

**HOUSING SUCCESSOR ANNUAL REPORT
REGARDING THE LOW AND MODERATE INCOME HOUSING ASSET FUND
FOR FISCAL YEAR 2017-2018 PURSUANT TO
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f) FOR THE
VISTA HOUSING SUCCESSOR AGENCY**

This Housing Successor Annual Report (Report) regarding the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1 (f) and is dated December 21, 2018. This Report sets forth certain details of the Vista Community Development Commission (Housing Successor) activities during Fiscal Year 2017-2018. The purpose of this Report is to provide the governing body of the Housing Successor an annual report of the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information prepared by Community Development Commission staff and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund for Fiscal year 2017-2018 as prepared by LSL Certified Public Accounts, which Audit is separate from this annual summary Report; further, this Report conforms with and is organized into sections I. through XII., inclusive, pursuant to Section 34176.1 (f) of the Dissolution Law:

The Report is organized into the following sections pursuant to HSC Section 34176.1(f):

1. LOAN REPAYMENT PER SECTION 34191.4(B)(3)(A)

This section provides the total amount of funds paid to the City and the amount deposited into the LMIHAF allocable to 20% of the repayments on the reinstated City/Agency loan per Section 34191.4.

During the fiscal year, the City of Vista received a total of \$1,051,345 for reinstated loan agreements under Code section 34191.4(b)(3)(A), 20 percent (\$210,269) of which was deposited into the LMIHAF in accordance with Code Section 34191.4(b)(3)(C), as set forth in section II below.

I. AMOUNT DEPOSITED INTO LMIHAF

This section provides the total amount of funds deposited into the LMIHAF during the Fiscal Year. Any amounts deposited pursuant to Code section 34191.4(b)(3)(B) or (C), and any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS), must be distinguished from other deposited amounts.

A total of \$1,384,100 was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, a total of \$0 was held for items listed on the ROPS, a total of \$1,003,911 was deposited as a SERAF Loan repayment listed on ROPS, and \$210,269 was deposited from reinstated loan agreements listed on ROPS.

II. ENDING BALANCE OF LMIHAF:

This section provides a statement of the balance in the LMIHAF as of the close of the Fiscal Year. Any amounts held for items listed on the ROPS must be distinguished from the other amounts held in the LMIHAF.

At the close of the Fiscal Year, the ending balance in the LMIHAF was \$16,809,585 of which \$0 is held for items listed on the ROPS.

III. DESCRIPTION OF EXPENDITURES FROM LMIHAF

This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year by category.

The following is a description of expenditures from the LMIHAF by category:

| | | |
|---|----------|------------------|
| Monitoring and Administration Expenditures | | \$92,592 |
| Homeless Prevention and Rapid Rehousing Services Expenditures | | \$140,000 |
| Housing Development Expenditures | | \$123,567 |
| Expenditures on Low Income Units | \$58,279 | |
| Expenditures on Very Low-Income Units | \$29,663 | |
| Expenditures on Extremely-Low Income Units | \$35,625 | |
| Total LMIHAF Expenditures in Fiscal Year | | \$356,159 |

IV. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF

Under the Dissolution Law and for purposes of this Report, the "statutory value of real property" means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer schedule (HATS) approved by the Department of Finance as listed in such schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Authority, as housing successor, pursuant to Section 34181(f), and the purchase price of property(ies) purchased by the Housing Authority, as housing successor,. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor:

| FY 2017-2018 | |
|---|----------------------|
| Statutory Value of Real Property Owned by Housing Successor | \$ 10,144,511 |
| Value of Loans and Grants Receivable | \$ 1,603,181 |
| Total | \$ 12,739,692 |

V. DESCRIPTION OF TRANSFERS TO OTHER HOUSING SUCCESSORS

This section describes any transfers from the LMIHAF to another housing successor made in previous Fiscal Years pursuant to Code section 34176.1(c)(2), including whether the funds are unencumbered and the status of any projects for which the transferred funds will be used.

The Housing Successor did not make any LMIHAF transfers to other Housing Successor(s) under Section 34176.1(c) (2) during the Fiscal Year.

VI. PROJECT DESCRIPTIONS

This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.

The Housing Successor does not receive or hold property tax revenue pursuant to the ROPS.

VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

As and if applicable, this section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, provide a status update on the project.

