

**HOUSING SUCCESSOR ANNUAL REPORT  
REGARDING THE  
LOW- AND MODERATE- INCOME HOUSING ASSET FUND  
FOR FISCAL YEAR 2013-14  
PURSUANT TO  
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)  
FOR  
THE LONG BEACH COMMUNITY INVESTMENT COMPANY**

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 as of March 18, 2015. This Report sets forth certain details of the Long Beach Community Investment Company (Housing Successor) activities during Fiscal Year 2013-14 (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 financial records of the Low- and Moderate- Income Housing Asset Fund Fiscal Year 2013-14. This Report conforms with and is organized into sections I. through XII. Inclusive, pursuant to Section 34176.1(f) of the Dissolution Law:

- I. **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.
- 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 deposited for items listed on the ROPS must be distinguished from the other amounts deposited.
- III. **Description of Expenditures from LMIHAF:** This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year. The expenditures are to be categorized.
- IV. **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.

- V. **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.
- 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.
- VII. **Status of Compliance with Section 33334.16:** 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.
- VIII. **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.
- IX. **Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.
- X. **Senior Housing Test:** This section provides 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. For this Report the ten-year period reviewed is October 1, 2004 to October 1, 2014.
- XI. **Excess Surplus Test:** This section provides the amount of excess surplus in the LMIHAF, 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.

**XII. Inventory of Homeownership Units Subject to Covenants or Restrictions:** This section provides an inventory of homeownership units assisted by the housing successor that are subject to covenants or restrictions or to an adopted program that protects the investment of moneys from the Low- and Moderate- Income Housing Fund.

This Report is to be provided to the Housing Successor's governing body by March 31, 2015. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the City's website: [http://www.lbds.info/housing\\_and\\_community\\_improvement/lbcic/default.asp](http://www.lbds.info/housing_and_community_improvement/lbcic/default.asp) and [http://www.longbeachrda.org/publications/redevelopment\\_implementation\\_plans/default.asp](http://www.longbeachrda.org/publications/redevelopment_implementation_plans/default.asp), respectively.

#### **I. AMOUNT DEPOSITED INTO LMIHAF**

Source	Amount
Land Sale Proceeds	\$ 758,040
Loan Repayments	\$ 83,770
Interest Earned	\$ 112,923
Use of Money & Property	\$ 74,140
Miscellaneous Fees, Charges, Permits	\$ 22,447
<b>Total for Non-ROPS items</b>	<b>\$1,051,320</b>
Successor Agency Loan Deferral Payment (ROPS Requested Reimbursement)	\$8,848,132
<b>Total from all sources deposited in FY 2013-14</b>	<b>\$9,899,452</b>

A total of \$9,899,452 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.

#### **II. ENDING BALANCE OF LMIHAF**

Balance of LMIHAF as of 9/30/14	
Previous Balance	\$ 8,937,605
Current Non-ROPS Deposits	\$1,051,320
ROPS Requested Repayment of Successor Agency Loan Deferral	\$ 8,848,132
Expenditures	\$ (1,312,178)
<b>Ending Balance</b>	<b>\$17,524,879</b>

At the close of the Fiscal Year, the ending balance in the LMIHAF was \$17,524,879 of which \$0 is held for items listed on the ROPS.

### III. DESCRIPTION OF EXPENDITURES FROM LMIHAF

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

Source	Amount
Monitoring	\$ 226,988
Housing Activities and Administration	\$1,085,190
<b>Total Expenditures in Fiscal Year</b>	<b>\$1,312,178</b>

### 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 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(ies) purchased by the 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.

As of End of Fiscal Year	
Value of Loans Receivable	\$ 62,952,553
Successor Agency Loan Receivable	\$ 16,849,685
Value of Land with Structures (321 7 <sup>th</sup> )	\$ 1,107,763
Value of Land Held for Resale	\$ 1,415,378
<b>Total Value of Housing Successor Assets</b>	<b>\$ 82,325,379</b>

### V. DESCRIPTION OF TRANSFERS

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

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

## VII. 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 projects 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.

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

Address of Property	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
1900, 1908-10 Long Beach Blvd.	2/23/2007	March 22, 2018	An RFP is being developed and will be released in 2016
1500 Pine Ave Unit 8	8/03/2011	March 22, 2018	Unit was sold in September 2014 to a low-income buyer
1339/1347/1411 Pine and 105 W 14 <sup>th</sup> St.	10/29/2004	March 22, 2018	An RFP has been prepared and will be released in 2015
469 W 17 <sup>th</sup> Street 1718 Magnolia Ave 1730 Magnolia Ave 1732-34 Magnolia Ave 1736 Magnolia Ave	10/31/2006 10/31/2006 4/09/2007 12/29/2006 2/12/2007	March 22, 2018	An RFP is being developed and will be released in 2016
1842 Locust Ave	1/29/2007	March 22, 2018	An RFP has been prepared, and will be released in 2015
1348 Pacific	1/22/2007	March 22, 2018	An RFP has been prepared and will be released in 2015

No properties were acquired by the Housing Successor using LMIHAF on or after February 1, 2012.

## **VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413**

**Replacement Housing:** Based on The Affordable Housing Compliance Plan contained within the former Redevelopment Agency's 2010-2014 Implementation Plan, 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://www.longbeachrda.org/publications/redevelopment\\_implementation\\_plans/default.asp](http://www.longbeachrda.org/publications/redevelopment_implementation_plans/default.asp)

**Inclusionary/Production Housing.** Based on 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://www.longbeachrda.org/publications/redevelopment\\_implementation\\_plans/default.asp](http://www.longbeachrda.org/publications/redevelopment_implementation_plans/default.asp)

## **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 households earning 30% or less of the AMI. If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five-year report, then the Housing Successor must ensure that at least 50% of the funds remaining in the LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement. This information is not required to be reported until 2019 for the 2014 – 2019 period.

## **X. SENIOR HOUSING TEST**

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds in the LMIHAF to assist additional senior housing units until the Housing Successor or City assists and

construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10-year period of October 1, 2004 - October 1, 2014.

Senior Housing Test	10 Year Test
Number of Assisted Senior Rental Units	415
Number of Total Assisted Rental Units	1075
<b>Senior Housing Percentage</b>	<b>39%</b>

## 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.

The following provides the Excess Surplus test for the preceding four Fiscal Years:

Excess Surplus Calculation	
Sum of Deposits Over Prior Four Fiscal Years*	\$ 9,275,186
Current Reporting Year Opening Balance (Oct. 1, 2014)	\$ 8,937,605
Larger of Sum of Deposits or \$1 Million	\$ 9,275,186
Excess Surplus	0

\*Since the Excess Surplus calculation relates to a four-year calculation and the Housing Successor has not been in existence for that period, the determination is that during this period the LMIHAF does not have an Excess Surplus. A true test cannot be performed until FY 2017.

## XII. INVENTORY OF HOMEOWNERSHIP UNITS SUBJECT TO COVENANTS OR RESTRICTIONS

Homeownership Inventory	
Number of units subject to covenants or restrictions	319
Number of units lost to the portfolio after February 1, 2012	8
Funds returned to the housing successor as part of an adopted program	\$ 83,770

The housing successor has NOT contracted with any outside entity for the management of the units.