

**ANNUAL REPORT
REGARDING THE
LOW AND MODERATE INCOME HOUSING ASSET FUND
FOR FISCAL YEAR 2015-2016
PURSUANT TO
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)
FOR THE CITY OF LOS ANGELES HOUSING SUCCESSOR**

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). This Report sets forth certain details of the City of Los Angeles Housing Successor (“Housing Successor”) activities during Fiscal Year 2015-2016 (“Fiscal Year”). The purpose of this Report is to provide the California Department of Housing and Community Development (“HCD”) 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 (“HSC”), in particular sections 34176 and 34176.1 (“Dissolution Law”).

This Report is based on information prepared by Housing Successor staff and information contained within the independent financial audit of the LMIHAF which is included in the Comprehensive Annual Financial Report (“CAFR”) for the Fiscal Year as prepared by Macias Gini & O’Connell LLP (MGO), Certified Public Accountant (“Audit”). The Audit is separate from this Report. This Report conforms with and is organized into sections I through XIII, inclusive, pursuant to Section 34176.1(f) of the Dissolution Law. In addition, this Report is available to the public on the City of Los Angeles Housing and Community Investment Department website at www.hcidla.lacity.org.

I. LOAN REPAYMENTS RECEIVED

This section provides the total amount of loan repayments received during the Fiscal Year pursuant to loan repayment formula described in HSC Section 34191.4(b)(3)(A).

None.

II. 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 HSC Section 34191.4(b)(3)(B) & (C) and, any amounts deposited for items listed on the Recognized Obligation Payment Schedule (“ROPS”) must be distinguished from the other amounts deposited.

A total of \$15,045,350 was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, a total of \$3,047,638 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 \$402,741,171 of which \$15,874,830 was held for items listed on the ROPS.

IV. 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. The maximum amount that can be spent on administrative activities is 5% of the total value of Housing Successor assets.

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

Expenditure Description	Amount
Monitoring/Administration <ul style="list-style-type: none"> • Includes expenditures for monitoring and preserving long-term affordability of units subject to affordability restrictions or covenants entered into by the former redevelopment agency or Housing Successor • Includes expenditures for administration of affordable housing activities 	\$ 2,651,905
Homeless Prevention & Rapid Rehousing Services <ul style="list-style-type: none"> • Expenditures for this category were paid by the City’s Federal Funds 	\$0
Affordable Housing Development <ul style="list-style-type: none"> • Includes expenditures for development of housing affordable to households at or below 80% of area medium income (AMI) 	\$0
Total LMIHAF Expenditures in FY 2015-2016	\$ 2,651,905

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

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(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 table below provides the statutory value of assets owned by the Housing Successor.

	As of end of FY 2015-2016
Statutory Value of Real Property	\$ 111,869,596
Value of Loans and Grants Receivable (Gross)	\$ 658,157,322
Total Value of Housing Successor Assets	\$ 770,026,918

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.

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

VIII. 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.

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 table provides a status update on the real property acquired by the former redevelopment agency prior to February 1, 2012 and transferred to the Housing Successor. The DOF approved the real property as housing assets on March 27, 2013 and the Housing Successor has until March 27, 2018 to initiate development activity. The table indicates the date each property was transferred via a quit claim deed to the Housing Successor.