The following provides a status update on the real property or properties housing asset(s) that were acquired prior to February 1, 2012 and compliance with five-year period:

| No. | Assessor Parcel No. | Street Address | Status |
|-----|-------------------------------------|-----------------------------------|---|
| 1 | APN 175-274-10 | 230 S. Santa Fe Avenue | Sold 1/13/2015 |
| 2 | APN 179-051-11 | 657 S. Santa Fe Avenue | Sold 12/27/2016 |
| 3 | APN 179-022-22 | 603 S. Santa Fe Avenue | Sold 4/1/2016 |
| 4 | APN 179-023-11 | 531 Mercantile Street | Traded for City Property |
| 5 | APN 175-302-04, 06, 07, 15, 16 & 25 | 201 S. Santa Fe Avenue | Ground Lease for Paseo Pointe, 69 unit Affordable Housing Project |
| 6 | APN 175-300-54 & 55 | 751 E. Vista Way | Sold 7/30/18 |
| 7 | APN 179-022-02, 05 & 06 | 505, 515 - 517 S. Santa Fe Avenue | Traded for City Property |
| 8 | APN 179-041-05, 06, 07 & 08 | 514 - 526 S. Santa Fe Avenue | Traded for City Property |
| 9 | APN 179-093-18, 23, 30, 32 & 34 | 420 Lado de Loma | Sold 07/12/18 |

The following provides a status update on the project(s) for property or properties that have been acquired by the Housing Successor using LMIHAF on or after February 1, 2012:

| No. | Assessor Parcel No. | Street Address | Status |
|-----|--------------------------|---|---|
| 1 | APN 175-277-03 | 133 S. Santa Fe Avenue | Ground Lease for Paseo Pointe, 69 unit Affordable Housing Project |
| 2 | APN 175-131-23 & 24 | 345 N. Santa Fe Avenue | Ground Lease for N. Santa Fe Apartments, 68 unit Affordable Housing Project |
| 3 | APN 179-022-01, 07, & 23 | 501 – 503, 519 & 521 S. Santa Fe Avenue | DDA to construct up to 65 units of large family affordable units. |

VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

Replacement Housing: According to the 2010-2014 Implementation Plan for the former redevelopment agency, no Section 33413(a) replacement housing obligations were transferred to the Housing Successor. The former redevelopment agency's Implementation Plans are posted on the City's website at www.cityofvista.com.

Inclusionary/Production Housing: According to the 2010-2014 Implementation Plan for the former redevelopment agency, no Section 33413(b) inclusionary/production housing obligations were transferred to the Housing Successor. The former redevelopment agency's Implementation Plans are posted on the City's website at www.cityofvista.com.

IX. EXTREMELY-LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by household earning 30% or less of the AML.

This information is not required to be reported until 2019 for the 2014-2019 period.

X. SENIOR HOUSING TEST

Section 34176.1(f)(11) requires that the Housing Successor provide the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former redevelopment agency and its host jurisdiction within the same time period.

| Project | Units | Senior or Family |
|----------------------------|--------------------------|----------------------------------|
| Cedar Nettleton Apartments | 68 | Family |
| The Grove | 81 (not yet constructed) | Senior |
| North Santa Fe | 67 | Family |
| Paseo Pointe | 68 | Family |
| Paseo Artist Village | 65 (not yet constructed) | Family |
| 347 Total Units | | 23 Percent Senior Housing |

XI. EXCESS SURPLUS TEST

Excess Surplus is defined in Section 34176.1(d) as an unencumbered amount in the account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the Housing Successor's preceding four Fiscal Years, whichever is greater.

As reported in the December 2018 Audit performed by LSL Certified Public Accountants, the LMIHAF does not have an Excess Surplus.

XII. HOMEOWNERSHIP UNITS IN HOUSING SUCCESSOR LOAN PORTFOLIO

An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund pursuant to subdivision (f) of Section 33334.3. This inventory shall include all of the following information:

A. The number of those units

- 45 units as of February 1, 2012.

B. In the first report pursuant to this subdivision, the number of units lost to the portfolio after February 1, 2012, and the reason or reasons for those losses. For all subsequent reports, the number of the units lost to the portfolio in the last fiscal year and the reason for those losses.

- 18 units were lost from the portfolio since February 1, 2012 due to repayment of the loans.
- One loan was repaid in Fiscal Year 2017-2018.

C. Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund.

- In Fiscal Year 2017-2018 the Housing Authority received \$46,468.

D. Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

- The Housing Authority of the City of Vista has not contracted with an outside entity for the management of the units.