



HOUSING SUCCESSOR ANNUAL REPORT
Chula Vista Housing Authority

Fiscal Year 2018-19

TABLE OF CONTENTS

TABLE OF CONTENTS	1
INTRODUCTION	1
HOUSING SUCCESSOR REQUIREMENTS.....	1
ASSETS TRANSFERRED TO HOUSING SUCCESSOR.....	2
HOUSING ASSET FUND ACTIVITY	2
EXPENDITURE LIMIT COMPLIANCE.....	3
SENIOR HOUSING LIMIT COMPLIANCE	5
DEPOSITS AND FUND BALANCE	6
EXCESS SURPLUS.....	7
TRANSFERS TO OTHER HOUSING SUCCESSORS	8
HOUSING SUCCESSOR PORTFOLIO	8
LOANS RECEIVABLE.....	9
PROPERTY DESCRIPTIONS AND DISPOSITION STATUS.....	12
HOMEOWNERSHIP UNIT INVENTORY	12
APPENDIX 1 - HOUSING SUCCESSOR ANNUAL REPORT REQUIREMENTS.....	14
APPENDIX 2 – HOUSING ASSET TRANSFER FORM	15
APPENDIX 3 – HOUSING ASSET FUND EXPENDITURE REQUIREMENTS	16

INTRODUCTION

The Chula Vista Housing Authority (“Housing Authority”) is the Housing Successor Agency to the former Chula Vista Redevelopment Agency (“Agency”). The Housing Authority is responsible for maintaining housing assets transferred from the former Agency. Its main goal is to provide affordable housing for City of Chula Vista (“City”) residents.

This Housing Successor Agency Annual Report (“Annual Report”) contains information on Fiscal Year (“FY”) 2018-19 finances and activities as required by Health and Safety Code (“HSC”) Section 34176.1(f). FY 2018-19 marks the end of the first five-year compliance period for income proportionality. This Annual Report details how the Housing Authority met or did not meet requirements for expenditures by income level from January 1, 2014 through June 30, 2019.

The Annual Report is due to the California Department of Housing and Community Development (“HCD”) by December 31 annually, and must be accompanied by an independent financial audit. The City’s audited financial statements will be posted on the City’s website when available.

HOUSING SUCCESSOR REQUIREMENTS

Senate Bill (“SB”) 341¹ and subsequent legislation enacted several requirements for housing successor agencies. Housing successors must comply with three major requirements pursuant to HSC Section 34176.1:

1. Expenditures and housing production are subject to income and age targets.
2. Housing successors may not accumulate an “excess surplus,” or a high balance based on certain thresholds.
3. Properties must be developed with affordable housing within five to ten years of the California Department of Finance approving the Housing Asset Transfer Form.

¹ 2013-14 legislative session

The requirements are designed to ensure that housing successors are actively utilizing former Agency housing assets to produce affordable housing. Appendix 1 provides a detailed summary of the reporting requirements that are addressed in this Annual Report.

ASSETS TRANSFERRED TO HOUSING SUCCESSOR

Upon the statewide dissolution of redevelopment in 2012, all rights, powers, committed assets, liabilities, duties, and obligations associated with the housing activities of the Agency were transferred to the Housing Authority. The Housing Authority prepared a Housing Asset Transfer Form (“HAT”) that provided an inventory of all housing assets transferred from the Agency to the Housing Authority. This included:

1. Real properties;
2. Loan/Grant receivables;
3. Rents/Operation Income; and
4. Deferrals.

All items on HAT were approved by the California Department of Finance (“DOF”) on September 5, 2012.

It is important to distinguish that Housing Authority assets that were not transferred from the former Agency, or generated by or purchased with assets from the former Agency, are not subject to HSC Section 34176.1. A copy of the HAT is provided as Appendix 2.

HOUSING ASSET FUND ACTIVITY

Former Agency assets, and the revenues generated by those assets, are maintained in a Low and Moderate Income Housing Asset Fund (“Housing Asset Fund”).² Housing Asset Funds may be spent on:

- **Administrative costs** up to \$215,500 per year adjusted for inflation, or 5% of the statutory value of real property owned by the housing successor and the value of loans and grants receivable

² The Housing Asset Fund replaced the former Agency’s Low and Moderate Income Housing Fund.

from the HAT (“Portfolio”), whichever is greater. The FY 2018-19 limit for the Housing Authority was \$1,264,285 (5% of the Portfolio value of \$25,285,704).

