

**HOUSING SUCCESSOR ANNUAL REPORT
REGARDING THE
LOW AND MODERATE INCOME HOUSING ASSET FUND
FOR FISCAL YEAR 2014-2015
PURSUANT TO
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)
FOR THE
CITY OF WEST COVINA**

The Housing Successor Annual Report (Report) of the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to Section 34176.1(f) of the California Health and Safety Code and is dated December 29, 2015. This Report sets forth certain details of the City of West Covina (Housing Successor) activities during Fiscal Year 2014- 2015 (Fiscal Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on 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 Housing Successor staff and information contained within the West Covina Housing Authority Financial Report (Audit) for Fiscal Year 2014-2015 as prepared by White Nelson Diehl Evans LLP (Audit), which Audit is separate from this annual summary Report; further, this Report conforms with and is organized into sections I. through XI., inclusive, pursuant to Section 34176.1(f) of the Dissolution Law:

I. Amount of City/Agency Loan Repayment: This section provides the amount the City received in repayment of reinstated City/Agency loans during the Fiscal Year pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 34191.4.

During the fiscal year ending June 30, 2015, the City received a total amount of \$0 in repayment of loans previously made by the City to the former redevelopment agency.

II. Amount Deposited into LMIHAF: This section provides the total amount of funds deposited into the LMIHAF during the fiscal year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.

A total of \$353,427 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.

III. 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 deposited for items listed on the ROPS must be distinguished from the other amounts deposited.

At the close of the fiscal year, the ending balance in the LMIHAF was \$2,777,995, of which \$0 was held for items listed on the ROPS.

IV. Description of Expenditures from LMIHAF: The following is a description of expenditures from the LMIHAF by category:

Fiscal Year	
Monitoring & Administration Expenditures	\$779,341
Homeless Prevention and Rapid Rehousing Services Expenditures	\$0
Housing Development Expenditures	\$0
➤ Expenditures on Low Income Units	
➤ Expenditures on Very-Low Income Units	
➤ Expenditures on Extremely-Low Income Units	
➤ Total Housing Development Expenditures	
Total LMIHAF Expenditures in Fiscal Year	\$779,341

V. Statutory Value of Assets Owned by Housing Successor: This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

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 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 Successor pursuant to Section 34181(f), and the purchase price of property purchased by the Housing Successor. Further, the value of loans and grants receivable is included in the reported assets held in the LMIHAF.

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

<i>Statutory Value of Real Property</i>	\$ -
<i>Value of Loans and Grants Receivable</i>	<u>\$ 14,808,900</u>
<i>Total Value of Housing Successor Assets</i>	<u>\$ 14,808,900</u>

VI. Description of Transfers: This section describes transfers, if any, to another housing successor agency made in previous fiscal year(s), including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfers must be for the development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.

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

VII. 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.

Project Name	Status of Project
Heritage Park Senior Apartments	Monitoring of Housing Compliance for 14 Multifamily Units (units are restricted for Senior Housing).
Lark Ellen Village	Monitoring of Housing Compliance for 121 Multifamily Units (88 units are restricted for Senior Housing).
Mauna Loa Apartments	Monitoring of Housing Compliance for 12 Multifamily units.
The Promenade	Monitoring of Housing Compliance for 124 Multifamily units.
Senior Villas I	Monitoring of Housing Compliance for 85 Multifamily Units (units are restricted for Senior Housing).
Senior Villas II	Monitoring of Housing Compliance for 64 Multifamily Units (units are restricted for Senior Housing).
Housing Preservation Loan Program	Administer program, process demand payoffs, research deed and title search, release of full reconveyance and liens and recordation.
Housing Improvement Loan Program	Administer program, process demand payoffs, research deed and title search, release of full reconveyance and liens and recordation.
First Time Homebuyers	Administer program, process release of full Reconveyance, liens, and recordation. Process subordination agreement to allow for refinance.
Revised Housing Preservation Loan Program	Develop revised loan program pursuant to new legislation (SB341).

VIII. Status of Compliance with Section 33334.16: Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; however, this Report presents a status update on the project related to such real property.

With respect to interests in real property acquired by the former redevelopment agency prior to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset. In furtherance thereof, the Housing Successor does not have any real property.

IX. Description of Outstanding Obligations under Section 33413: This section describes the outstanding inclusionary and replacement housing obligations, if any, under Section 33413 that remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012 along with the Housing Successor's progress in meeting those prior obligations, if any, of the former redevelopment agency and how the Housing Successor's plans to meet unmet obligations, if any.

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 <http://westcovina.org/departments/community-and-economic-development/successor-agency/redevelopment-implementation-plan>

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 <http://westcovina.org/departments/community-and-economic-development/successor-agency/redevelopment-implementation-plan>

X. Income Test: This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for a five year period, with the period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.

There is nothing to report at this time.

XI. Senior Housing Test: This section provides the percentage 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 ten 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. For this Report the ten-year period reviewed is July 1, 2004 through July 1, 2014.

The following provides the Housing Successor's Senior Housing Test- Reporting requirements for Implementation Plans pursuant to CRL Section 33490 (a)(2)(C)(iv):

251 Assisted Senior Rental Units
420 Total Assisted Rental Units
59.76% Senior Housing Percentage

XII. Excess Surplus Test: This section provides the amount of excess surplus (unencumbered funds) in the LMIHAF, exceeding one million or the aggregate amount deposited in the fund over the preceding four fiscal years if any, and the length of time that the Housing Successor has had excess surplus, and the Housing Successor's plan for eliminating the excess surplus.

The LMIHAF does not have an excess surplus.