderate Income Housing Fund of 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.

   Based on the listing of transfers from the Low and Moderate Income Housing Fund to the City of San Bernardino for the period from January 1, 2011 through January 31, 2012, we noted 323 transfers in the amount of $35,266,363 to the City of San Bernardino, as Housing Successor Agency. Refer to Exhibit 2.

   B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Low and Moderate Income Housing Fund of 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.

   Per the Successor Agency, there were no transfers from Low and Moderate Income Housing Fund of the Successor Agency to the City of San Bernardino for the period of 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.

Refer to Exhibit 2 for the legal document that formed the basis for the enforceable obligation that formed the basis for the transfers.

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 Low and Moderate Income Housing Fund of 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.

   Based on the listing of transfers from the Low and Moderate Income Housing Fund of the former redevelopment agency to any other public agencies or to private parties for the period January 1, 2011 through January 31, 2012, we noted 37 transfers in the amount of $23,202,896 to the private parties or other public agencies. Refer to Exhibit 3.

   B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Low and Moderate Income Housing Fund of 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.

   Per the Successor Agency, there were no transfers from the Low and Moderate Income Housing Fund of the Successor Agency to any other public agency or private parties for the period of 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.

   Refer to Exhibit 3 for the legal document that formed the basis for the enforceable obligation that required the transfers.

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 account 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.

   Because the procedures required by Section 34179.5(c)(4) pertain to the Successor Agency as a whole, these procedures will be addressed in the report that is due on December 15, 2012.

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. 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.

   Refer to Exhibit 4 for a listing of assets of the Low and Moderate Income Housing Fund as of June 30, 2012.

6. Obtain from the Successor Agency a listing of Low and Moderate Income Housing Fund 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.

Per the Successor Agency, there were unspent bond proceeds in the amount of $1,182,006. Refer to Exhibit 5.

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.

Per the Successor Agency, there were no grant proceeds or program income that are restricted by third parties.

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.

Per the Successor Agency, there were other assets that were considered to be legally restricted in the amount of $2,699,884. Refer to Exhibit 5.

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.

Refer to Exhibit 5.

7. Perform the following procedures:

A. Obtain from the Successor Agency a listing of Low and Moderate Income Housing Fund 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.

Refer to Exhibit 6 for a listing of not liquid or otherwise available for distribution assets of the Low and Moderate Income Housing Fund as of June 30, 2012. Per the Successor Agency, all assets listed on Exhibit 6 are listed at purchase cost.

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.

No differences were noted between the assets listed on Exhibit 6 and the accounting records of the Successor Agency.

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.

This procedure is not applicable.

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.

This procedure is not applicable.

8. Perform the following procedures:

A. If the Successor Agency believes that Low and Moderate Income Housing Fund 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.

The Successor Agency believes that available unrestricted Low and Moderate Income Housing Fund asset balances need to be retained to satisfy enforceable obligations. Refer to Exhibit 7.

B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation of the Low and Moderate Income Housing Fund 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.

   The Successor Agency does not anticipate any future revenues to be provided; therefore available unrestricted Low and Moderate Income Housing Fund asset balances need to be retained to satisfy enforceable obligations. Refer to Exhibit 7.

C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Low and Moderate Income Housing Fund of 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.

The Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Low and Moderate Income Housing Fund are sufficient to pay bond debt service payments.

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.

Refer to Exhibit 7.

9. If the Successor Agency believes that Low and Moderate Income Housing Fund 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.

The Successor Agency believes that Low and Moderate Income Housing Fund cash balances as of June 30, 2012 in the amount of $606,347 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule for the period July 1, 2012 through June 30, 2013. Refer to Exhibit 8.

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from the Low and Moderate Income Housing Fund. 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).

    Refer to Exhibit 1 for a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities.

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.

    A representation letter was obtained from the Successor Agency.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion. 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, County Auditor-Controller, and applicable State agencies, 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.

Rogers Anderson Malody & Scott, LLP

November 30, 2012
San Bernardino, California

EXHIBIT 1

SUCCESSOR AGENCY TO THE CITY OF SAN BERNARDINO REDEVELOPMENT AGENCY

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the Successor Agency as of June 30, 2012 - Exhibit 4	$ 4,688,237
Less assets that are legally restricted for uses specified by debt covenants - Exhibit 5	3,881,890
Less assets that are not liquid or otherwise available for distribution - Exhibit 6	200,000
Less balances needed to satisfy ROPS obligations for the 2012-2013 fiscal year - Exhibit 7 & 8	606,347
Amount to be remitted to the County for distribution to taxing entities	$ -

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
$ 27,642	1/31/2012	Transfer of housing rehabilitation loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
39,064	1/31/2012	Transfer of housing rehabilitation loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
40,934	1/31/2012	Transfer of housing rehabilitation loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
39,190	1/31/2012	Transfer of housing rehabilitation loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
5,974	1/31/2012	Transfer of housing rehabilitation loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
38,068	1/31/2012	Transfer of housing rehabilitation loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
1,547	1/31/2012	Transfer of housing rehabilitation loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
819	1/31/2012	Transfer of housing rehabilitation loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
5,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
14,717	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
3,200	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
8,668	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
3,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
8,717	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
2,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
6,349	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
5,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
3,271	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
4,700	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
5,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
9,251	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
9,900	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
7,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
3,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
6,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
7,300	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
5,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
3,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
2,179	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
5,375	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
7,200	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
6,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
6,400	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
1,200	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
8,995	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
7,200	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
8,760	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
11,200	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
10,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
28,370	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
8,425	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
8,250	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
9,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
9,900	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
8,488	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
10,268	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
7,877	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
11,137	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
19,327	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
8,759	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

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REDEVELOPMENT AGENCY
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FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
45,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
2,379	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
8,900	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
9,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
30,100	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
7,490	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
30,583	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
6,450	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
45,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
10,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
32,275	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
13,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
11,100	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
7,225	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
14,990	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
6,811	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
12,450	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
11,919	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
30,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
9,815	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
3,265	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
9,748	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
14,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
13,913	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
15,982	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
13,629	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
11,940	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
16,300	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
14,700	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
14,290	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
16,847	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
38,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
43,425	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
50,657	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
44,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
59,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
27,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
40,400	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
45,400	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
44,400	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
61,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
67,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
68,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
48,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
62,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
62,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
62,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
49,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
66,200	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
62,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
62,300	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
52,700	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
62,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
51,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
61,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
48,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
65,982	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
62,180	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
54,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
62,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
62,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
60,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
58,400	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
61,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
36,980	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
57,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
47,980	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
62,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
81,180	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
83,999	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

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SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
104,970	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
44,580	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
46,980	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
43,400	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
51,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
50,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
70,980	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
105,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
48,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
65,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
76,570	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
442,927	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
59,980	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
10,256	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
10,314	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
8,328	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
9,754	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
73,550	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
91,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
73,550	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

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SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
54,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
105,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
107,970	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
85,920	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
81,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
50,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
70,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
45,400	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
107,997	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
84,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

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SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
25,650	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
114,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
106,470	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
68,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
59,970	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
44,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
92,400	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
108,810	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
37,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
82,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
88,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
105,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
74,100	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
75,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
66,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
46,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
67,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
59,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
93,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
48,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
113,670	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
40,400	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
41,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
57,300	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
87,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
119,003	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
67,113	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
95,100	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
36,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
57,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

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SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
80,830	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
41,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
46,601	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
28,400	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
53,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
52,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
32,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
42,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
97,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
32,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

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SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
35,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
30,700	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
23,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
83,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
45,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
66,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
21,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
87,300	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
45,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
55,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
67,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
64,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
19,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
45,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
34,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
32,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
72,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
90,400	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
67,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
23,130	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
44,980	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
43,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
31,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
38,200	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
32,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
26,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
31,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
24,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
28,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
35,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
37,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
19,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
35,200	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
78,050	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
30,700	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
27,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
27,900	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
35,580	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
37,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
36,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
35,580	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
14,900	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
36,400	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
62,700	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
48,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
74,700	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
39,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
36,300	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
39,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
42,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
68,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
44,830	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
38,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
35,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
53,998	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
51,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
49,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
31,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
47,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
36,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
45,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
49,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
36,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
65,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
23,960	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
23,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
200	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
49,998	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
47,998	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
49,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
49,998	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
60,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
26,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
16,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
52,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
11,557	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
25,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
14,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
13,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
22,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
15,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
9,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
15,200	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
14,645	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
20,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
15,900	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
24,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
17,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
13,700	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
14,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
25,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
14,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
11,200	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
18,250	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
13,700	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
16,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
18,600	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
13,490	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
15,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
15,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
14,200	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
16,300	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
32,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
8,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
12,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
11,000	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
24,800	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
6,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
8,680	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
12,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
8,700	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
8,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
12,500	1/31/2012	Transfer of mortgage assistance loan to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
553,759	1/31/2012	Transfer of redevelopment project area loans to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
110,000	1/31/2012	Transfer of redevelopment project area loans to the City of San Bernardino as the Successor Housing Agency to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
1,394,194	1/31/2012	Transfer of redevelopment project area loans to the City of San Bernardino as the Successor Housing Agency to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
100,000	1/31/2012	Transfer of standby loan to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
1,814,932	1/31/2012	Transfer of standby loan to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
1,218,064	1/31/2012	Transfer of debt service payment reserve to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
110,901	1/31/2012	Transfer of infrastructure loan to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
203,617	1/31/2012	Transfer of senior housing loan to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
2,187,296	1/31/2012	Transfer of mobile park loan to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
374,420	1/31/2012	Transfer of mobile park loan to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
7,500,000	1/31/2012	Transfer of interim loan used to acquire properties for use in a non-housing project to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
200,000	1/31/2012	To transfer rehabilitation loan towards the acquisition of property in order to provide housing opportunities to developmentally disabled adults to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
200,000	1/31/2012	To transfer rehabilitation loan towards the acquisition of property in order to provide housing opportunities to developmentally disabled adults to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).

EXHIBIT 2

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
150,000	1/31/2012	To transfer rehabilitation loan towards the acquisition of property in order to provide housing opportunities to developmentally disabled adults to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
150,000	1/31/2012	To transfer rehabilitation loan towards the acquisition of property in order to provide housing opportunities to developmentally disabled adults to the City of San Bernardino, as Successor Housing Agency, to retain asset.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
193,591	1/31/2012	To transfer multi-family rental housing loan to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
200,968	1/31/2012	To transfer multi-family rental housing loan to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
154,325	1/31/2012	To transfer multi-family rental housing loan to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
240,600	1/31/2012	To transfer multi-family rental housing loan to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
6,264,424	1/31/2012	To transfer senior housing loan to the City of San Bernardino, as Successor Housing Agency, to retain future revenue streams.	Transferred to City of San Bernardino, as Successor Housing Agency, pursuant to Health and Safety Code Section 34176(a).
$ 35,266,363		Total transfers	

EXHIBIT 3

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO PRIVATE PARTIES

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
$ 1,064,476	3/17/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.
5,064,353	3/17/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.
551,888	3/17/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.
270,000	3/17/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.

EXHIBIT 3

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO PRIVATE PARTIES (Continued)

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
409,021	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
1,147,887	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
351,824	3/28/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
502,428	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
1,750,000	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.

EXHIBIT 3

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO PRIVATE PARTIES (Continued)

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
143,000	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
90,448	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
900,000	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
885,000	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
617,875	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.

EXHIBIT 3

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO PRIVATE PARTIES (Continued)

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
503,017	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
1,042,749	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
5,000	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
170,953	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
515,163	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.