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#	Housing Asset Transfer Number (HAT #)	Property Address	Project Name	Property Transfer Date to Housing Successor	# of Units	Property Description	Status as of June 30, 2016
1	1	214, 226 W. 94th Street [9413 S. Spring Street] *	Broadway Villas	5/24/2013	49	48 units of restricted senior housing	Occupied with ground lease
2	2	9513 S. Spring Street		5/24/2013	n/a	Vacant Lot	Disposition/development plan to be proposed
3	3	1808 S. St. Andrews Place	G.L.A.S.S. (St Andrews House)	5/24/2013	1	Vacant Single Family House	Disposition/development plan to be proposed
4	4	5888 - 5910 Crocker Street & 5887 - 5879 Crocker Street	Crocker Street Site	5/24/2013	n/a	Vacant Lot	Disposition/development plan to be proposed
5	5	6901 S. Main Street	Main Street Site	5/24/2013	n/a	Vacant Lot	Disposition/development plan to be proposed
	6	6905 S. Main Street					
	7	6909 S. Main Street					
	8	6915 S. Main Street					
6	9	206 E. Washington Blvd.	Washington/Santee (aka La Opinion)	5/8/2014	n/a	Vacant Lot/Building	Disposition/development plan to be proposed
7	10	6527 S. Crenshaw	Hyde Park Library Site	6/7/2013	n/a	Vacant Building	Disposition/development plan to be proposed
8	11	2600 Hoover Street	Casa De Rosas	6/7/2013	n/a	Vacant Building	Received Mayor/Council approval on 6/24/16 to select WEDC/Integral as developer
9	12	2444-2450 Crenshaw Blvd.	Nikki Property Site	6/7/2013	n/a	Vacant Lot	Received Mayor/Council approval on 10/30/15 to select WEDC/Related as developer
10	14	13574 W. Foothill Blvd.	Foothill Blvd Site	5/24/2013	n/a	Vacant Lot	Disposition/development plan to be proposed
11	15	1119 Albany Street, Unit 330; 1118 Valencia Street, Unit 208	Vista Montoya Condos	5/24/2013	2	Vacant Condos	Received Mayor/Council approval on 5/9/14 to sell properties; Unit 208 was sold on 10/6/15

* The Broadway Villas project, located 9413 S. Spring Street, is occupied with 48 units of restricted senior housing. A disposition/development plan will be proposed for the remaining parcel adjacent to Broadway Villas.

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12	16	1115 S. Alvarado Street	Casas Alicia Restoration	5/24/2013	n/a	2 historical homes moved to lot for use as community center for low income families	Ground lease executed; Construction in progress
13	17	1035 & 1039 S. Berendo Street	Berendo Street Site	5/24/2014	n/a	Vacant Lot	Disposition/development plan to be proposed
14	18	1816 N. Wilton Place	Gay & Lesbian Comm. Group Home	5/24/2013	1	Vacant Single Family House	Disposition/development plan to be proposed
15	19	5215 S Figueroa & 5260 S Figueroa Street	Figueroa Street Site	6/7/2013	n/a	Vacant Lot	Disposition/development plan to be proposed
16	20	601 W. 40th Place [703-703 ½ W. 40 th Place; 704-706 W. MLK Jr. Blvd]		5/8/2014	n/a	Vacant Lot	Disposition/development plan to be proposed
17	21	2375 W. Washington Blvd.	Washington Blvd Site	6/7/2013	n/a	Vacant Lot	Disposition/development plan to be proposed
18	23	4314 W. Adams Blvd.	Adams Blvd Site	5/24/2013	n/a	Vacant Lot	Disposition plan/development to be proposed
19	24	1636 W. Manchester Avenue	Manchester Ave Site	5/24/2013	n/a	Vacant Lot	Disposition/development plan to be proposed
20	25	619, 623, 627, 629 S. Westlake Avenue	Westlake Theatre Apartments	5/24/2013	n/a	Vacant Bldgs, Lots	Disposition/development plan to be proposed
21	26	3551 E. 4th Street	The Chavez House	5/24/2013	2	Vacant Duplex	Disposition/development plan to be proposed
22	31	1047 & 1053 S. Mariposa Avenue		5/24/2013	n/a	Vacant Lot	Disposition/development plan to be proposed
23	32	9426 S. Broadway Street	Heavenly Vision Senior Housing	6/7/2013	46	Restricted senior housing	Occupied with ground lease
24	33	501 E. 5th Street	Downtown Women's Center	9/5/2014	72	Homeless women restricted housing & parking	Occupied with ground lease
25	34	102 Navy Street	Navy Blue Apartments	5/24/2013	14	Multi-family restricted housing	Occupied with ground lease
26	35	973, 991, 1019 E. MLK Blvd.	MLK Apartments	5/24/2013	17	Multi-family restricted housing	Occupied with ground lease