- **Homeless prevention and rapid rehousing services** up to \$250,000 per year if the former Agency did not have any outstanding housing inclusionary or replacement housing production requirements. The Housing Authority qualifies because the former Agency had a surplus of affordable housing production units upon dissolution.
- **Affordable housing development** assisting households up to 80 percent of the Area Median Income (“AMI”), subject to specific income and age targets.

Five-Year Income Proportionality: If any Housing Asset Funds are spent on affordable housing development, it triggers a requirement to spend at least 30 percent of such expenses assisting extremely low income households (30% AMI) and no more than 20 percent on low income households (between 60-80% AMI) per five-year compliance period. The first five-year compliance period was January 1, 2014 through June 30, 2019.

Note that housing successors must report expenditures by category each year, but compliance with income proportionality limits is measured every five years. For example, a housing successor could spend all its funds in a single year on households earning between 60-80% AMI, as long as it was 20 percent or less of the total expenditures during the five-year compliance period.

Ten-Year Age Proportionality: If more than 50% of the total aggregate number of rental units produced by the City, Housing Authority, or former Agency during the past 10 years are restricted to seniors, the Housing Authority may not spend more Housing Asset Funds on senior rental housing.

Appendix 3 describes Housing Asset Fund expenditure requirements in more detail, including the types of costs eligible in each category.

EXPENDITURE LIMIT COMPLIANCE

The Housing Authority complied with the limits on administrative expenditures, homeless prevention or rapid rehousing expenditures, and expenditures on projects with units restricted to 30% of AMI. However, the Authority failed to comply with the limits on project expenditures in the 60-80% of AMI range:

- Administrative costs of \$14,948 did not exceed the \$1,264,285 maximum amount for FY 2018-19.
- No homeless prevention or rapid rehousing expenses were made in FY 2018-19.
- As depicted in Table 1 below, there was a total of \$5,669,081 in development-related expenditures made in the five-year compliance period. The Housing Authority spent \$3,874,741 (68%) on projects with units at or below 30% of AMI. This is above the 30% *minimum* expenditure requirement (\$1,700,724) meaning the Housing Authority is in compliance with this provision. There is no limit for project expenditures in the 31-59% of AMI range. However, the Housing Authority is out of compliance with the 20% *maximum* expenditure requirement (\$1,133,816) for the 60-80% AMI category. A total of \$1,637,483 (29%) was spent in this category. A discussion of the consequences and plan to be compliant follows Table 1.

Table 1
Fiscal Year 2018-19 Housing Asset Fund Expenditures

Annual Expenditures	Admin/	Rapid	Ext. Low	Other	Ext. Low	Very Low	Low
	Monitoring	Rehousing	Rental Units	Units	<30% AMI	30-60% AMI	60-80% AMI
2013-14	\$158,168	\$0	\$0	\$0	\$0	\$0	\$0
2014-15	\$207,307	\$0	\$0	\$0	\$0	\$0	\$0
2015-16	\$146,705	\$0	\$0	\$1,827,340	\$0	\$189,857	\$1,637,483
2016-17	\$125,893	\$0	\$0	\$0	\$0	\$0	\$0
2017-18	\$284,022	\$0	\$3,841,741	\$0	\$3,841,741	\$0	\$0
2018-19	\$14,948	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$14,948	\$0	\$3,841,741	\$1,827,340	\$3,841,741	\$189,857	\$1,637,483
<i>Percent of Total</i>					<u>68%</u>	<u>3%</u>	<u>29%</u>

Compliance Period Expenditures

	Annual Limits ²		Five-Year Period (2013-14 through 2018-19)				
Total Expenditures	\$14,948	\$0	\$3,841,741	\$1,827,340	\$3,841,741	\$189,857	\$1,637,483
SB 341 Limitation ¹	\$1,264,285	\$250,000	>30%	<70%	>30%	N/A	<20%
Compliant (Yes/No)	Yes	Yes	Yes	Yes	Yes	N/A	No

¹ The Admin/Monitoring and Rapid Rehousing amounts are annual Limits. Expenditures by income level are five-year limits