EXHIBIT 3

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO PRIVATE PARTIES (Continued)

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
170,406	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
54,183	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
170,385	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
149,765	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
150,140	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.

EXHIBIT 3

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO PRIVATE PARTIES (Continued)

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
158,052	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
138,798	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
154,651	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
157,411	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
149,835	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.

EXHIBIT 3

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO PRIVATE PARTIES (Continued)

FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
501,141	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
236,579	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
145,492	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
228,303	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.
244,349	3/18/2011	Transfer of real property to the Affordable Housing Solutions, Inc. pursuant to Capitalization Funding Agreement between the Redevelopment Agency of the City of San Bernardino and Affordable Housing Solutions, Inc. dated March 3, 2011.	Quitclaim deed dated March 18, 2011.

EXHIBIT 3

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT AGENCY TO PRIVATE PARTIES (Continued)
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Amount of Transfer	Date of Transfer	Purpose of Transfer	Basis of Transfer
1,089,000	3/21/2011	Transfer of real property to the San Bernardino Economic Development Corporation pursuant to the Project Funding Agreement between the Redevelopment Agency of the City of San Bernardino and the San Bernardino Economic Development Corporation dated March 1, 2011.	Quitclaim deed dated March 21, 2011.
640,486	3/21/2011	Transfer of real property to the San Bernardino Economic Development Corporation pursuant to the Project Funding Agreement between the Redevelopment Agency of the City of San Bernardino and the San Bernardino Economic Development Corporation dated March 1, 2011.	Quitclaim deed dated March 21, 2011.
2,678,838	9/1/2011	Transfer of real property to the San Bernardino Economic Development Corporation pursuant to the Project Funding Agreement between the Redevelopment Agency of the City of San Bernardino and the San Bernardino Economic Development Corporation dated March 1, 2011.	Quitclaim deed dated March 21, 2011.
$ 23,202,896		Total transfers	

EXHIBIT 4

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY

DETAIL OF LOW AND MODERATE INCOME HOUSING FUND ASSETS

AS OF JUNE 30, 2012

Asset Description	Amount
Cash and investments	$ 1,788,353
Cash with fiscal agent	2,699,884
Deposit in escrow	200,000
Total	$ 4,688,237

EXHIBIT 5

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO REDEVELOPMENT AGENCY

DETAIL OF UNSPENT BOND PROCEEDS AND OTHER ASSETS CONSIDERED TO BE LEGALLY RESTRICTED

Asset Description	Amount	Accounting Records or Supporting Documentation	Legal Document That Sets Forth Restrictions	Time Limit on Restrictions
Cash and investments	$ 1,182,006	Balance sheet as of June 30, 2012	Official Statement for the $28,665,000 San Bernardino Joint Powers Financing Authority Tax Allocation Bonds (20% Set Aside) Taxable Series 2006	The restriction is in effect until the related assets are expended for their intended purpose.
Cash with fiscal agent	2,699,884	US Bank Statements dated June 30, 2012	Official Statement for the $28,665,000 San Bernardino Joint Powers Financing Authority Tax Allocation Bonds (20% Set Aside) Taxable Series 2006	The restriction in in effect until all of the bonds have been redeemed - May 2027.
	$ 3,881,890			

EXHIBIT 6

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO
REDEVELOPMENT AGENCY
DETAIL OF ASSETS THAT ARE NOT LIQUID OR OTHERWISE AVAILABLE FOR DISTRIBUTION
AS OF JUNE 30, 2012

Asset Description	Amount
Deposit in escrow	$ 200,000
TOTAL	$ 200,000

EXHIBIT 7

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO REDEVELOPMENT AGENCY

CALCULATION OF CURRENT UNRESTRICTED BALANCES THAT NEED TO BE RETAINED

Enforceable obligations listed on the approved ROPS for the period of July 1, 2012 through June 30, 2013 for which there is insufficient funding are as follows:

2006 Bonds interest payment	$	651,996
Other obligations as detailed on Exhibit 8		52,125
Total	$	704,121

The amount of current unrestricted balances that need to be retained is calculated as follows:

Identified current dedicated or restricted balances	$	-
Amount of forecasted annual revenues		-
Amount of total resources available to fund enforceable obligations		-
Forecasted annual spending requirements		704,121
Amount available less spending requirements	$	(704,121)

A negative balance indicates the amount of current unrestricted balances that need to be retained.

EXHIBIT 8

SUCCESSOR AGENCY OF THE CITY OF SAN BERNARDINO REDEVELOPMENT AGENCY

DETAIL OF CASH BALANCES NEEDED TO BE RETAINED TO SATISFY ROPS OBLIGATIONS FOR THE FISCAL YEAR 2012 - 2013

Obligation No.	Project Name/Debt Obligation	Payee	Description	Obligation Due 7/1/2012 - 12/ 31/ 2012	Dollar Amount to be Retained	Reason for Amount to be Retained
Recognized Obligation Payment Schedule July 1, 2012 through December 31, 2012						
14.1	2006 LM Bond	US Bank	Debt service interest payment. Downtown 5th & G area - Bonds for low/mod income housing projects. Maturity - 5/27.	$ 651,996	$ 606,347	Because the calculation of our ROPS II was insufficient to cover ROPS II expenditures, existing cash balances are needed to pay these approved Enforceable Obligations.
			Total for the period July 1, 2012 through December 31, 2012	$ 651,996	$ 606,347	

Obligation No.	Project Name/Debt Obligation	Payee	Description	Obligation Due 1/1/2013 - 6/ 30/ 2013	Dollar Amount to be Retained	Reason for Amount to be Retained
Recognized Obligation Payment Schedule January 1, 2012 through June 30, 2013						
42	Shober Consulting	Shober Consulting	Relocation consultant 19th and Sunrise	$ 15,000	$ -	Additonal unfunded obligations that would have required retention of any existing cash balances.
44	RSG	RSG	Housing loan & covenant monitoring services	16,125	-	Additonal unfunded obligations that would have required retention of any existing cash balances.
45	AmeriNational	AmeriNational	Housing loan portfolio administration & monitoring	15,000	-	Additonal unfunded obligations that would have required retention of any existing cash balances.
49	Consultant Services	Fernando Portillo	Housing consulting services	6,000	-	Additonal unfunded obligations that would have required retention of any existing cash balances.
			Total for the period January 1, 2013 through June 30, 2013	$ 52,125	$ -	

OVERSIGHT BOARD

FOR THE CITY OF SAN BERNARDINO AS SUCCESSOR AGENCY
TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO

TO: OVERSIGHT BOARD MEMBERS DATE: DECEMBER 10, 2012

FROM: CAREY K. JENKINS, DIRECTOR OF HOUSING AND COMMUNITY DEVELOPMENT

SUBJECT: DIRECT THE SUCCESSOR AGENCY TO TRANSFER HOUSING ASSETS TO THE CITY IN ITS CAPACITY AS SUCCESSOR HOUSING AGENCY

ISSUE:

The issue before the Oversight Board for the City of San Bernardino As Successor Agency to the Redevelopment Agency of the City of San Bernardino is the transfer of Housing Assets that had not previously been included on the Housing Asset Transfer Form from the Successor Agency to the City in its capacity as Successor Housing Agency. Of the seven properties listed below three (1336 Wall Avenue, 1708 Porter Street and 770 West Marshall Blvd.) were not included on the Housing Asset Transfer Form approved by the Department of Finance ("DOF") earlier this summer. The four properties that were approved by DOF (777 North "J" Street, 279 East 48th Street, 5473 Aster Street and 3205 Greystone Road) would typically be excluded from oversight board consideration and would be presented directly to the Housing Successor Agency for consideration. However, due to concerns that still exist with various title companies it is staff's recommendation to obtain a resolution authority from the Oversight Board on all seven properties under consideration

RECOMMENDATIONS:

That the Oversight Board approve of this action and adopt the attached resolution authorizing the Successor Agency to transfer Housing Assets from the Successor Agency to the Successor Housing Agency.

BACKGROUND:

On October 17, 1994, the Community Development Commission of the City of San Bernardino ("Commission") approved the Mortgage Assistance Program ("MAP"), subsequently renamed Homebuyer's Assistance Program ("HAP") which made available a limited number of deferred payment (principal and interest) second mortgages, not-to-exceed ten percent (10%) of the maximum purchase price of $250,000. This Program was designed to provide income qualified families with down

payment/closing cost monies necessary to secure financing towards the purchase of single family detached homes in the City and provided an additional avenue for the former Redevelopment Agency to insure the availability of affordable housing to income qualified home buyers.

As a result of this program the Agency developed a pool of loans, covenants and agreements all considered Housing Assets. Since some loan documents and covenants were NOT included on the Housing Asset Transfer Form and approved as Housing Assets by the DOF, then the Oversight Board needs to take action for those assets not included pursuant to Health & Safety Code Section 34181(c) to determine that these instruments are "housing assets" as defined in Health & Safety Code Section 34176(e) and to direct the Successor Agency to transfer these housing assets to the City, in its capacity as Successor Housing Agency. Pursuant to Resolution No. 2012-19, the City of San Bernardino confirmed itself as the housing successor agency on January 23, 2012. The City previously confirmed that it is the successor agency to the Redevelopment Agency Resolution No. 2012-12 on January 9, 2012.

CURRENT ISSUE:

In the case of **1336 Wall Avenue, 3205 Greystone Road, 5473 Aster Street, 1708 Porter Street**, 777 **North "J" Street, 279 East 48th Street** and **770 East Marshall Blvd.**, the homeowners purchased their homes or obtained property rehabilitation or improvement funds utilizing some form of Agency assistance thereby creating Housing Assets of the Former Redevelopment Agency. Now that the Former Redevelopment Agency no longer governs affordable housing it is advisable that the Oversight Board confirms the interest in these properties as housing assets and/or housing functions, and to transfer those Housing Assets not originally included on the Housing Asset Transfer Form from the Successor Agency to the City in its capacity as Successor Housing Agency. In the case of the four properties (777 North "J" Street, 279 East 48th Street, 5473 Aster Street and 3205 Greystone Road) included on the Housing Asset Transform Form Agency staff recommends that the Oversight Board consider these assets as well in order to provide the necessary comfort level to title companies involved in the respective transactions.