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27	36	5127 Huntington Dr. No.	Casa Guadalupe Apartments	5/24/2013	22	Multi-family restricted housing	Occupied with ground lease
28	37	801 W. 40th Place	Martin Luther King Jr. Village	5/24/2013	7	Multi-family restricted housing	Occupied with ground lease
29	38	1552 Schrader Blvd.	Casa Verde Apartments	5/24/2013	30	Multi-family restricted housing	Occupied with ground lease
30	39	826 S. Coronado Street	Strong Residence	5/24/2013	6	Multi-family restricted housing	Occupied with ground lease
31	40	1050 S. Flower Street	Met Lofts	5/8/2014	270	41 units at 80% AMI	Occupied with ground lease
32	41	5828- 5936 S. Wall Street & 5829-5935 S. Los Angeles Street	Slauson Wall	5/24/2013	n/a	Vacant Bldgs, Lots	Disposition/development plan to be proposed
33	42	601 W. 40th Place	Gilbert Lindsay Manor	6/7/2013	137	Multi-family restricted housing	Occupied with ground lease
34	43	1801 N. La Brea Avenue	La Brea Franklin Apartments	5/24/2013	40	19 units at 80 to 120% AMI	Occupied with ground lease
35	44	1720 or 1726 Gower Street	Villas at Gower	5/24/2013	70	69 units at 50 to 80% AMI	Occupied with ground lease
36	45	5239 Harmony Avenue	Harmony Gardens	5/24/2013	14	Multi-family restricted housing	Occupied with ground lease
37	46	5220 Harmony Avenue (also 5218 & 5234 Harmony)	Harmony Gate Apartments	5/24/2013	70	Multi-family restricted housing	Occupied with ground lease
38	47	5623/5633 Elmer Avenue	Elmer Court	5/8/2014	n/a	Vacant Lot	Disposition/development plan to be proposed
39	48	5240 Riverton Avenue (aka 10747 Magnolia)	NoHo Senior Arts Colony	6/7/2013	126	27 units at 50% AMI for seniors	Occupied with ground lease
40	49	1025-1025 1/2 Albany Street or 1419 W. Connecticut Street	Pascual Reyes Apartments	5/24/2013	13	Multi-family restricted housing	Occupied with ground lease
41	50	1016 Valencia Street	Bill Cruz Early Education Center	5/24/2013	n/a	Child care center leased to Pico Union Housing Corp. in conjunction with Pascual Reyes Apartments	Occupied with ground lease