² The Successor has complied with the Annual Limits each year of the compliance period

Source: Low and Moderate Income Housing Fund Trial Balance Summary by Fund and City Response to Data Request

SB 341 limits Housing Asset Fund expenditures to lower income households earning 80% or less of the AMI. At least 30% of funds must be spent on rental housing for households earning 30% or less of the AMI and not more than 20% of the expenditures can be spent on households earning between 60% and 80% of the AMI. As previously mentioned, the Housing Authority is out of compliance with the 60-80%

limitations. Failure to comply with the 60-80% AMI requirement in any five-year compliance period will result in the Housing Authority not being able to expend any of the remaining funds on these income categories until in compliance.

During FY 2015-16, the Housing Authority loaned funds to assist in the construction of two affordable housing projects – Duetta Apartments and Volta Senior Apartments. The low and very low income housing expenditures in the amount of \$1,827,340 are the reason that the Housing Authority is out of compliance with the 60-80% AMI limitation. In the FY 2017-18 reporting period, \$3,841,741 was expended to assist in the construction of 22 extremely low income units as part of the Anita Street Project. However, the expenditure was insufficient to bring the Housing Authority in compliance with the 60-80% AMI limitation.

The Housing Authority dedicated 29% of its total expenditures to the development of housing affordable to and occupied by households earning between 60-80% of the AMI. The Housing Authority has not maintained these expenditures below the allowable 20% and is not in compliance with this requirement due to excess spending on this income category. Consequently, the Housing Authority will ensure that no additional funding will be spent on development for 60%-80% AMI until in compliance with the January 1, 2014 through June 30, 2019 five-year period. This will be monitored by tracking each future fiscal year expenditure against this reporting period until the threshold is met.

SENIOR HOUSING LIMIT COMPLIANCE

The Housing Authority does not comply with the limit allowing no more than 50 percent of the total aggregate number of rental units produced within the preceding ten years to be restricted to seniors. The Housing Authority, City, and former Agency assisted 813 deed-restricted rental units in the last ten years, 409 of which are restricted to seniors (50.3%). Table 2 details the type of units assisted by fiscal year.

Table 2
Deed-Restricted Senior Rental Units Assisted Prior Ten Years

Year	Senior Units	%	Non-Senior Units	%	Total Units
2008-09	0	0%	41	100%	41
2009-10	0	0%	6	100%	6
2010-11	0	0%	162	100%	162
2013-14	99	76%	31	24%	130
2014-15	184	97%	6	3%	190
2015-16	0	0%	1	100%	1
2016-17	126	59%	86	41%	212
2017-18	0	0%	71	100%	71
Total	409		404		813