Attachment:

RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF SAN BERNARDINO PURSUANT TO THE APPROVAL OF THE TRANSFER OF HOUSING ASSETS FROM THE SUCCESSOR AGENCY TO THE CITY IN ITS CAPACITY AS SUCCESSOR HOUSING AGENCY

RESOLUTION NO. SBOB/2012-18

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN BERNARDINO PURSUANT TO THE APPROVAL OF THE TRANSFER OF HOUSING ASSETS FROM THE SUCCESSOR AGENCY TO THE CITY IN ITS CAPACITY AS SUCCESSOR HOUSING AGENCY

WHEREAS, on January 9, 2012, the Mayor and Common Council of the City of San Bernardino ("Council") adopted Resolution No. 2012-12 confirming that the City of San Bernardino would be the Successor Agency to the Redevelopment Agency ("Agency") of the City of San Bernardino ("Successor Agency") effective February 1, 2012, pursuant to AB1X 26 (The Redevelopment Agency Dissolution Act); and

WHEREAS, on January 23, 2012, the Council adopted Resolution No. 2012-19 providing for the City to become the Housing Successor and to perform housing functions previously performed by the Agency; and

WHEREAS, pursuant to Health & Safety Code Section 34181(c) of ABlX 26 the Oversight Board is to direct the transfer of housing responsibilities, including all rights, powers, duties, obligations and assets, to the Housing Successor; and

WHEREAS, a Deed of Trust(s) and/or Covenants or other Agreements entered into with the Former Redevelopment Agency affecting real property located at 1336 Wall Avenue, 3205 Greystone Road, 5473 Aster Street, 1708 Porter Street, 777 North "J" Street, 279 East 48th Street and 770 East Marshall Blvd exist; and

WHEREAS, of the seven properties listed above three (1336 Wall Avenue, 1708 Porter Street and 770 West Marshall Blvd.) were not included on the Housing Asset Transfer Form approved by the Department of Finance ("DOF") earlier this summer; and

WHEREAS, the four properties that were approved by DOF (777 North "J" Street, 279 East 48th Street, 5473 Aster Street and 3205 Greystone Road) would typically be excluded from oversight board consideration and would be presented directly to the Housing Successor Agency for consideration; and

WHEREAS, due to concerns that still exist with various title companies it is staff's recommendation to obtain a resolution authority from the Oversight Board on all seven properties under consideration; and

ITEM 5

WHEREAS, the Oversight Board desires to confirm that the Deed of Trust(s) and/or Covenants or Agreements are housing assets and/or housing function, and desires to authorize Successor Agency staff to transfer all rights and interests in the Housing Assets to the City in its capacity as the Housing Successor Agency; and

WHEREAS, the State of California Department of Finance, State Controller's Office, the County Auditor-Controller of the County of San Bernardino and the Office of the Chief Executive Officer of the County of San Bernardino have been properly notified prior to the adoption of this Resolution SBOB/2012-18.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD MEMBERS OF THE OVERSIGHT BOARD, AS FOLLOWS:

Section 1. Pursuant to Health & Safety Code Section 34176, the Oversight Board for the City of San Bernardino as Successor Agency to the Redevelopment Agency of the City of San Bernardino does hereby find and determine the Deed of Trust(s) and/or Covenants to be housing assets and does hereby direct the transfer of Housing Assets from the Successor Agency to the City in its capacity as Successor Housing Agency

Section 2. This Resolution shall take effect from and after its date of adoption by this Board and the expiration of five business days from its transmittal to the Department of Finance.

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ITEM 5

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN BERNARDINO PURSUANT TO THE APPROVAL OF THE TRANSFER OF HOUSING ASSETS FROM THE SUCCESSOR AGENCY TO THE SUCCESSOR HOUSING AGENCY

PASSED, APPROVED AND ADOPTED THIS ___ day of _____, 2012, by the following vote:

Board Members:	Ayes	Nays	Abstain	Absent
JENKINS	____	____	____	____
HEADRICK	____	____	____	____
MACIAS-HARRISON	____	____	____	____
HILL	____	____	____	____
LONGVILLE	____	____	____	____
O'TOOLE	____	____	____	____
MORRIS	____	____	____	____

_____
Secretary

The foregoing Resolution is hereby approved this _____ day of _____, 2012.

_____
Jim Morris, Chairman
Oversight Board for the City of San Bernardino
As Successor Agency to the Redevelopment
Agency of the City of San Bernardino

Approved as to Form:

By:_____
Counsel

ITEM 5

ITEM 6

Status Update on Department of Finance and State Controller's Office

Exhibit A: October 13, 2012 DOF Correspondence – Recognized Obligation Payment Schedule

Exhibit B: DOF Meet and Confer Request Form – ROPS Period January 1, 2013

Exhibit C: October 18, 2012 DOF Correspondence – Recognized Obligation Payment Schedule

Exhibit D: October 30, 2012 City Memorandum – Cash Flow Insolvency of Successor Agency and Proposed Solution

Exhibit E: November 1, 2012 City Memorandum – Recognition of Regal Cinema and Theater Square Projects, and the Stadium Parking Lot Project as Enforceable Obligations

Exhibit F: November 21, 2012 City Letter to State Controller's Office – Response to State Controller Draft Asset Transfer Review for the Successor Agency to the Redevelopment Agency of the City of San Bernardino

DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. ▪ GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

October 13, 2012

Ms. Teri Baker, Assistant to the City Manager
City of San Bernardino
300 North D Street, 6th Floor
San Bernardino, CA 94218

Dear Ms. Baker:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of San Bernardino Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 30, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

- Item Nos. 50 through 59, 61 through 62, and 81 – Miscellaneous Consultant Services in the amount of $1,724,500 from the Low and Moderate Income Housing Fund. HSC section 34176 (a) (1) requires the housing entity to be responsible for the housing duties and obligations previously performed by the redevelopment agency. Therefore, these items are not enforceable obligations.

- Item Nos. 63 through 75 – Contracts with various third parties regarding the Theatre Square Project totaling $2,166,473 paid with "other" funds. As the former RDA is neither a party to the contract nor responsible for payment of the contract, these line items are not enforceable obligations.

- Item No. 77 – Contract with AECOM for Downtown Streetscape in the amount of $9,698 funded with "other" funds. As the former RDA is neither a party to the contract nor responsible for payment of the contract, these line items are not enforceable obligations.

- Item No. 79 – Contract with Braughton Construction, Inc. in the amount of $107,717 from "other" funds for stadium parking lot improvements. Documentation was not provided to adequately determine if the item is an enforceable obligation.

Furthermore, the following items were reclassified as administrative costs: Items Nos. 31, 37, 38, 54, 57, and 58. Although this reclassification increased administrative costs to $505,683, the administrative cost allowance has not been exceeded.

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Except for items denied in whole or in part as enforceable obligations as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: $13,255,133 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013		
Total RPTTF funding requested for obligations	$	12,892,900
Less: Six-month total for items reclassified as administrative cost		
Item 31*		14,850
Item 37*		6,600
Item 38*		102,000
Item 54*		5,000
Item 57*		5,000
Item 58*		10,000
Total approved RPTTF for enforceable obligations	$	12,749,450
Plus: Allowable RPTTF distribution for administrative cost for ROPS III		505,683
Total RPTTF approved:	$	13,255,133

*Reclassified as administrative cost

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/.

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

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Please direct inquiries to Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Mr. Mike Trout, Project Manager, City of San Bernardino
Ms. Vanessa Doyle, Property Tax Manager, San Bernardino County

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MEET AND CONFERREQUEST FORM

Instructions: Please fill out this form in its entirety to initiate a Meet and Confer session. Additional supporting documents may be included with the submittal of this form—as justification for the disputed item(s). Upon completion, email a PDF version of this document (including any attachments) to:

Redevelopment_Administration@dof.ca.gov

The subject line should state "[Agency Name] Request to Meet and Confer". Upon receipt and determination that the request is valid and complete, the Department of Finance (Finance) will contact the requesting agency within ten business days to schedule a date and time for the Meet and Confer session.

To be valid, all Meet and Confer requests must be specifically related to a determination made by Finance and submitted within the required statutory time frame. The requirements are as follows:

- **Housing Asset Transfer** Meet and Confer requests must be made within five business days of the date of Finance's determination letter per HSC Section 34176 (a) (2).
- **Due Diligence Review** Meet and Confer requests must be made within five business days of the date of Finance's determination letter, and no later than **November 16, 2012 for** the Low and Moderate Income Housing Fund due diligence review per HSC Section 34179.6 (e).
- **Recognized Obligation Payment Schedule (ROPS)** Meet and Confer requests must be made within five business days of the date of Finance's determination letter per HSC Section 34177 (m).

Agencies should become familiar with the Meet and Confer Guidelines located on Finance's website. Failure to follow these guidelines could result in termination of the Meet and Confer session. Questions related to the Meet and Confer process should be directed to Finance's Dispute Resolution Coordinator at (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

AGENCY(SELECT ONE):

[X] Successor Agency [ ] Housing Entity

AGENCY NAME: City of San Bernardino Acting as the Successor Agency to the Redevelopment Agency of the City of San Bernardino ("Successor Agency")

TYPE OF MEET AND CONFER REQUESTED (SELECT ONE):

[ ] Housing Assets Transfers [ ] Due Diligence Reviews [X] ROPS Period January 1, 2013 to June 30, 2013

DATE OF FINANCE'S DETERMINATION LETTER: **10/13/2012**

DOCSOC/1589406v1/200430-0000

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REQUESTED FORMAT OF MEET AND CONFER SESSION (SELECT ONE):

[X] Meeting at Finance [ ] Conference Call

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DETAIL OF REQUEST

A. Summary of Disputed Issue(s) *(Must be specific.)*

The Successor Agency disputes the disqualification of the items listed below:

1. Item No. 50 – Turtle Island Construction Services – This contract provides for construction management services required to implement the Rehabilitation Loan Agreement with Lugo Senior Apartments, LLC, a pre-June 27, 2011 enforceable obligation and is therefore an enforceable obligation pursuant to Health & Safety Code Sections 34171(d)(1)(E) and 34177.3(a).

2. Item Nos. 63 through 75, 77 and 79 – Contracts with various third parties regarding the Theatre Square Project, Downtown Streetscape improvements and Stadium Parking Lot improvements (collectively, "EB-5 Contracts") are enforceable obligations necessary to comply with covenants of the Agency under the CMB Bond agreements (defined below), pursuant to pre- June 27, 2011 CMB Bond Indentures, pursuant to Health & Safety Code Sections 34171(d)(1)(A), (B), and (E) (and with respect to the Braughton Construction Contract, (F)), 34175(a), 34177(i), and 34177.3(a).

3. Item Nos. 31, 37 and 38 – These items are properly considered Project Costs and should not have been reclassified as Administrative Costs.

B. Background/History *(Provide relevant background/history, if applicable.)*

Item No. 50 – Turtle Island Construction Services

The former Redevelopment Agency of the City of San Bernardino ("Agency") entered into a 2010 Acquisition and Development Residual Receipts Loan Agreement ("Rehabilitation Loan Agreement") dated as of December 6, 2010 with Lugo Senior Apartments, LLC ("Developer"), an affiliate of Meta Housing Corporation. The Rehabilitation Loan Agreement required the Agency to make a loan to the Developer and required the Developer to acquire, rehabilitate and operate as long term affordable housing a 119 unit senior rental housing project ("Lugo Senior Apartments Project"). The Rehabilitation Loan Agreement also requires the Developer to relocate all existing tenants of the project site. The Developer has acquired the subject property, relocated tenants, has commenced initial rehabilitation activities and is in the process of selecting subcontractors to complete the required rehabilitation. The Agency must oversee the rehabilitation work to verify that such work is completed in accordance with all requirements of the Rehabilitation Loan Agreement. To this end, on July 8, 2011, Affordable Housing Solutions, Inc. ("AHS"), entered into an Agreement for Professional Services ("Turtle Island Agreement") with Turtle Island Constructions Services ("Turtle Island"), pursuant to which Turtle Island agreed to perform construction management services in connection with the Lugo Senior Apartments Project.

The Turtle Island Agreement was entered into by AHS instead of the Agency because, pursuant to that certain Housing Capitalization Funding Agreement (Sub-Recipient Agreement) ("Housing

Funding Agreement"), entered into by the Agency and AHS on March 3, 2011, AHS had agreed to implement all of the Agency's housing programs and projects, including the Lugo Senior Apartments Project, and the Agency agreed to pay the costs incurred by AHS to implement such projects. Specifically, Section 2.01(a) of the Housing Funding Agreement states that, "in order to carry out the Housing Related Projects and the Other AHS Contractual Obligations, AHS shall assume all performance obligations with respect thereof and the Agency hereby pledges to AHS all tax increment revenues in the form of the Low Mod Funds available to the Agency from the Redevelopment Plans for the Project Areas ... as required for AHS to fully perform each and every financial and contractual obligation as set forth [in the exhibits to the Housing Funding Agreement]." Further, Section 2.02 of the Housing Funding Agreement, expressly provides that "those tax increment revenues derived by the Agency from the Redevelopment Plans for the Project Areas ... as Low Mod Funds are hereby irrevocably pledged to AHS pursuant to this [Housing] Funding Agreement..."