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42	51	1177 W. 25th Street or 1177 W. Adams Blvd.	Ward Villas	5/24/2013	120	Senior restricted housing units	Occupied with ground lease
43	52	1940 W. 25th Street	FAME West 25th	5/24/2013	12	Multi-family restricted housing	Occupied with ground lease
44	53	1621 S. Grand Avenue	Young Apartments	5/24/2013	66	65 SRO & 1 unit restricted housing	Occupied with ground lease
45	54	557 Crocker Avenue	Weingart Center	5/24/2013	n/a	Vacant Lot	Disposition/development plan to be proposed
46	55	656 Sanford Avenue	LAMP Lodge	5/24/2013	50	Multi-family restricted housing	Occupied with ground lease
47	56	660 Sanford Avenue					
48	57	1001 S. Hope Street	Hope Village	5/8/2014	66	65 units at 50 to 120% AMI	Occupied with ground lease
49	58	110 S. San Pedro Street	San Pedro Firm Building	5/24/2013	42	Multi-family restricted housing with 4 commercial storefronts on ground level	Occupied with ground lease
50	59	2615 & 2635 S. Western Avenue	Adams West Senior Apartments	5/24/2013	52	Senior restricted housing units	Occupied with ground lease
51	60	6842 Gentry Avenue	Gentry Apartments	5/24/2013	3	Multi-family restricted housing	Occupied with ground lease
52	61	1423 W. 12th Street	Crescent Court Apartments	5/24/2013	32	Multi-family restricted housing	Occupied with ground lease
53	62	4020 S. Buckingham Road	Buckingham Place Senior Housing	9/16/2013	70	69 senior units at 50 to 120% AMI	Occupied with ground lease
54	63	2528 S. Orange Drive	Adams La Brea	5/24/2013	2	Vacant Duplex	Property sold 12/31/2014; sales proceeds returned to HUD as CDBG
55	64	2515 S. Sycamore Avenue	Adams La Brea	5/24/2013	n/a	Vacant Lot	Property sold 12/3/2014; sales proceeds returned to HUD as CDBG
56	65	2520 Alsace Avenue	Adams La Brea	5/24/2013	3	Vacant Single Family House in front; Vacant Duplex in back	Property sold 8/11/2014; sales proceeds returned to HUD as CDBG

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57	66	2535 S. Sycamore Avenue	Adams La Brea	5/24/2013	n/a	Vacant Lot	Property sold 8/18/2014; sales proceeds returned to HUD as CDBG
58	67	8431 Geysler Avenue	The Geysler House	5/24/2013	1	Vacant Single Family House	Disposition/development plan to be proposed
59	n/a	5250 Harmony Avenue	Magnolia Villas Apartments	6/10/2015	65	Multi-family restricted housing	Occupied with ground lease

IX. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

This section describes the outstanding 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.

The former Redevelopment Agency did not transfer any replacement housing obligations to the Housing Successor.

X. EXTREMELY-LOW 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.

Reporting of the Income Test is not required until December 31, 2019.

XI. 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 January 1, 2006 to January 1, 2016.

The following table provides the Housing Successor's Senior Housing Test for the 10 year period.

Senior Housing Test	2006 - 2016
Number of Assisted Senior Rental Units	1323
Number of Total Assisted Rental Units	5371
Senior Housing Percentage	24.6%

Note: In the FY2014-2014 and FY2014-2015 Annual Reports, the number of assisted senior rental units and assisted rental units reported in the Senior Housing Test were funded by LMIHAF. The above table indicates the number of rental units funded by LMIHAF for the period from 2006 to 2016.

XII. 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.

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 first meaningful calculation cannot be performed until the close of the fifth fiscal year. Once four years of deposits have been established, at the close of the fifth year (fiscal year 2016-2017), the Housing Successor will have to perform a true excess surplus calculation, comparing the unencumbered fund balance to the prior four years of deposits.

XIII. INVENTORY OF HOMEOWNERSHIP UNITS

This section provides an inventory of homeownership units assisted by the former redevelopment agency or 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 LMIHAF. The inventory shall include the following information:

- a) Number of units
- b) For the first report, the number of units lost to the portfolio after February 1, 2012 and the reason(s) for the loss. For subsequent reports, the number of units lost to the portfolio in the last fiscal year and the reason for the 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 LMIHAF.
- d) Whether the Housing Successor has contracted with an outside entity for the management of the units, and, if so, the identity of the entity.

The inventory of homeownership units is outlined below.

- a) The total number of homeownership units assisted by the former redevelopment agency is 572 units.
- b) The total number of homeownership units lost in the portfolio between July 1, 2015 and June 30, 2016 is five (5) units. The reason for the loss is that the affordability period expired or the loans were repaid.
- c) The amount of funds returned to the Housing Successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the LMIHAF is \$305,404.88. This includes repayments of single family rehabilitation loans including principal, interest, and equity sharing payments between July 1, 2015 and June 30, 2016.
- d) The Housing Successor did not contract with an outside entity for the management of the homeownership units.