Total Deed-Restricted Senior Units: 50.3%

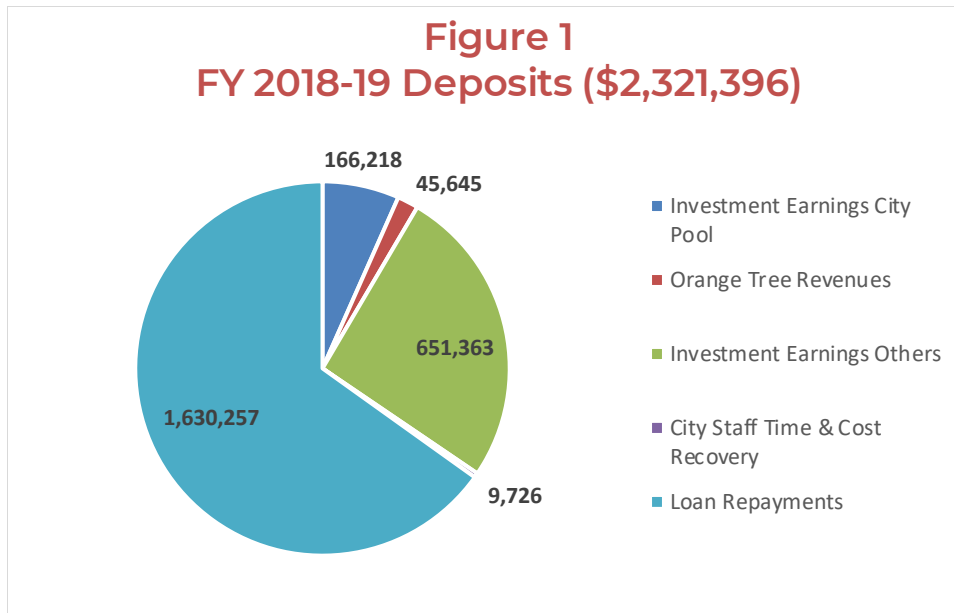
Source: City of Chula Vista

Because the Housing Authority is not in compliance with the limit on senior housing units, it is prohibited from spending any further Housing Asset Fund monies on assisting or developing senior housing units. The Housing Authority will ensure that no further funds are spent on senior housing units until compliance has been reached. The Anita Street project will restrict an additional 25 units within the coming year. Once this is completed it appears that the Housing Authority will be in compliance with this requirement.

DEPOSITS AND FUND BALANCE

The Housing Authority deposited \$2,321,396 into the Housing Asset Fund during FY 2018-19. The largest of these deposits came from loan repayments totaling \$1,630,257, followed by various investment earnings, and city staff time and cost recovery.

Figure 1
FY 2018-19 Deposits (\$2,321,396)



The Housing Asset Fund balance as of June 30, 2019 was \$11,332,705 as summarized in Table 3.

Table 3 Housing Asset Fund Ending Balance FY 2018-19	
Balance Type	Amount
Cash	10,533,692
Interest Receivable	3,724
Loans Receivable	24,985,704
Advance to Other Funds	199,600
Accrued Interest	15,069
Interest Receivable SW Project Area	6,292
Orange Tree Mobile Home Park	792,410
Accounts Payable	(144)
Deferred/Unearned Revenue	(23,746,812)
Reserves	(1,456,830)
Ending Balance	\$ 11,332,706

EXCESS SURPLUS

The Housing Asset Fund may not accumulate an “excess surplus”, or an unencumbered amount that exceeds the greater of \$1 million, or the sum of deposits in the prior four fiscal years. This requirement

ensures that housing successors are actively spending available Housing Asset Funds on affordable housing.

The Housing Authority did not have an excess surplus as of FY 2018-19, as shown in Table 4.

Table 4 Excess Surplus Calculation					
Fiscal Year	2014-15	2015-16	2016-17	2017-18	2018-19
Deposits	\$ 966,454	\$ 1,644,787	\$ 1,180,976	\$ 4,582,310	\$ 2,503,208
FY 2018-19 Beginning Cash Balance					\$ 8,069,148
Less: Encumbered Funds					\$ -
Unencumbered Amount					\$ 8,069,148
Step 1					
\$1 Million, or Last 4 Deposits					\$ 1,000,000 \$ 8,374,527
Result: Larger Number					\$ 8,374,527
Step 2					
Unencumbered Cash Balance					\$ 8,069,148
Larger Number From Step 1					\$ 8,374,527
Excess Surplus					\$ -

The Housing Authority will continue monitoring its deposits and fund balance to avoid an excess surplus. If the Housing Asset Fund has an excess surplus in the future, the excess surplus must be expended or encumbered within three fiscal years. If a housing successor fails to comply, it must transfer any excess surplus to HCD within 90 days of the end of the third fiscal year.

TRANSFERS TO OTHER HOUSING SUCCESSORS

There were no transfers to another housing successor entity for a joint project pursuant to HSC Section 34176.1.

HOUSING SUCCESSOR PORTFOLIO

The Housing Successor Portfolio includes three lots within Orange Tree Mobile Home Park valued at \$100,000 each, and several loans receivable transferred from the former Agency. The Portfolio had a total value of \$25,285,704 as of FY 2018-19, as detailed in Table 5.

Table 5	
Portfolio Value of Real Properties and Loans Receivable	
Asset	Amount
<i>Real Properties</i>	
<i>Orange Tree #101, #106, #134</i>	<i>\$300,000</i>
<i>Loans Receivable</i>	
South Bay Community Services	1,574,185
Rancho Vista Housing	1,432,658
St Regis Park	1,233,200
Chula Vista Rehabilitation CHIP Loans	698,515
Park Village Apartments (Barrio Housing)	146,009
Mobile Home Assistance Programs (Orange Tree)	12,584
Los Vecinos (Wakeland)	8,901,732
Main Plaza	2,152,479
The Landings I & II	2,985,471
Duetta, Volta, & Anita Street Loans	5,848,870
<i>Subtotal</i>	<i>\$24,985,704</i>
Total Portfolio Value	\$25,285,704

Source: Chula Vista Audit (LSL), Correspondence with City, 18-19 TBs

Several additional SERAF loans were owed to the former Agency and transferred to the Housing Authority upon dissolution totaling \$4,316,355. The SERAF loans were fully repaid as part of the ROPS 19-20.