Pursuant to authority set forth in the Housing Funding Agreement, AHS, not the Agency, entered into the Turtle Island Agreement in implementation of the Rehabilitation Loan Agreement (a pre-June 27, 2011 enforceable obligation of the Agency listed as item 8 on Exhibit C of the Housing Funding Agreement), with the understanding based on the express terms of the Housing Funding Agreement that the Agency would pay the costs incurred by AHS under the Turtle Island Agreement.

The Housing Funding Agreement and the Agency's contractual arrangements with AHS, pursuant to which AHS agreed to fulfill the Agency's contractual and statutory obligations relating to housing and the Agency agreed to pay the cost of AHS's activities in implementation of the Housing Funding Agreement, were validated by that certain Judgment issued on July 27, 2011, by the Superior Court of the State of California, County of San Bernardino, Case No. CIVDS 1103893 ("Validation Judgment"). The Validation Judgment expressly validates the Housing Funding Agreement and "the restructuring of the manner in which the Agency conducts its governmental functions" and "the providing of financing to and by the Agency [and] AHS."

Pursuant to Health & Safety Code Section 34171(d)(1)(E), "enforceable obligation" is defined to include "any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy." The Rehabilitation Loan Agreement and Housing Funding Agreement are each legally binding and enforceable agreements of the Agency; neither agreement violates the debt limit or public policy.

Health & Safety Code Section 34177.3(a), which provides that "successor agencies shall lack the authority to, and shall not, create new enforceable obligations ... or begin new redevelopment work, except in compliance with an enforceable obligation that existed prior to June 28, 2011," shows that the legislature understood that Successor Agencies would be required to, in some cases, execute new enforceable obligations and perform redevelopment work in order to comply with and perform duties under valid enforceable obligations such as the Rehabilitation Loan Agreement. Pursuant to Health & Safety Code Section 34177, subdivisions (a) and (c), the Successor Agency is required to "continue to make payments due for enforceable obligations" and "perform obligations required pursuant to any enforceable obligation."

Health & Safety Code Section 34175(a) confirms that the legislature intended, in enacting AB1x 26 and AB 1484:

> "that pledges of revenues associated with enforceable obligations of the former redevelopment agencies are to be honored. It is intended that the cessation of any redevelopment agency shall not affect either the pledge, the legal existence of that pledge, or the stream of revenues available to meet the requirements of the pledge."

Thus, the express pledges of low and moderate income housing funds (and other Agency moneys) in the Housing Funding Agreement are valid and enforceable pledges and must be honored by Finance.

The Rehabilitation Loan Agreement requires the Successor Agency to disburse loan proceeds to Lugo Developer; however, in order to do so, the Successor Agency must rely on the construction management services provided by Turtle Island to verify that the rehabilitation work required by the Rehabilitation Loan Agreement is being completed in accordance with the requirements of that agreement. AHS was authorized, pursuant to the Housing Funding Agreement, to enter into such implementing enforceable obligations (such as the Turtle Island Agreement) in order to fulfill its obligations to the Agency under the Housing Funding Agreement; the Successor Agency is required, pursuant to the Housing Funding Agreement and Sections 34177, subdivisions (a) and (c), Section 34177.3 and Section 34175(a) of the Health & Safety Code, to make the required payments under the Turtle Island Agreement listed as Item 50 on ROPSIII.

Failure by the Successor Agency to perform its obligations under the Turtle Island Agreement will constitute a default under the Turtle Island Agreement, potentially subjecting both AHS and the Successor Agency to damages and liability to Turtle Island.

Item Nos. 63 through 75, 77 and 79 – EB-5 Contracts

On March 1, 2011, the former Agency entered into an Indenture and Loan Agreement ("2011 CMB Indenture") with CMB Infrastructure Investment Group VI-C, LP ("CMB") pursuant to which CMB agreed to lend up to $10,000,000 in up to 20 increments of not less than $500,000 each ("2011 CMB Bonds") to the former Agency and the Agency agreed to spend the proceeds of the 2011 CMB Bonds borrowed by the Agency on certain projects in the City of San Bernardino with the effect of creating a specified number of new jobs.

The Agency entered into obligations similar to the 2011 CMB Bonds in 2009 and 2010. The 2009, 2010 and 2011 CMB indentures/loan agreements were previously provided to Finance on September 19, 2012, in response to Finance questions regarding ROPSIII. The 2009, 2010 and 2011 CMB Bonds are referred to collectively in this Meet and Confer Request as the "CMB Bonds."

Section 2.3(a) of the 2011 CMB Indenture states: "The Agency shall use and apply the proceeds of the [2011 CMB Bonds] for the implementation and construction of the Projects and

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any other related legal purposes in connection with the Projects and of the Agency with respect to the Projects pursuant to the California Health and Safety Code."

Section 4.7 of the 2011 CMB Indenture states: "The Agency intends to and agrees to undertake the Projects specified as the Redevelopment Activities and Public Works Projects as described in Exhibit "B." Nevertheless, the Agency reserves the right to substitute additional projects for the initially specified Projects upon written approval of the Lender ..."

Paragraph (1) of the Certificate as to No Arbitrage for the 2011 CMB Bonds provides: "The proceeds of the [2011 CMB Bonds] shall be used by the Agency, pursuant to the Indenture, for the financing of certain various infrastructure projects, including, but not limited to, those identified in the Programs, Projects and Activities attached as Exhibit "A" to the Project Funding Agreement within the jurisdiction of the City of San Bernardino."

The foregoing covenants are required to implement the United States Immigration Act of 1990 ("USI Act"), pursuant to which the CMB Bonds were made. Maintenance of the tax exemption provided to bondholders under the CMB Bonds, pursuant to the USI Act, requires compliance with these covenants by the Successor Agency.

The Indentures, Certificates as to Arbitrage and other instruments evidencing the CMB Bonds, expressly require the Agency to use the proceeds of the CMB Bonds to complete projects specified in the list of Programs, Projects and Activities attached as Exhibit A to the Project Funding Agreement (described below). Items 36, 38a, 38b, 38c shown on that exhibit specifically refer to the Theatre Square project. Other eligible projects include the Downtown Streetscape improvements listed as Item 77 on ROPSIII and the Project Contract with Braughton Construction, Inc. ("Braughton Construction Contract") for maintenance of certain Stadium Parking Lot improvements listed as Item 79 on ROPSIII (a copy of the Braughton Construction contract will be transmitted to Finance concurrently with this Meet and Confer Request; although we believed we had sent this previously, our records do not indicate that this contract was transmitted to Finance).

To implement the Agency's obligation to expend CMB Bonds proceeds on eligible projects in the City of San Bernardino (among other things), the Agency entered into that certain Project Funding Agreement, dated as of March 3, 2011 ("Funding Agreement"), with San Bernardino Economic Development Corporation ("SBEDC"). The Funding Agreement expressly provides that the Agency will provide its money and assets to SBEDC to enable SBEDC to fulfill the Agency's obligations under the CMB Bond documents and various other Agency responsibilities.

Specifically, Section 2.01(a) of the Housing Funding Agreement states that, "in order to carry out the Redevelopment Related Projects and the Other SBEDC Contractual Obligations, SBEDC shall assume all performance obligations with respect thereof and the Agency hereby pledges to SBEDC all tax increment revenues available to the Agency from the Redevelopment Plans for the Project Areas during the Term of this Funding Agreement for the payments as required for SBEDC to fully perform each and every financial and contractual obligation as set forth [in the exhibits to the Funding Agreement]." Further, Section 2.02 of the Funding Agreement expressly provides that "those tax increment revenues derived by the Agency from the Redevelopment

Plans for the Project Areas are hereby irrevocably pledged to SBEDC pursuant to this Funding Agreement..."

Pursuant to authority set forth in the Funding Agreement, SBEDC, not the Agency, entered into the EB-5 Contracts in implementation of and as required by the covenants in the CMB Bond documents (which are pre-June 27, 2011 enforceable obligations of the Agency), with the understanding based on the express terms of the Funding Agreement that the Agency would pay the costs incurred by SBEDC under the EB-5 Contracts.

The Funding Agreement and the Agency's contractual arrangements with SBEDC, pursuant to which SBEDC agreed to fulfill the Agency's contractual and statutory obligations and the Agency agreed to pay the cost of SBEDC's activities in implementation of the Funding Agreement, were validated by that certain Judgment issued on July 27, 2011, by the Superior Court of the State of California, County of San Bernardino, Case No. CIVDS 1103893 ("Validation Judgment"). The Validation Judgment expressly validates the Funding Agreement, the 2011 CMB Bonds, and "the restructuring of the manner in which the Agency conducts its governmental functions" and "the providing of financing to and by the Agency [and] SBEDC."

The CMB Bond agreements are clearly enforceable obligations, pursuant to Health & Safety Code Section 34171(d)(1)(A), (B), and (E). Pursuant to Health & Safety Code Section 34177, subdivisions (a) and (c), the Successor Agency is required to "continue to make payments due for enforceable obligations" and "perform obligations required pursuant to any enforceable obligation." Further, pursuant to Health & Safety Code Section 34177(i), the Successor Agency is required to use bond proceeds, such as the proceeds of the CMB Bonds, "for the purposes for which bonds were sold unless the purposes can no longer be achieved."

Health & Safety Code Section 34175(a) confirms that the legislature intended, in enacting AB1x 26 and AB 1484:

> "that pledges of revenues associated with enforceable obligations of the former redevelopment agencies are to be honored. It is intended that the cessation of any redevelopment agency shall not affect either the pledge, the legal existence of that pledge, or the stream of revenues available to meet the requirements of the pledge."

Thus, the express pledges of tax increment (and other Agency moneys) in the Funding Agreement are valid and enforceable pledges and must be honored by Finance.

Further, Health & Safety Code Section 34177.3(a), which provides that "successor agencies shall lack the authority to, and shall not, create new enforceable obligations ... or begin new redevelopment work, except in compliance with an enforceable obligation that existed prior to June 28, 2011," shows that the legislature understood that Successor Agencies would be required to, in some cases, execute new enforceable obligations and perform redevelopment work in order to comply with and perform duties under valid enforceable obligations such as the CMB Bonds agreements. SBEDC was authorized, pursuant to the Funding Agreement, to enter into such implementing enforceable obligations (such as the EB-5 Contacts) in order to fulfill its obligations to the Agency under the Funding Agreement; the Successor Agency is required,

pursuant to the Funding Agreement and Sections 34177, subdivisions (a) and (c), Section 34177.3 and Section 34175(a) of the Health & Safety Code, to make the required payments under the EB-5 Contracts.

The CMB Bonds require the Successor Agency to expend the proceeds of the CMB Bonds on projects specified in Exhibit A to the Funding Agreement and other appropriate projects, as described in the CMB Bonds documents. This specifically includes the Theatre Square improvements and the Downtown Streetscape improvements; the Braughton Construction Contract is also an eligible project expenditure, although not expressly listed on Exhibit A to the Funding Agreement. Failure by the Successor Agency to expend the CMB Bond proceeds as required in the CMB Bonds documents, including the 2011 Indenture, will constitute a default under the 2011 Indenture and the other CMB Bonds documents, which will subject the Successor Agency to damages and liability to CMB and the bondholders. Further, failure by the Successor Agency to perform its obligations under the EB-5 Contracts will constitute a default under the EB-5 Contracts and will subject the Successor Agency and SBEDC to damages and liability to the various third parties (and their subcontractors) under the EB-5 Contracts.

