

**CITY OF IRVINE HOUSING SUCCESSOR ANNUAL REPORT  
FOR  
LOW AND MODERATE INCOME HOUSING ASSET FUND  
FOR FISCAL YEAR 2015-2016**

The City of Irvine Housing Successor Annual Report (Report) for the Low and Moderate Income Housing Asset Fund (FUND) has been prepared pursuant to California Health and Safety Code Section 34176.1(f). The Report sets forth certain details of the City of Irvine Housing Successor (Housing Successor) activities during Fiscal Year 2015-2016 (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 Report is based upon information prepared by Housing Successor staff and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund for Fiscal Year 2015-2016 as prepared by White Nelson Diehl Evans LLP dated November 1, 2016 (Audit). The Audit is separate from this Report and is included as part of the City's Comprehensive Annual Financial Report submitted to the City Council for the November 22, 2016 meeting. This Report conforms with and is organized into Sections I through XIII inclusive pursuant to Health and Safety Code Section 34176.1(f) of the Dissolution Law as follows:

- (1) The amount the city, county, or city and county received pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 34191.4.
- (2) The amount deposited to the Low and Moderate Income Housing Asset Fund, distinguishing between amounts deposited pursuant to subparagraphs (B) and (C) of paragraph (3) of subdivision (b) of Section 34191.4, amounts deposited for other items listed on the Recognized Obligation Payment Schedule, and other amounts deposited.
- (3) A statement of the balance in the fund as of the close of the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule from other amounts.

- (4) A description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the Redevelopment Agency or the housing successor and administering the activities described in paragraphs (2) and (3) of subdivision (a), (B) for homeless prevention and rapid rehousing services for the development of housing described in paragraph (2) of subdivision (a), and (C) for the development of housing pursuant to paragraph (3) of subdivision (a).
- (5) As described in paragraph (1) of subdivision (a), the statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.
- (6) A description of any transfers made pursuant to paragraph (2) of subdivision (c) in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.
- (7) A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.
- (8) For interests in real property acquired by the former Redevelopment Agency prior to February 1, 2012, a status update on compliance with Section 33334.16. For interests in real property acquired on or after February 1, 2012, a status update on the project.
- (9) A description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former Redevelopment Agency.
- (10) The information required by subparagraph (B) of paragraph (3) of subdivision (a) of Section 34191.4.
- (11) 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.

- (12) The amount of any excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor's plan for eliminating the excess surplus.
- (13) 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.
  - (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.
  - (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.
  - (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.

This Report is to be provided to the Housing Successor's governing body. 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 [www.cityofirvine.org](http://www.cityofirvine.org).

#### **I. AMOUNT CITY RECEIVED IN LOAN REPAYMENTS**

The Housing Successor does not have any outstanding loans that are to be repaid into the FUND during the Fiscal Year.

#### **II. AMOUNT DEPOSITED INTO FUND**

No moneys were deposited into the FUND during the Fiscal Year.

#### **III. ENDING BALANCE OF FUND**

At the close of the Fiscal Year, the ending balance in the FUND was \$0.00

**IV. DESCRIPTION OF EXPENDITURES FROM FUND**

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

<b>Fiscal Year 2015/16</b>	
<b>Monitoring and Administration Expenditures</b>	<b>\$0.00</b>
<b>Homeless Prevention and Rapid Rehousing Services Expenditures</b>	<b>\$0.00</b>
<b>Housing Development Expenditures</b>	
➤ <b>Expenditures on Low-Income Units</b>	<b>\$0.00</b>
➤ <b>Expenditures on Very Low-Income Units</b>	<b>\$0.00</b>
➤ <b>Expenditures on Extremely Low-Income Units</b>	<b>\$0.00</b>
➤ <b>Total Housing Development Expenditures</b>	<b>\$0.00</b>
<b>Total FUND Expenditures in Fiscal Year</b>	<b>\$0.00</b>

**V. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR IN FUND**

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 FUND.

The Housing Successor owned no assets as of the end of the Fiscal Year.

<b>As of End of Fiscal Year</b>	
<b>Statutory Value of Real Property Owned by Housing Authority</b>	<b>\$0.00</b>
<b>Value of Loans and Grants Receivable</b>	<b>\$0.00</b>
<b>Total Value of Housing Successor Assets</b>	<b>\$0.00</b>

**VI. DESCRIPTION OF TRANSFERS**

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

## **VII. PROJECT DESCRIPTIONS**

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

## **VIII. STATUS OF COMPLIANCE WITH SECTION 33334.16**

The Housing Successor does not have any real property acquired with Low and/or Moderate Income funds.

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

**Replacement Housing:** According to the 2010-2015 Implementation Plan for the former Redevelopment Agency, no Section 33413(a) replacement housing obligations were transferred to the Housing Successor.

**Inclusionary/Production Housing.** According to the 2010-2015 Implementation Plan for the former Redevelopment Agency, no Section 33413(b) inclusionary/production housing obligations were transferred to the Housing Successor.

## **X. EXTREMELY-LOW INCOME TEST**

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30 percent of the FUND to be expended for development of rental housing affordable to and occupied by households earning 30 percent or less of the Area Median Income. 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 percent of the funds remaining in the FUND be expended in each fiscal year following the latest fiscal year following the report on households earning 30 percent or less of the Area Median Income 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.

## **XI. 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 percent, then the Housing Successor cannot expend future funds in the FUND 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 percent 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 2006 - 2016:

<b>Senior Housing Test</b>		<b>2006-2016</b>
<b># of Assisted Senior Rental Units</b>		0
<b># of Total Assisted Rental Units</b>		134
<b>Senior Housing Percentage</b>		0 %

## **XII. 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 FUND 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:

<b>Available Housing Funds – Fiscal Year 2015/16</b>	
<b>FUND Balance FY 2015/16</b>	\$0.00
<b>(Less) Accounts Receivable</b>	\$0.00
<b>(Less) Other Accrued Revenue</b>	\$0.00
<b>(Less) Notes and Loans</b>	\$0.00
<b>(Less) Land Held Resale</b>	\$0.00
<b>Available Housing Funds – FY 2015/16</b>	\$0.00

<b>Limitation on Available Housing Funds – Fiscal Year 2015/16</b>	
<b>Greater of:</b>	
➤ <b>Base Amount</b>	\$1,000,000.00
➤ <b>Four Years of Deposits</b>	
<b>FY 2012/13</b>	\$0.00
<b>FY 2013/14</b>	\$0.00
<b>FY 2014/15</b>	\$0.00
<b>FY 2015/16</b>	\$0.00
<b>Total Deposits</b>	\$0.00
<b>Limitation on Available Housing Funds – FY 2015/16</b>	\$1,000,000.00

The Fiscal Year Available Housing Funds total \$0.00, which is less than the \$1,000,000 limitation on Available Housing Funds for the Fiscal Year. Therefore, the FUND does not have an Excess Surplus.

### **XIII. INVENTORY OF HOME OWNERSHIP**

The Housing Successor does not have an existing inventory of homeownership units that were 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.