LOANS RECEIVABLE

12 loan agreements were transferred from the former Agency to the Housing Authority as part of the HAT approved by DOF on July 30, 2012. The loans are described below with outstanding loan balances as of June 30, 2019.

- In 1998, the former Agency and the City entered into two loan agreements with South Bay Community Services. One agreement to fund the Trolley Terrace 18-unit project and another to fund the 40-unit Cordova Village. Interest accrues annually on the unpaid balance with rates ranging from three to six percent. As of June 30, 2019, the outstanding balance of the loan was \$1,574,185.
- In 2000, the former Agency loaned \$1,000,000 using Housing Asset funds, and the City loaned \$500,000 using HOME funds to CIC Eastlake, L.P. for the development and operation of Rancho Vista Housing Project. The outstanding principal on the loan is to be repaid over 55 years and interest accrues at the simple interest rate of three percent per year. As of June 30, 2019, the outstanding balance of the loan was \$1,432,658.
- Also in 2000, the former Agency entered into a loan agreement with Chelsea Investment Corporation for the acquisition and rehabilitation of the 119-unit multi-family housing project at 1025 Broadway (St Regis Park). The loan repayment period lasts 52 years and will accrue six percent interest. As of June 30, 2019, the outstanding balance of the loan was \$1,233,200.
- The Chula Vista Rehabilitation Community Housing Improvement Program (“CHIP”) is under direct control of the Housing Authority acting as the Successor Housing Entity for those loans that were funded using Housing Asset funds. CHIP offers deferred and low-interest rate home improvement loans to qualified borrowers residing within a target area. Loan repayments are re-deposited into the program cash accounts and are redistributed as future loans. As of June 30, 2019, the outstanding balance of the loan was \$698,515.
- In 1991, the former Agency entered into a loan agreement with the Civic Center Barrio Housing Corporation. The loan was made for the purchase of land and the development of a 28 – unit low-income housing project. During 1992, the loan was assigned to Park Village Apartments Ltd., in which Civic Center Barrio Housing Corporation is the managing general partner. In 2009 an amendment to the loan was entered into changing the interest from three percent to five percent per year. As of June 30, 2019, the outstanding balance of the loan was \$146,009.
- The former Agency entered into agreements with eligible residents of the Orange Tree Mobile Home Park, whereby the Agency loaned \$250,030 as permanent financing assistance to residents for the purpose of purchasing certain mobile home property. Interest is contingent on

calculations specified in the agreement. As of June 30, 2019, the outstanding balance of the loans was \$12,584. Only the loan to 521 Orange Ave. #24 (Velez) was still in deferral status.

- In 2008, the former Agency entered into a loan agreement with Wakeland Housing and Development Corporation to assist the borrower in constructing 41 affordable multi-family rental housing units. The loan amount of \$5,680,000 was funded by the Housing Asset Fund. The loan bears an interest rate of five percent per year. As of June 30, 2019, the outstanding balance of the loan was \$8,901,732.
- In 2003, the former Agency and City entered into a loan agreement with Main Plaza, LP to assist in acquiring and improving certain real property for occupancy by very low, low, and moderate income households. The loan bears an interest rate of three percent per year with a 55-year term. As of June 30, 2019, the outstanding balance of the loan was \$2,152,479.
- The City entered into a loan agreement with CIC Landings, L.P. to assist the borrower in constructing 91 affordable multifamily apartment units for occupancy by extremely low, very low, and lower income households. The City and former Agency also entered into loan agreements with Landings II, L.P. to assist with constructing 141 affordable multi-family rental housing units. As of June 30, 2019, the outstanding balance of the loan was \$2,985,471.

The following three loans receivable were classified together in financial reporting. Because of this, accrued interest could not be parsed out individually. Therefore, total interest for the three loans sits at \$179,789, bringing the total outstanding balance to \$5,848,870.