In summary, the Agency properly incurred the CMB Bonds and the obligation thereunder to expend the CMB Bond proceeds on specified projects, including the EB-5 Contracts. The Agency further properly delegated its authority and obligation to enter into such projects, as required by the CMB Bonds, to SBEDC pursuant to the validated Funding Agreement. The SBEDC entered into contracts to implement the EB-5 Contracts, as required by the Funding Agreement and the CMB Bonds, subject to payment of the costs incurred by SBEDC under such contracts by the Agency, all as validated by the Validation Judgment. Thus, the Successor Agency is now legally obligated to pay the amounts owing on the contracts entered into for the EB-5 Contracts, as listed on the ROPSIII, and will incur damages and liability to third parties if the Agency is prevented from making these required payments.

As previously communicated to Finance in letters dated September 19, 2012 from Ms. Teri Baker and September 5, 2012 from Mayor Patrick J. Morris, numerous contractors, subcontractors and suppliers are awaiting payment for services rendered under the EB-5 Contracts. Companies are going out of business and workers are losing their jobs in this already hard-hit community as a result of the Successor Agency's inability to comply with its legal obligations to pay amounts owing under these EB-5 Contracts.

Item No. 79 – Braughton Construction Contract

In addition to the analysis set forth above, the amounts due under the Braughton Construction Contract are properly incurred as an expense of the Successor Agency because this contract provides for the maintenance of certain stadium parking lot improvements owned by the Successor Agency. Health & Safety Code Section 34171(d)(1)(F) defines "enforceable obligation" to include "contracts or agreements necessary for the administration or operation of the successor agency, in accordance with this part, including, but not limited to ... the costs of maintaining assets prior to disposition." The Braughton Construction Contract provides for the maintenance of real property owned by the Successor Agency. SBEDC entered into the Braughton Construction Contract on January 12, 2012, pursuant to its authority under the Funding Agreement, as described above, and the Successor Agency has the obligation,

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pursuant to the Funding Agreement, to pay the costs incurred by SBEDC under the Braughton Construction Contract. As noted above, the Funding Agreement and SBEDC's authority to perform the Agency's governmental functions and obligations (with the cost incurred to perform such functions and obligations being paid by the Agency) was validated pursuant to the Validation Judgment.

Failure by the Successor Agency to make the required payments under the Braughton Construction Contract will constitute a default under the Braughton Construction Contract, subjecting the Successor Agency and SBEDC to damages and liability to Braughton Construction.

Item Nos. 31, 37 and 38 – Reclassification as Administrative Costs

Successor Agency staff believe Items 31, 37 and 38 are properly treated as project costs payable from the RPTTF instead of the Administrative Cost Allowance. Specifically, Item 31 represents the Successor Agency's contractual obligation to pay retirement benefits to its employees, which is expressly considered an enforceable obligation pursuant to Health & Safety Code Section 34171 (d)(1)(C), which defines enforceable obligation to include "legally enforceable payments required in connection with the agencies' employees, including, but not limited to, pension payments, pension obligation debt service, unemployment payments, or other obligations conferred through a collective bargaining agreement." The financial software referred to in Item 37 is required to enable the Successor Agency to track its financial rights, duties and obligations under specified enforceable obligations. Further, Item 30 reflects costs incurred by the Successor Agency to maintain properties owned by the Successor Agency, pursuant to Health & Safety Code Section 34171(d)(1)(F), which defines "enforceable obligation" to include contracts or agreements necessary for the administration or operation of the successor agency, in accordance with this part, including, but not limited to ... the costs of maintaining assets prior to disposition."

C. Justification *(Provide additional attachments to this form, as necessary.)*

The Successor Agency reserves its rights to present additional legal theories, documentation and other information to support the inclusion of items on ROPSIII.

The documentation in support of this Meet and Confer Request listed below will be transmitted to Finance. Relevant references are noted above in the "Background/History" narratives for each project or item. To ensure Finance receives these supporting documents, these documents may be sent in multiple emails following transmittal of this Meet & Confer Request Form.

- Braughton Contract.
- Validation Judgment.

Agency Contact Information

Name:	Teri Baker	Name:	
Title:	Assist. to the City Manager	Title:	
Phone:	909-384-5122	Phone:	
Email:	baker_te@sbcity.org	Email:	
Date:	10/19/2012	Date:	

Department of Finance Local Government Unit Use Only

REQUEST TO MEET AND CONFER DATE: ☐ APPROVED ☐ DENIED

REQUEST APPROVED/DENIED BY: _____ DATE: _____

MEET AND CONFER DATE/TIME/LOCATION: _____

MEET AND CONFER SESSION CONFIRMED: ☐ YES DATE CONFIRMED: _____

DENIAL NOTICE PROVIDED: ☐ YES DATE AGENCY NOTIFIED: _____

Form DF-MC (Revised 9/10/12)

DOCSOC/1589406v1/200430-0000

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DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

Revised

October 18, 2012

Ms. Teri Baker, Assistant to the City Manager
City of San Bernardino
300 North D Street, 6th Floor
San Bernardino, CA 94218

Dear Ms. Baker:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of San Bernardino Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 30, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

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Furthermore, the following items were reclassified as administrative costs: Items Nos. 31, 37, and 38. Although this reclassification increased administrative costs to $505,683, the administrative cost allowance has not been exceeded.

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Except for items denied in whole or in part as enforceable obligations as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: $13,255,133 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013		
Total RPTTF funding requested for obligations	$	12,892,900
Less: Six-month total for items reclassified as administrative cost		
Item 31*		14,850
Item 37*		6,600
Item 38*		102,000
Item 54		5,000
Item 57		5,000
Item 58		10,000
Total approved RPTTF for enforceable obligations	$	12,749,450
Plus: Allowable RPTTF distribution for administrative cost for ROPS III		505,683
Total RPTTF approved:	$	13,255,133

*Reclassified as administrative cost

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/.

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

Please direct inquiries to Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Mr. Mike Trout, Project Manager, City of San Bernardino
Ms. Vanessa Doyle, Property Tax Manager, San Bernardino County

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MEMORANDUM

DATE: October 30, 2012

TO: California Department of Finance

FROM: City of San Bernardino acting as Successor Agency to the former Redevelopment Agency of the City of San Bernardino

SUBJECT: Cash Flow Insolvency of Successor Agency and Proposed Solution

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STATEMENT OF PROBLEM

The City of San Bernardino acting as Successor Agency ("Successor Agency) to the former Redevelopment Agency of the City of San Bernardino ("Redevelopment Agency") is currently cash flow insolvent because it does not have sufficient current or anticipated cash resources to meet its enforceable obligations through June 2013. Recent bond obligation payments have been made by the Successor Agency using debt service reserves and there is insufficient future cash flow to replenish those reserves (as required by the bond covenants) without shorting the Agency's other obligations, including debt service obligations due during the period of the 3rd Recognized Obligation Payment Schedule ("ROPS"). In fact, the negative cash position of the Successor Agency will become worse with each passing ROPS period because the amount of Redevelopment Property Tax Trust Fund ("RPTTF") revenue projected to be provided to the Successor Agency is insufficient to meet all of the Successor Agency's enforceable obligations. A summary of the Successor Agency's current and future negative cash position through June 2013 is described below.

BACKGROUND

In early 2011, the Redevelopment Agency reactivated and reorganized its original nonprofit economic development corporation, the San Bernardino Economic Development Corporation ("SBEDC"), for the purpose assisting the Redevelopment Agency to implement its redevelopment program. In furtherance of this purpose, the Redevelopment Agency entered into a Project Funding Agreement with SBEDC, dated March 3, 2011 ("Funding Agreement"). The Funding Agreement expressly provides that the Redevelopment Agency will transfer certain

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funds and properties to SBEDC for purposes of implementing identified redevelopment projects and responsibilities. To this end, the Redevelopment Agency conveyed title to property to SBEDC, pledged tax increment revenues from redevelopment project areas to SBEDC, and assigned other funds and resources to SBEDC necessary to implement the redevelopment projects and activities identified in the Funding Agreement.

The Funding Agreement and the Redevelopment Agency's contractual arrangements with SBEDC were validated by a final, non-appealable judgment issued on July 27, 2011, by the Superior Court of the State of California, County of San Bernardino, Case No. CIVDS 1103893 ("Validation Judgment").

Among the funds assigned to the SBEDC pursuant to the Funding Agreement were proceeds the Redevelopment Agency received from CMB Export LLC under the federal EB-5 Visa Regional Center Program ("EB-5 Program") administered by the United States Citizenship and Immigration Service (USCIS). The EB-5 Program allows foreign nationals to obtain permanent residency status in the United States upon the investment of $500,000 in a qualified investment activity that generates jobs in the United States. The EB-5 Indenture and Loan Agreement executed by the Redevelopment Agency on March 1, 2011, created an enforceable contractual obligation of the Agency (which it assigned to the SBEDC) to undertake and complete specified redevelopment projects with the EB-5 financing proceeds, and it pledged property tax increment funds as the source for repayment. Copies of the Successor Agency's three EB-5 loan agreements were previously submitted to the Department of Finance.

The projects that were contractually obligated to be completed under the EB-5 financing were listed on the Successor Agency's 1st, 2nd and 3rd ROPS. The Department of Finance denied all of these projects as enforceable obligations, but approved repayment of the EB-5 financing as an enforceable obligation. To make matters worse, because of the mounting cash flow deficit in the Successor Agency, some of the EB-5 financing proceeds were used as temporary substitute collateral for another ROPS-approved loan that is due in May 2013. In the absence of sufficient RPTTF funds to either replace the EB-5 monies being used as collateral or payoff the loan in full by May 2013, the lender will take the EB-5 funds as pledged collateral and cause the Successor Agency to breach its federal EB-5 Program agreements.

Thus, the following is a summary of the Successor Agency's current and future negative cash position through June 2013 with respect to RPTTF funds:

ROPS 1 (Jan. to June 2012)

a.	*RPTTF Requested on 1st ROPS:*	*$19,030,433*
b.	*Actual RPTTF Amount for 1st ROPS Period:*	*18,956,169*
c.	*Shortfall (b – a = c):*	*($74,264)*

ROPS 2 (July to Dec. 2012)

d.	*RPTTF Requested on 2nd ROPS:*	*14,302,241*
e.	*Actual RPTTF Amount of June 2012:*	*11,165,764*

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f.	*RPTTF Shortfall: (e – d = f):*	*(3,136,477)*
g.	*Claw-Back of July 2012:*	*(4,183,433)*
h.	*Shortfall (f + g = h):*	***($7,319,910)***

ROPS 3 (Jan. to June 2013)

i.	*RPTTF Requested on 3rd ROPS:*	*$13,279,687*
j.	*Estimated RPTTF Amount of January 2013:*	*11,135,074*
k.	*RPTTF Shortfall: (j – i = k):*	*(2,144,613)*
l.	*Repayment of DSR Draws:*	*(6,767,666)*
m.	*Shortfall (k + l = m):*	***($8,912,279)***

Please note that the bulk of the current cash flow problem was caused by the State shorting the Successor Agency what would have been the second tax increment payment during Fiscal Year 2011-12 (i.e., from the April 10th property tax payment). As noted above, instead that payment was directed to the period of the 2nd ROPS. This was further exacerbated by the July 2012 $4.1 million claw-back from the 1st ROPS period. At the time, we were unable to have a meet and confer discussion with the Department of Finance regarding the calamity caused by these actions. As a result, these two actions alone are the cause of an approximately $15.2 million cash shortfall.