- In 2016, the City entered into a loan agreement with F Street Family CIC, LP to assist in the construction and permanent financing of affordable multi-family apartments with 86 deed restricted units (Duetta Apartments). The loan principal is in the amount of \$895,340 from the Housing Asset Fund. The loan bears an interest rate of three percent per year for 55 years.
- In 2016, the City entered into a loan agreement with G Street Senior CIC, LP to assist in the construction and permanent financing of affordable multifamily apartments with 122 deed restricted units (Volta Senior Apartments). The loan amount of \$932,000 was funded by the Housing Asset Fund. The loan bears an interest rate of three percent per year for 55 years.

- In 2017 and 2018, the City entered into and amended a loan agreement with Wakeland Housing to assist in the acquisition of land and pre-development of an affordable multi-family housing project of 96 units (Anita Street). The City's loan would draw from the Housing Asset Fund and assist in the construction of 32 extremely low income units from the 96 total. The original loan amount of \$3,300,000 was amended May 30, 2018 to \$4,158,740. However, only \$3,841,741 has been dispersed to assist with 22 of the 32 units as of the writing of this report. The loan bears an interest rate of three percent per year commencing on the date of closing of construction financing for the project.

PROPERTY DESCRIPTIONS AND DISPOSITION STATUS

HSC Section 34176.1(e) requires all real properties acquired by the Agency prior to February 1, 2012 and transferred to the Housing Authority to be developed pursuant to the requirements detailed in HSC Section 33334.16. Those requirements state that all undeveloped property must be developed for affordable housing purposes or disposed of by September 5, 2017. If more time is needed, the Authority may pass a 5-year extension for the development and disposition of the properties.

The Housing Authority possesses three properties in the Orange Tree Mobile Home Park, with unit numbers 101, 106, and 134. All three formerly had income restrictive covenants that have since expired. They were transferred from the former Agency to the Housing Authority with the HAT. The properties, however, are continually rented to seniors 62 and above with incomes at or below 120% of AMI. Because the properties were already developed for affordable housing purposes the above requirements have been satisfied.

HOMEOWNERSHIP UNIT INVENTORY

According to HSC 34176.1(f)(13) an inventory of homeownership units assisted by the former Agency or the Housing Authority that are subject to restrictions, covenants, or an adopted program that protects Housing Asset Fund monies shall be included in this Annual Report. The Housing Authority has provided several households with assistance through the Authority's CHIP loans and a detailed list is currently being compiled.

APPENDIX 1 - HOUSING SUCCESSOR ANNUAL REPORT REQUIREMENTS

Housing Successor Reporting Requirements <i>Health and Safety Code Section 34176.1(f)</i>		
Housing Asset Fund Revenues & Expenditures	Other Assets and Active Projects	Obligations & Proportionality
Total amount deposited in the Housing Asset Fund for the fiscal year Amount of deposits funded by a Recognized Obligation Payment Schedule (“ROPS”)	Description of any project(s) funded through the ROPS	Description of any outstanding production obligations of the former Agency that were inherited by the Housing Authority
Statement of balance at the close of the fiscal year	Update on property disposition efforts (note that housing successors may only hold property for up to five years, unless it is already developed with affordable housing)	Compliance with proportionality requirements (income group targets), which must be upheld on a five year cycle
Description of Expenditures for the fiscal year, broken out as follows: <ul style="list-style-type: none"> • Homeless prevention and rapid rehousing • Administrative and monitoring • Housing development expenses by income level assisted 	Other “portfolio” balances, including: <ul style="list-style-type: none"> • Statutory value of any real property either transferred from the former Agency or purchased by the Housing Asset Fund • Value of loans and grants receivable 	Percentage of deed-restricted rental housing restricted to seniors and assisted by the former Agency, the Housing Authority, or the City within the past ten years compared to the total number of units assisted by any of those three agencies
Description of any transfers to another housing successor for a joint project	Inventory of homeownership units assisted by the former Agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former Agency’s investment of monies from the Low and Moderate Income Housing Fund	Amount of any excess surplus, and, if any, the plan for eliminating it

APPENDIX 2 – HOUSING ASSET TRANSFER FORM

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures - AB 1484
For the year ended June 30, 2012**

**EXHIBIT C
Housing Assets Transfer Form**

DEPARTMENT OF FINANCE
 HOUSING ASSETS LIST
 ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
 (Health and Safety Code Section 34176)

Former Redevelopment Agency: Redevelopment Agency of the City Of Chula Vista

Successor Agency to the Former Redevelopment Agency: City of Chula Vista

Entity Assuming the Housing Functions of the former Redevelopment Agency: Chula Vista Housing Authority

Entity Assuming the Housing Functions Contact Name: Amanda Mills Title Housing Manager Phone 616-409-5948 E-Mail Address amills@chulavistaca.gov

Entity Assuming the Housing Functions Contact Name: _____ Title _____ Phone _____ E-Mail Address _____

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	X
Exhibit B- Personal Property	
Exhibit C - Low-Mod Encumbrances	
Exhibit D - Loans/Grants Receivables	X
Exhibit E - Rents/Operations	X
Exhibit F- Rents	
Exhibit G - Deferrals	X

Prepared By: Amanda Mills & Donna Apar

Date Prepared: 7/30/2012

Exhibit G - Deferrals

City of Chula Vista
 Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
1	SERAF	10	\$4,160,694	adjustable	4,213,779.15	by 5/15
2	SERAF	11	\$856,613	adjustable	862,518.26	by 5/16
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Exhibit E - Rents/Operations

City of Chula Vista
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which they are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A: the rent/operation is associated with (if applicable)
1	Space rent	mobilehome space	Successor Housing Agency	Property Manager	Successor Housing Agency	Low/Mod	Yes		
2	Investment Earnings	Operating Cash	Successor Housing Agency	Successor Housing Agency	Successor Housing Agency	Low/Mod	Yes		
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a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit D - Loans/Grants Receivables

City of Chula Vista
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Was the Low-Med Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Parcels for which the loan or grant was granted	Are there contractual obligations specifying the purposes for which the funds are to be used?	Payment terms and conditions for the loan	Interest rate on the loan	Current outstanding loan balance
1	Loan	\$55,952	December 1987 & February 1988	various homeowners*	Orange Tree Mobile Home	Yes	various	0%	42,382.00
2	Loan	\$350,000	6/19/1991	Civic Center Barrio	Park Village	Yes	8/1/2033	3%	197,932.70
3	Loan	various	various	various homeowners*	Rehab Loans	Yes	various	various	1,276,574.74
4	Loan	\$4,400,000	12/6/2001	South Bay Community Villas LP	Heritage Town Center	Yes	12/31/2058	3%	5,793,709.59
5	Loan	\$1,387,152	6/1/2000	St Regis LP	St Regis	Yes	6/28/2053	6%	2,387,795.64
6	Loan	\$1,500,000	3/12/2003	Brisa del Mar LP	Main Plaza	Yes	9/16/2060	3%	1,837,479.46
7	Loan	\$1,000,000	10/16/2003	Rancho Buena Vista LP	Rancho Buena Vista	Yes	1/1/2060	3%	1,224,657.55
8	Loan	\$5,680,000	2/7/2008	Los Vecinos LP	Los Vecinos	Yes	4/15/2064	5%	6,917,936.98
9	Loan	\$478,280	9/12/1997	Corova Village LP	Corova Village	Yes	8/17/2053	3%	649,533.23
10	Loan	\$373,000	12/7/1999	South Bay Community Services	Trolley Trestle	Yes	12/1/2055	3%	506,251.88
11	Loan	\$51,100	11/10/1998	South Bay Community Services	Concord	Yes	11/10/2028	6%	66,764.30
12	Loan	\$4,000,000	7/26/2012	Landings II LP	Landings II	Yes	8/1/2037	3.6%	\$4,000,000
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15									
16									
17									
18									
19									
20									

* Names of private parties are on record with the Housing Successor

Exhibit A - Real Property

City of Chula Vista
 Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset ^{a/}	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low/mod housing	Is the property encumbered by a low/mod housing covenant?	Source of low/mod housing covenant ^{b/}	Date of transfer to Housing Successor Agency	Construction or acquisition cost funded with Housing Fund monies	Construction or acquisition cost funded with other RDA funds	Construction or acquisition cost funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	Mobile home sites	Orange Tree Mobile Home Park sites	\$639,024	various	100%	Yes		1-Feb-12	\$600,000			1-Nov-87	own title
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a/ Asset types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

**Successor Agency to the Chula Vista Redevelopment Agency
Low and Moderate Income Housing
Agreed Upon Procedures - AB 1484
For the year ended June 30, 2012**

**EXHIBIT D
Department of Finance's Review of the Housing Assets Transfer Form**



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. ■ GOVERNOR

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

September 5, 2012

Ms. Amanda Mills, Housing Manager
Chula Vista Housing Authority
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910

Dear Ms. Mills:

Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Chula Vista submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on July 30, 2012 for the period February 1, 2012 through July 30, 2012.