PROPOSED SOLUTION

To workout the Successor Agency's cash flow insolvency, certain real property assets owned by the SBEDC with identified potential buyers must be immediately sold and all net sales proceeds transferred to the Successor Agency. In addition, the remaining real property assets of the SBEDC must be transferred to the Successor Agency to ensure the Agency can sell such property to remain solvent and continue discharging its obligation to wind-down the former Redevelopment Agency.

As discussed above, the SBEDC holds title to approximately 300 parcels that were legally and properly transferred for redevelopment purposes from the Redevelopment Agency to the SBEDC in March 2011. The SBEDC, however, recognizes that these former Redevelopment Agency properties are needed to help keep the Successor Agency solvent and to help it properly discharge its obligations. Therefore, the SBEDC and Successor Agency propose to take the following actions:

1. Immediately move to sell the following real property assets and to transfer the net proceeds to the Successor Agency for purposes of discharging the Agency's obligations and restoring its cash flow balance:

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Potential Disposition Sites[1]	Estimated Value	Potential Buyer
17-Acre Arden-Guthrie Shopping Center	$4.4 million	Home Depot/MDI
Regal Theater Site	$4 to $8 million	Entertainment Properties Trust
8-Acre Parcel at the Carousel Mall	$3.4 million	Panattoni Development
5th Street/I-215 Corridor	$4.2 million	Freeway-Oriented Retailers

For SBEDC to sell these properties and transfer the proceeds to the Successor Agency, we need the Department of Finance to acknowledge in writing that these properties are outside of the ABx1 26 and AB 1484 property disposition process. Otherwise SBEDC will be unable to obtain the title insurance necessary to convey marketable title to the purchasers. In addition, SBEDC may need similar approval from the Department of Finance that would allow existing liens for HUD Section 108 loans that are recorded on several of the properties proposed for sale to be transferred to other SBEDC properties for purposes of collateralizing the loan repayments as may be required by HUD.

2. Transfer the remaining properties held by the SBEDC to the Successor Agency to be disposed of in accordance with the Agency's approved Long Range Property Management Plan.

We are hopeful that this memorandum will be helpful to the Department of Finance in understanding the dire circumstances of the Successor Agency. Your assistance in helping to resolve these matters in such a way that the Successor Agency can avoid a bankruptcy proceeding will be appreciated. If you have any questions, please direct them to Ms. Andrea Travis-Miller, Acting City Manager, at (909) 384-5122.

[1] If other and/or additional properties are needed to be sold by the SBEDC before the Successor Agency receives an approved Long Range Property Management Plan, such properties will be identified and approval for disposition will be sought from the Department of Finance.

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MEMORANDUM

TO: California Department of Finance

FROM: City of San Bernardino acting as Successor Agency to the former Redevelopment Agency of the City of San Bernardino

SUBJECT: Recognition of the Regal Cinema and Theater Square Projects, and the Stadium Parking Lot Project (Braughton Construction), as Enforceable Obligations (Item Nos. 63 through 75, 77 and 79 on ROPS 3)

DATE: November 1, 2012

STATEMENT OF PROBLEM – REGAL PROJECT

On March 3, 2011, the former Redevelopment Agency of the City of San Bernardino ("Agency") entered into financing agreement with CMB Export LLC ("CMB") under the federal EB-5 Visa Regional Center Program ("EB-5 Program")[1] to obtain funding for several projects, including construction of the Regal Cinema and Theater Square Projects ("Regal Project"). The $10 million Indenture and Loan Agreement executed by the Agency legally obligated the Agency to complete certain projects, including construction of the Regal Project, to generate the jobs mandated by the federal EB-5 Program ("CMB Bond"). ***(See highlighted portions of Exhibits No. 1 and No. 6)***

[1] The federal EB-5 Program is administered by the United States Citizenship and Immigration Service ("USCIS") under the United States Immigration Act of 1990. CMB was formed in the mid-1990's to establish a "regional center" in accordance with the EB-5 Program. The EB-5 Program allows foreign nationals to obtain permanent residency status in the United States upon the investment of $500,000 in a qualified investment activity that generates jobs in the United States. The federal legal mandate for recipients of EB-5 investment funding is that they must complete the identified projects that generate the requisite jobs so the foreign investors can satisfy the federal criteria required by the USCIS to obtain their permanent residency status. ***Please see highlighted portions of Exhibit No. 6 to for detailed documentation on how the federal EB-5 Program legally mandates the Agency to construct the Regal Project as a result of receiving the CMB Bond proceeds.***

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To follow through on its legal and contractual obligation to construct the Regal Project and produce the required jobs under the EB-5 Program, on March 3, 2011, the Agency entered into a Funding Agreement with the nonprofit San Bernardino Economic Development Corporation ("SBEDC"). The Funding Agreement expressly provided that the Agency transfer certain funds and properties to SBEDC in exchange for SBEDC implementing identified redevelopment projects and responsibilities. Among the funds and obligations assigned to the SBEDC pursuant to the Funding Agreement were: (1) the CMB Bond proceeds received under the EB-5 Program, and (2) the obligation to construct the Regal Project and generate the jobs required by the EB-5 Program. ***(See highlighted portions of Exhibit No. 2)*** The Funding Agreement was validated by a final, non-appealable judgment issued on July 27, 2011, by the Superior Court of the State of California, County of San Bernardino, Case No. CIVDS 1103893 ("Validation Judgment"). ***(See Exhibit No. 3)***

To implement the judicially validated Funding Agreement and the obligations of the federal EB-5 Program, SBEDC executed a lease agreement with Regal Cinemas and contracts for construction of the Regal Project. These agreements and contracts were executed in the later part of 2011 and project construction commenced in early 2012.[2] In accordance with the Funding Agreement, the CMB Bond proceeds received by the Agency were utilized to pay for the projects costs. In March 2012, the Successor Agency to the former Redevelopment Agency listed the projects on ROPS 1 as enforceable obligations to be paid with the remaining CMB Bond proceeds. On May 29, 2012, the Department of Finance ("DOF") issued a final determination for ROPS 1 and denied the projects as enforceable obligations. The projects were subsequently listed again on ROPS 2 and ROPS 3, and also denied by DOF. On October 19, 2012, the Successor Agency filed a meet and confer request to discuss the DOF's incorrect determination on these matters and several others. ***(See Exhibit No. 4)***

Voluminous documentation has been submitted to the DOF and other state officials highlighting the critical facts and specific evidence that the Agency's contractual obligation to undertake and complete the Regal Project dates back to March 1, 2011 when it executed the agreements for the CMB Bond proceeds under the federal EB-5 Program. Additionally, the contractual assignment to SBEDC of the Agency's obligation to complete the Regal Project with the CMB Bond proceeds, dates back to March 3, 2011 when the Funding Agreement was executed. Both of these critical agreements were executed and their implementation commenced many months before ABx1 26 became law on June 27, 2011 ("Antecedent Agreements").

The subsequent project construction agreements which DOF has erroneously rejected as non-enforceable obligations were executed to carryout and comply with the enforceable obligations created under Antecedent Agreements. DOF has improperly viewed the project construction agreements as "stand-alone" agreements between SBEDC and the contractors, created after June 27, 2011 in violation of Health and Safety Code section 34177.3(a). The clear evidence supports just the opposite conclusion.

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[2] For a full history of the Regal Cinema and Theater Square Projects, ***please see Exhibit No. 7***

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As a result of DOF's incorrect rejection of the project construction agreements as non-enforceable obligations, there are numerous local contractors, subcontractors, and suppliers who have been unpaid for months. The financial consequences to these contractors and suppliers has been devastating, to the point that some of them are facing bankruptcy and laying off employees, and they have commenced litigation against the Successor Agency and filed liens against the Regal Project property. ***(See Exhibit No. 5)***

Another consequence is that CMB Export LLC, the financing entity for the CMB Bonds, has threatened litigation against the Successor Agency if it does fulfill its obligations under the federal EB-5 Program by expending the CMB Bond proceeds for the Regal Project and documenting the jobs created by the project. Additionally, there is a potential that the federal EB-5 program administrator, the United States Citizenship and Immigration Service, could audit the Successor Agency and take remedial action if it finds non-compliance with the EB-5 Program requirements. ***(See highlighted portions of Exhibit No. 6)***

STATEMENT OF PROBLEM – STADIUM PARKING LOT PROJECT

The above-detailed facts and analysis regarding the Regal Project are equally applicable to the agreement with Braughton Construction for parking lot improvements at the municipal stadium in San Bernardino ("Stadium Parking Lot Project"). Just like the Regal Project, the Agency's contractual obligation to undertake and complete the Stadium Parking Lot Project, and the Agency's assignment of that obligation and the CMB Bond funding for the project, were accomplished through the Antecedent Agreements. ***(See highlighted portions of Exhibits No. 1 and No. 6)*** The subsequent project construction agreement between the SBEDC and Braughton Construction was executed to carryout and comply with the enforceable obligation created under the Antecedent Agreements for the Stadium Parking Lot Project.

PROPOSED SOLUTION

Health and Safety Code section 34177.3(a) states that no new contracts or additional redevelopment work shall be created or begin after June 27, 2011, *"except in compliance with an enforceable obligation that existed prior to June 28, 2011."* The Antecedent Agreements executed in March 2011 (five months before June 28, 2011) created: (1) the Agency's enforceable obligation to construct the Regal Project and the Stadium Parking Lot Project, (2) the funding to construct these projects, and (3) the assignment of the obligation and funding to SBEDC for implementation. The subsequent project construction agreements executed by SBEDC did not create any "new" enforceable obligation or undertake "new" redevelopment work; instead the project construction agreements were executed to carryout and comply with the enforceable obligation created by the Antecedent Agreements in March 2011.

Healthy and Safety Code sections 34177(a) and (c) provide that the Successor Agency is required to "continue to make payments due for enforceable obligations" and to "perform obligations required pursuant to any enforceable obligation." Further, Health and Safety Code section 34177(i) states that the Successor Agency is required to use bond proceeds, such as CMB Bond proceeds, "for the purposes for which bonds were sold unless the purposes can no longer be achieved." Unfortunately, DOF's incorrect determination that the project construction

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agreements were not executed to comply with the enforceable obligation created by the Antecedent Agreements, prohibits the Successor Agency from utilizing the CMB Bond proceeds for their intended and legally obligated purpose.

As such, the City of San Bernardino as Successor Agency respectfully requests the Department of Finance apply the facts and evidence in this matter to the law. Under section 34177.3(a), the Antecedent Agreements created an enforceable obligation to construct the Regal Project and Stadium Parking Lot Project for which subsequent project construction contracts were executed to comply with that enforceable obligation. Under sections 34177(a), (c), and (i), the Successor Agency is required to use the CMB Bond proceeds for their intended purpose – the Regal Project and the Stadium Parking Lot Project.

However, for the Successor Agency to comply with the law, the DOF must correctly recognize that the project construction agreements were actions necessary to comply with the enforceable obligation created under the Antecedent Agreements. This correct application of facts to law will allow the Successor Agency to pay the contractors on the Regal Project and the Stadium Parking Lot Project with the CMB Bond proceeds designated for these projects.

To implement the above, we propose the following next steps:

1. The DOF revise its letter of October 18, 2012 regarding ROPS 3 by removing the rejection of Item Nos. 63 through 75, 77, and 79 that relate to the Regal Project and Stadium Parking Lot Project.