Finance has completed its review of your Form, which may have included obtaining clarification for various items. Based on a sample of line items reviewed and the application of law, Finance is not objecting to any assets or transfers of assets identified on your Form.

Please direct inquiries to Nichelle Thomas or Wendy Griffe, Lead Analyst at (916) 445-1546.

Sincerely,

For
STEVE SZALAY
Local Government Consultant

cc: Ms. Tracy Sandoval, Assistant Chief Financial Officer/Auditor and Controller, San Diego County
Mr. Juan Perez, Manager, Property Tax Services, San Diego County
Ms. Nenita DeJesus, Senior Auditor and Controller Accountatn, San Diego County
California State Controller's Office

APPENDIX 3 – HOUSING ASSET FUND EXPENDITURE REQUIREMENTS

Housing Asset Fund Expenditure Requirements <i>Health and Safety Code Section 34176.1</i>		
Expense Category	Limits	Allowable Uses
Administration and Compliance Monitoring	\$1,264,285 maximum for FY 2018-19 (limit varies each year)	Administrative activities such as: <ul style="list-style-type: none"> • Professional services (consultant fees, auditor fees, etc.) • Staff salaries, benefits, and overhead for time spent on Housing Successor administration • Compliance monitoring to ensure compliance with affordable housing and loan agreements • Property maintenance at Housing Successor-owned properties <p>Capped at \$215,500 adjusted annually for inflation or 5% of the statutory value of real property owned by the housing successor and the value of loans and grants receivable from the HAT (“Portfolio”), whichever is greater.</p>
Homeless Prevention and Rapid Rehousing Solutions	\$250,000 maximum per fiscal year	Services for individuals and families who are homeless or would be homeless but for this assistance, including: <ul style="list-style-type: none"> • Contributions toward the construction of local or regional homeless shelters • Housing relocation and stabilization services including housing search, mediation, or outreach to property owners • Short-term or medium-term rental assistance • Security or utility deposits • Utility payments • Moving cost assistance • Credit repair • Case management • Other appropriate activities for homelessness prevention and rapid rehousing of persons who have become homeless.
Affordable Housing Development	No spending limit, but must comply with income and age targets	“Development” includes: <ul style="list-style-type: none"> • New construction • Acquisition and rehabilitation • Substantial rehabilitation • Acquisition of long-term affordability covenants on multifamily units • Preservation of at-risk units whose affordable rent restrictions would otherwise expire over the next five years

Housing Asset Fund Expenditure Requirements
Health and Safety Code Section 34176.1

Expense Category	Limits	Allowable Uses
	<i>Income Targets</i>	<p>Every five years (currently FYE 2020-2024), Housing Asset Funds must meet income targets:</p> <ul style="list-style-type: none"> • At least 30% on extremely low income rental households (up to 30% AMI or “Area Median Income”) • No more than 20% on low income households (60-80% AMI) <p>Moderate and above moderate income households may not be assisted (above 80% AMI).</p> <p>Failure to comply with the extremely low income requirement in any five-year compliance period will result in having to ensure that 50 percent of remaining funds be spent on extremely low income rental units until in compliance.</p> <p>Exceeding the expenditure limit for low households earning between 60-80% AMI in any five-year reporting period will result in not being able to expend any funds on these income categories until in compliance.</p>
	<i>Age Targets</i>	<p>For the prior ten years (resets every year), a maximum of 50% of deed-restricted rental housing units assisted by the Housing Successor or its host jurisdiction may be restricted to seniors.</p> <p>If a housing successor fails to comply, Housing Asset Funds may not be spent on deed-restricted rental housing restricted to seniors until in compliance.</p>