2. Upon receipt of the DOF's revised ROPS 3 letter, the Successor Agency will submit a revised ROPS 2 and ROPS 3 to the DOF. The purpose of the revised ROPS 2 and ROPS 3 is to address the following issues: (a) the costs of the Regal Project were spread across three different ROPS submissions (ROPS 1, 2, and 3), with some differing line numbers, payees, descriptions, and amounts in each ROPS, due to the fact the project remained under construction during much of this time period and costs and obligations changed; and (b) there is now an urgent need to immediately pay the obligations associated with the Regal Project and the Stadium Parking Lot Project in the ROPS 2 period to avoid ongoing litigation costs, potential foreclosure on the project property, and other damages arising from delayed payment to contractors and suppliers. To address these issues, we propose to submit a revised ROPS 2 that will reflect the full and complete amount of all obligations due and owning for the Regal Project and the Stadium Parking Lot Project (including any additional costs due to litigation or delayed payment), and to designate that such obligations will be paid from the CMB Bond proceeds held by the Successor Agency. Secondly, we propose to submit a revised ROPS 3 that would remove all line items related to the Regal Project and the Stadium Parking Lot Project from ROPS 3. We believe that revising ROPS 2 and ROPS 3 in this manner will assist the DOF in reconciling ROPS 2 and ROPS 3 when the audited records for these ROPS periods are submitted to DOF in 2013 and 2014.

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We greatly appreciate the cooperation and willingness of the DOF to remedy this problem. As discussed above, the financial consequences of failing to remedy to this problem is enormous to the affected contractors, their employees and families, and to the Successor Agency. Failure to remedy will likely trigger several private bankruptcies, spawn significant litigation, and could ultimately contribute to insolvency of the Successor Agency.

If you have any questions, please direct them to Ms. Andrea Travis-Miller, Acting City Manager, at (909) 384-5122.

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OFFICE OF THE CITY MANAGER

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November 21, 2012

Mr. Jeffrey V. Brownfield, Chief
Division of Audits
California State Controller
P. O. Box 942850
Sacramento, California 94250-5874

Attn: Mr. Steven Mar, Chief, Local Government Audits Bureau

Re: Response to State Controller Draft Asset Transfer Review for the Successor Agency to the Redevelopment Agency of the City of San Bernardino

Dear Mr. Brownfield:

This letter is in response to your November 6, 2012 letter, which transmitted a Draft Asset Transfer Review ("Draft ATR") for the Successor Agency to the Redevelopment Agency of the City of San Bernardino ("Successor Agency") that was prepared by staff of the State Controller's Office ("SCO"). In your letter you invited the Successor Agency to submit its comments on the Draft ATR to the SCO. In that regard, the Successor Agency's comments on the Draft ATR, as follows:

SBEDC ASSETS VALUED AT $108,372,060.20

Introduction

As noted in several places, the Draft ATR indicates that the SCO's review "disclosed that the San Bernardino RDA made an unallowable transfer of $108,372,060.20 in assets, or 100%, to the San Bernardino Economic Development Corporation ("SBEDC"). It further indicates that "the City of San Bernardino is ordered to transfer these assets to the San Bernardino Redevelopment Successor Agency." The assertion is factually inaccurate and the proposed order is legally impossible to perform. As further described below, former Redevelopment Agency of the City of San Bernardino ("RDA") transferred the assets in question to the SBEDC pursuant to a transaction that at the time was allowable, legally authorized, enforceable, binding and valid. Further, the City of San Bernardino ("City") does not control the SBEDC. Therefore, SCO does not have the authority to direct the City to require SBEDC to return these assets to the Successor Agency and the City does not have the legal authority to order or cause SBEDC to take this action, or for that matter to do anything.

Analysis

By way of background, on March 3, 2011, the former RDA and the SBEDC entered into a Project Funding Agreement ("Funding Agreement") pursuant to which the SBEDC assumed all of the RDA's obligations and the responsibility to undertake the RDA's governmental functions. On March 17, 2011, in implementation of the Funding Agreement, the RDA Board of Directors directed RDA staff to transfer all of the RDA's assets to SBEDC (such assets are referred to herein as the "SBEDC Assets"). The Funding Agreement, the RDA's conveyance of its assets to SBEDC, the "restructuring of the manner in which the RDA conducts its governmental functions" and "all matters related thereto" were validated in accordance with Code of Civil Procedure Section 860, *et seq.*, and Government Code Section 63611, as stated in that certain Judgment issued on July 27, 2011, by the Superior Court of the State of California, County of San Bernardino, Case No. CIVDS 1103893 ("Validation Judgment").

The Funding Agreement and the transfer of RDA Assets to SBEDC occurred during March 2011, prior to the effective date of AB1x 26 or AB 1484; these actions were therefore valid, effective and binding on the RDA (and therefore the Successor Agency), as confirmed in the Validation Judgment. Notwithstanding the foregoing, the SCO's Draft ATR asserts that the transfer by the RDA to SBEDC of assets cumulatively valued at $108,372,060.20 was "unallowable" and directs the City to transfer these assets to the Successor Agency.

In the Draft ATR, the SCO asserts that Health & Safety Code ("HSC") Section 34167.5 applies to the RDA's transfer of its assets to SBEDC and authorizes the SCO to direct the reversal of such transfer. SCO further asserts that HSC Section 34167.10, as applied to SBEDC, results in the conclusion that the SBEDC is controlled by the City and therefore HSC Section 34167.5 applies to SBEDC in the same manner as such statute would apply to the City. As discussed below, SCO misunderstands the relationship among the RDA, City and SBEDC and therefore mistakenly applies HSC Section 34167.5 to the SBEDC Assets.

The City does not control SBEDC. The City and SBEDC had no relationship at the time SBEDC was formed, at the time the RDA and SBEDC entered into the Funding Agreement, and at the time the RDA transferred its assets to SBEDC. As recited in Section 1.4.B of the Bylaws of the San Bernardino Economic Development Corporation, Inc., SBEDC was formed by the RDA for the purpose of assisting the RDA with its governmental functions and responsibilities. Three of the six members of the Board of Directors of SBEDC are appointed by the Community Development Commission of the City of San Bernardino ("CDC"). Even now, these three SBEDC Board members are appointed by the CDC and the City does not have the right to appoint (or remove) any SBEDC Board members. Although the RDA and City had common governing boards, the RDA and City were at all times separate and distinct legal entities (see *Pacific States Enterprises, Inc. v. The City of Coachella et al.* (1993) 13 Cal. App. 4th 1414; *Long Beach Community Redevelopment Agency v. David Morgan* (1993) 14 Cal. App. 4th. 1047).

HSC Section 34167.5 directs SCO to "review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency,

and the redevelopment agency." If SCO determines that such a transfer occurred, HSC Section 34167.5 directs SCO to "order the available assets to be returned ... to the successor agency." Because SBEDC is not a city, county, city and county, or any other public agency, HSC Section 34167.5 is inapplicable to SBEDC and inapplicable to any transfers made by the RDA to SBEDC.

In the Draft ATR, SCO treats SBEDC as the City for purposes of applying HSC Section 34167.5, relying on HSC Section 34167.10. HSC Section 34167.10 provides as follows:

> "(a) Notwithstanding any other law, for purposes of this part and Part 1.85 (commencing with Section 34170), the definition of a city, county, or city and county includes, but is not limited to, the following entities:
>
> (1) Any reporting entity of the city, county, or city and county for purposes of its comprehensive annual financial report or similar report.
> (2) Any component unit of the city, county, or city and county.
> (3) Any entity which is controlled by the city, county, or city and county, or for which the city, county, or city and county is financially responsible or accountable.
>
> (b) The following factors shall be considered in determining that an entity is controlled by the city, county, or city and county, and are therefore included in the definition of a city, county, or city and county for purposes of this part and Part 1.85 (commencing with Section 34170):
>
> (1) The city, county, or city and county exercises substantial municipal control over the entity's operations, revenues, or expenditures.
> (2) The city, county, or city and county has ownership or control over the entity's property or facilities.
> (3) The city, county, or city and county and the entity share common or overlapping governing boards, or coterminous boundaries.
> (4) The city, county, or city and county was involved in the creation or formation of the entity.
> (5) The entity performs functions customarily or historically performed by municipalities and financed thorough levies of property taxes.
> (6) The city, county, or city and county provides administrative and related business support for the entity, or assumes the expenses incurred in the normal daily operations of the entity.
>
> (c) For purposes of this section, it shall not be relevant that the entity is formed as a separate legal entity, nonprofit corporation, or otherwise, or is not subject to the constitution debt limitation otherwise applicable to a city, county, or city and county. The provisions in this section are declarative of existing law as the entities described herein are and were intended to be included within the requirements of this part and Part 1.85 (commencing with Section 34170) and any attempt to determine otherwise would thwart the intent of these two parts."

In the Draft ATR, SCO asserts that: (1) the Board of Directors of SBEDC is made up of City Council members; (2) the City shares a common governing board and has coterminous boundaries with SBEDC; and (3) the City provides administrative and related business support to SBEDC. By implication, the Draft ATR concludes that SBEDC is controlled by the City within the meaning of HSC Section 34167.10(b).

Contrary to SCO's assertion, SBEDC is not controlled by the City. The City does not have the authority to appoint SBEDC Board members. Further, the SCO's assertion that the City and SBEDC have coterminous boundaries is patently false. SBEDC does not have boundaries; it is a nonprofit corporation formed pursuant to the laws of the State of California, not a public entity. SBEDC has the legal authority to conduct business outside the boundaries of the City. Finally, prior to its dissolution, the RDA provided administrative support to SBEDC; however, at the time of the transfers and at the time AB1x 26 was enacted, the City provided no support, financial or otherwise, to SBEDC. Only now that SBEDC owns property and has contractual obligations entered into in reliance on RDA support does the City provide any administrative support to SBEDC and this support should, frankly, be provided by the Successor Agency pursuant to the validated Funding Agreement.

Because SBEDC is not controlled by the City within the meaning of HSC Section 34167.10(b), SCO does not have the authority to direct the City to return SBEDC Assets to the Successor Agency pursuant to Section 34167.5. Even if the SCO refuses to revise the Draft ATR and continues to order the City to return SBEDC Assets to the Successor Agency (notwithstanding SCO's lack of legal authority to do so), the City does not control SBEDC and would be unable to legally require SBEDC to take such an action.

SCO does not allege that the RDA was not authorized in March 2011 (prior to the enactment of AB1x 26) to convey its assets to a nonprofit corporation created by the CDC/RDA, or whose governing board overlapped with the RDA's governing board, because nothing in HSC Section 34167.10 or elsewhere in AB1x 26 or AB 1484 prohibits such actions. The California legislature could have included entities formed by the CDC or RDA within the scope of HSC Section 34167.10, but elected not to do so. Given that Section 34167.10 is specifically crafted to address asset transfers to entities created and/or controlled by cities and counties and does not refer even once to entities created and/or controlled by redevelopment agencies or successor agencies, it is clear that the legislature knew how to, but chose not to, require transfers to such entities to be unwound.

SUCCESSOR AGENCY ASSETS VALUED AT $420,512,906.15

Introduction

As noted in several places, the Draft ATR indicates that the SCO's review "identified $420,512,906.15 in San Bernardino RDA assets that have not yet been transferred to any agency." It further indicates that "the City of San Bernardino is ordered to transfer these assets to the San Bernardino Redevelopment Successor Agency." The assertion is factually inaccurate, the proposed order is legally impossible to perform and the amount indicated includes

$258,676,796-worth of non-tangible assets, which are either offsets to bonds payable or are inter-fund accounts receivable (i.e., between redevelopment project areas) and therefore should not be included as tangible assets within the ATR. As further described below, the assets in question were transferred to the Successor Agency by operation of law; no affirmative action to transfer these assets is needed. Further, the Successor Agency Assets do not belong to the City and never have (within relevant time periods) belonged to the City. The City is unable to transfer these assets or cause these assets to be transferred to the Successor Agency, as the assets are already held by the Successor Agency.

Analysis

The SCO's audit staff were previously advised that a portion of the $420,512,906.15 they identified as San Bernardino RDA assets included amounts which are non-tangible assets and are only accounting entries, not assets. Specifically, they were informed that $193,955,410 represented an accounting entry of an "Amount to be Provided for Long Term Debt", which is an off-set to bonds payable and is not a tangible asset. For example, as bonds payable reduces so does the "Amount to be Provided for Long Term Debt". Further, SCO audit staff was informed that an additional $64,721,386 represents inter-fund redevelopment project area accounts receivables, which are off-set by an accounts payable, which is also non-tangible since these funds will never be repaid between redevelopment project areas. Once the accounts receivable and the accounts payable are combined, the result will be zero.

With respect to the SCO's assertion that the RDA, Successor Agency or City has somehow failed to comply with a statutory duty because certain assets have not been transferred by the RDA to the Successor Agency, the SCO apparently misunderstands the structure of AB1x 26 and AB 1484. HSC Section 34175(b) provides that "[a]ll assets, properties, contracts, leases, books and records, buildings, and equipment of the former redevelopment agency are transferred on February 1, 2012, to the control of the successor agency, for administration pursuant to the provisions of this part. This includes all cash or cash equivalents and amounts owed to the redevelopment agency as of February 1, 2012." HSC Section 34175(b) states that the assets "are transferred" to the Successor Agency on February 1, 2012, not that redevelopment agencies "shall transfer" assets to successor agencies as of that date. Nothing in AB1x 26 or AB 1484 requires any affirmative action to be taken to effectuate this transfer. Had an affirmative transfer been required, it would have created legal turmoil as some agencies would, invariably, have failed to make the required transfers before being dissolved and ceasing to exist on February 1, 2012; those assets not transferred on time would have no clear ownership or any statutorily authorized way to resolve such ownership dilemma.

Thus, in accordance with HSC Section 34175(b), any and all assets owned by the RDA as of February 1, 2012 (collectively referred to herein as "Successor Agency Assets") were transferred to the Successor Agency by operation of law; no affirmative action to transfer these assets is needed. Additionally, it is irrelevant what books, ledgers or accounts may say regarding the ownership of these Successor Agency Assets, as they are legally owned by the Successor Agency regardless of any such designation.

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Further, the Successor Agency Assets do not belong to the City and never have (within relevant time periods) belonged to the City. The City is unable to transfer these assets or cause these assets to be transferred to the Successor Agency, as the assets are already held by the Successor Agency.

General Comments

In addition to the foregoing, we have found several mistakes within the report, as follows:

Draft ATR, Page 2, first paragraph, reads, "The SCO has identified transfers of assets that occurred during that period between the City of San Bernardino RDA, the City of San Bernardino, and/or other public agencies." The record does not reflect any transfers of assets by the former RDA to the City or other public agencies. We have no idea what the SCO is referring to in this paragraph.

Draft ATR, Page 2, second bullet in the Objectives, Scope and Methodology section, reads, "Reviewed meeting minutes, resolutions and ordinances of the San Bernardino City Council, the Community Development Commission, and the San Bernardino Economic Development Agency." This narrative is erroneous as the San Bernardino Economic Development Agency has never had any meeting minutes, resolutions or ordinances.

Draft ATR, Page 3, first paragraph, makes a reference to James P. Simpson, Director of Finance. The City's Director of Finance is Mr. Jason Simpson.

Draft ATR, Page 5, in the narrative immediately preceding the final paragraph, there is a reference to the "overnight board". This erroneous reference to what should be the "oversight board" appears in several places in the report. We recommend that the SCO use the find and replace function in Word to globally correct this error.

Draft ATR, Schedule 2, the reference to RDA South Valley should be to RDA South Valle.

Draft ATR, Schedule 4, page 24, the reference to "Fund: South Valley" should be to "Fund: South Valle".

Draft ATR, Schedules 3 and 4, there are a multitude of capitalization errors. The report needs more careful proofreading prior to release.

General Comment, given that the SCO staff spent several weeks in the City of San Bernardino pursuing discovery, the Successor Agency does not understand why there are so many errors within the Draft ATR. The Successor Agency requests that the SCO carefully proofread the final ATR before releasing it.

Proposed Settlement Agreement with Department of Finance

In addition to the above, during its October 30, 2012 meeting with Department of Finance ("DOF"), Successor Agency representatives explained the history and dire nature of its approximately $15 million immediate cash flow deficiency and offered solution options to the problem as a means of avoiding bankruptcy proceedings on behalf of the Successor Agency. Successor Agency staff explained to the DOF that SBEDC is not a public agency, nor is SBEDC a corporation created by the City of San Bernardino. Rather, SBEDC is a nonprofit corporation formed by the former RDA (through the CDC) to assist the former RDA in the performance of its governmental functions. During that meeting, it was ultimately suggested that the DOF, Successor Agency and SBEDC enter into a settlement agreement that provides for: i) the SBEDC to immediately pursue the sale of four properties previously owned by the RDA to raise moneys to solve the Successor Agency's current cash flow deficiency/insolvency; ii) SBEDC would agree to transfer the balance of the SBEDC Assets to the Successor Agency for disposition pursuant to the Successor Agency's Long-Range Property Management Plan in accordance with the provision of AB1x 26 and AB 1484; and iii) upon sale of the four identified sites, the SBEDC would transfer the net sale proceeds to the Successor Agency and thereafter those funds would be used to pay for Successor Agency enforceable obligations that would otherwise be (or currently are) in default.

As of the date of this letter, the proposed settlement remains under review by the DOF. The Successor Agency anticipates receiving DOF's response to the proposed settlement by December 15, 2012. Anticipating a positive response, the Successor Agency recommends that the SCO revise the Draft ATR to include a reference to the proposed settlement agreement and provide that the Draft ATR will be finalized following execution of the settlement agreement.

The Successor Agency recommends that the SCO revise the Draft ATR in a manner consistent with the suggestions in this letter and provide the Successor Agency with the revised draft for further review and comment. If you have any questions, please contact me at (909) 384-5122.

Sincerely,

Andrea W. Travis-Miller

CITY OF SAN BERNARDINO
Andrea Travis-Miller
Interim City Manager

TB:lc

Cc: Teri Baker, City of San Bernardino Assistant to the City Manager
Jason Simpson, City of San Bernardino Finance Director
Scott Freesmeier, Audit Manager, SCO Division of Audits
Si Lau, Auditor-in-Charge, SCO Division of Audits

ITEM 8

Status Update on Follow-Up Related to Oversight Board Inquiry Regarding Supplemental Legal Services

Exhibit A: RFP/RFQ for Legal Services for the Oversight Board to the Successor Agency of the City of Rialto

REQUEST FOR PROPOSAL (RFP)/REQUEST FOR QUALIFICATIONS (RFQ) FOR LEGAL SERVICES FOR THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIALTO

August 20, 2012

Under AB 1x 26 (Chapter 5, Statutes of 2011), an Oversight Board was established to oversee the actions of the Successor Agency to the dissolved Redevelopment Agency of the City of Rialto (Rialto SA). The Oversight Board is seeking the services of an attorney with a professional law firm or an experienced sole practitioner to serve as Legal Counsel to the Oversight Board to provide counsel with respect to Oversight Board operations, lending practices for development projects and other activities required or permitted to be taken by the Oversight Board pursuant to AB 1x 26.

The term of the engagement would be for the remainder of fiscal year 2012-2013 and the contract would be subject to annual extensions until the Oversight Board completes its work and is dissolved or is merged with the other oversight boards in San Bernardino County in 2016 as required under AB 1x 26. Either party will have the right to terminate the engagement with 90 days prior written notice.

The selected Legal Counsel will advise the Oversight Board and be supported by Rialto SA staff, and would be expected to work closely with legal counsel for the various taxing entities represented on the Oversight Board or who receive property tax revenues within the merged redevelopment project area. The current Oversight Board members are as follows:

Bob Page (Chair) County of San Bernardino	**Ed Scott (Vice Chair)** City of Rialto
Pauline Tidler County of San Bernardino-Public Member	**John Walton** City of Rialto-Employee
Casey Cridelich Rialto Unified School District	**Carleton W. Lockwood Jr** San Bernardino Community College District
Doug Headrick San Bernardino Municipal Water District	

To prevent conflicts of interest, the selected Oversight Board Legal Counsel and its firm may not engage in any representations adverse to the Oversight Board or any agency making an appointment to the Oversight Board, nor could it represent private developers that are parties to existing contracts with the dissolved Redevelopment Agency of the City of Rialto for redevelopment projects which have not yet been completed. Law firms and sole practitioners currently under contract with one or more agencies that make appointments to the Oversight Board and the other

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taxing entities may apply, but it is preferable that Oversight Board Legal Counsel be independent from all such agencies. For firms that represent agencies in litigation matters only, conflict waivers must be obtained to enable the Oversight Board to select such firm or practitioner.

Pursuant to AB 1x 26, the Rialto SA is responsible for the cost of any legal services to be provided to the Oversight Board. For this reason, the selected Legal Counsel will be required to enter into the City's Legal Services Agreement. A sample of the agreement is attached. **[John: Does the City have a form legal services agreement that you can attach?]**

The scope of services the selected Legal Counsel will be required to provide is likely to include, but is not necessarily limited to, the following:

- Advise the Oversight Board regarding the legal authority and potential liability for actions taken by the Oversight Board pursuant to AB x1 26.
- Advise the Oversight Board on actions necessary to protect the Oversight Board members from personal liability and to protect the assets of the dissolved redevelopment agency from liability and attachment.
- Review and advise the Oversight Board on recommendations received from Rialto SA staff, including with respect to enforceable obligations, property disposition, refinancing matters, and completion of development projects.
- Provide information and advice regarding legislative matters which may affect the Oversight Board.
- Represent the Oversight Board in connection with any inquiry, investigation, audit or other proceedings of state regulatory agencies that may impact the Oversight Board.
- Represent the Oversight Board in any litigation brought by or against or otherwise involving the Oversight Board, or assist the Oversight Board in contracting for specialized litigation counsel and overseeing outside counsel's work.
- Engage in any other legal matter reasonably requested by the Oversight Board.

Experience/Qualifications:

The selected Legal Counsel must have experience advising public entities with respect to the Ralph M. Brown Act, the Political Reform Act and the Public Records Act. Additionally, experience with public contracting, public finance (bonds), real property disposition and development, redevelopment law and lending is also strongly desired.

Submittal Content:

1) A brief cover letter with the name and contact information for the proposed lead attorney.

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2) Description of the qualifications and experience of the proposed lead attorney and any other attorneys to be assigned to work for the Oversight Board in the areas of law listed above.

3) Three client references for each attorney listed in the proposal.

4) List of current hourly rates for each attorney and support staff proposed to be assigned to work for the Oversight Board as well as the basis for other fees and costs to be charged in connection with the representation.

Submittal Procedures:

Please submit three (3) copies of your proposal by 4:00 p.m. Tuesday, September 4, 2012 to the City of Rialto, 150 S. Palm Avenue, Rialto, CA 92376, Attention: John Dutrey.

All inquiries should be directed to John Dutrey, in writing, at jdutrey@rialtoca.gov.

Rialto SA staff, along with members of the Oversight Board and (if authorized by the Oversight Board) representatives from the other taxing entities will conduct an initial review and evaluation of all proposals to select interview candidates. Interviews are tentatively scheduled for _____, 2012.

The Oversight Board reserves the right to reject any and all submittals and to waive minor inconsistencies. The cost of preparing responses to this Request for Proposals shall be borne by the respondents and will not be reimbursed by the Oversight Board or the Rialto SA.

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