

**Housing Successor Fund of the City of Moorpark
Addendum to the Annual Progress Report
For Fiscal Year Ended June 30, 2017**



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**Independent Accountant's Disclaimer Report Applied to the
Preparation of the Addendum to the Annual Progress Report of the
Housing Successor of the City of Moorpark**

To Management of the
Housing Successor of the City of Moorpark
Moorpark, California

We have prepared the accompanying Addendum to the Annual Progress Report ("Addendum to the APR") of the Housing Successor of the City of Moorpark ("Housing Successor") as of June 30, 2017 and for the year then ended in accordance with the reporting provisions of the California Health & Safety Code Section 34176.1 as amended by Senate Bill 341 (Chapter 796, Statutes of 2013, effective January 2014) ("SB 341"), and as amended by Senate Bill 107 (Chapter 325, Statutes of 2015, effective January 2016) HSC Section 34176.1(f). Management of the Housing Successor is responsible for the preparation and fair presentation of the Addendum to the APR in accordance with the reporting provisions of SB 341, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Addendum to the APR.

The accompanying Addendum to the APR of the Housing Successor of the City of Moorpark ("Housing Successor") as of June 30, 2017 and for the year then ended was not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, conclusion, nor provide any assurance on it.

This Addendum to the APR is intended solely for the information and use of management of the Housing Successor of the City of Moorpark, and is not intended to be and should not be used by anyone other than this specified party.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 11, 2017

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- 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.**

No amounts 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 any amounts deposited pursuant to subparagraphs (B) and (C) of paragraph (3) of subdivision (b) of Section 34191.4, amounts deposited for items listed on the Recognized Obligation Payment Schedule from other amounts deposited.**

The Housing Successor Fund received \$19,284 from use of money and property as of June 30, 2017. None of these amounts were deposited for items listed on the Recognized Obligation Payment Schedule.

- 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.**

The balance in the Housing Successor Fund as of June 30, 2017, was \$7,678,896, none of which was held for items listed on the Recognized Obligation Payment Schedule.

- 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),**

The Housing Successor Fund's expenditures related to this category were \$18,869 as of June 30, 2017.

- b. for homeless prevention and rapid re-housing services for the development of housing described in paragraph (2) of subdivision (a),and**

The Housing Successor Fund had no expenditures related to homeless prevention and rapid re-housing services as of June 30, 2017.

- c. for the development of housing pursuant to paragraph (3) of subdivision (a).**

The Housing Successor Fund had no expenditures related to the development of housing as of June 30, 2017.

- 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.**

The statutory value of real property owned by the Housing Successor Fund as of June 30, 2017, was \$6,316,148.

The value of loans and notes receivable in the Housing Successor Fund as of June 30, 2017, was \$5,233,968.

The sum of the statutory value of real property and the value of loans and notes receivable owned by the Housing Successor Fund adds up to \$11,550,116.

- 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.**

Walnut 24, LP

On March 17, 2017, the City signed the Amendment No. 2 to the Disposition and Development Agreement with Walnut 24, LP (W24LP), a California limited partnership of Area Housing Authority of the County of Ventura and Many Mansions. The DDA provides for the construction of a 24-unit affordable housing apartment on Housing Successor Agency-owned parcel located at 782 Moorpark Avenue, 798 Moorpark Avenue, 81 Charles Street and 765 Walnut Street (Property). Of the 24 units, 19 will be restricted to lease at an affordable housing cost to very low income households; 4 will be restricted to lease at an affordable housing cost to low income households; and 1 unit will be utilized by a low income onsite manager.

On March 22, 2017, the City and W24LP executed a \$3,444,000 loan (purchase loan) for the purchase of the property and will accrue simple interest at a rate of 2.25% per annum and have a term of 32 years. After the City's Permanent Loan has been paid in full, W24LP will begin to make annual payments to the City each year in the amount equal to 50% of the residual receipts. A balloon payment for the remaining balance and accrued interest will be paid to the City at the end of the 32-year term. This loan is subordinate in right of payment to the MUFJ Union Bank, N.A., California Community Reinvestment Corporation and Ventura County Housing Trust Fund; and is secured by Deed of Trust. As of June 30, 2017, the outstanding principal and accrued interest on this note are \$3,444,000 and \$19,373 respectively for a total of \$3,463,373.

Moorpark 20, LP

On October 29, 2010, the Agency signed the Disposition and Development Agreement (DDA) with the Area Housing Authority of the County of Ventura (AHA) and Moorpark 20, Limited Partnership (M20LP), consisting of AHA and Santa Barbara Housing Assistance Corporation. The DDA provides for the construction of a 20-unit affordable housing project (Project) on Agency-owned property located at 396, 406 and 496 Charles Street (Site). Of the 20 units, 14 units are restricted to lease at an affordable housing cost to very low income households; 4 units are restricted to lease at an affordable housing cost to low income households; and 1 unit utilized by a low income onsite manager.

During the tax credit application, the sale price of Site was determined to be \$1,176,500 to show more local funds into the Project. On the same date, the Agency executed a \$1,176,500 loan agreement with M20LP to purchase the Site from the Agency. The loan will accrue interest at the rate of 2.5% per annum and have a term of 55 years. One annual payment will be made to the Agency by M20LP from residual receipts after the \$600,000 has been paid off. This loan is subordinate in right of payment to First Mortgage Note held by Bank of America, N.A. and is secured by Deed of Trust and Security Agreement. The principal and accrued interest outstanding on this note at June 30, 2017 are \$1,176,500 and \$196,083 respectively for a total of \$1,372,583. On November 2, 2010 the Agency entered into a \$600,000 loan agreement with M20LP to complete the construction of the Project. By June 30, 2012, M20LP has drawn down the entire amount. The term of the loan is 30 years with a fixed rate of 2.5%. One annual payment will be made to the Agency by M20LP equal to 75% of available residual receipts. This note is subordinate in right of payment to the First Mortgage Loan payable to Bank of America, N.A. and is secured by Deed of Trust and Security Agreement. The principal and accrued interest outstanding on this note at June 30, 2017 are \$600,000 and \$100,000 respectively for a total of \$700,000. The combined amount of principal and accrued interest outstanding at June 30, 2017 is \$1,776,500 and \$296,083, for a total of \$2,072,583. The project was completed March 2012 and fully occupied as of June 30, 2017.

- 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.**

The Housing Successor Fund received no such property tax revenue as of June 30, 2017.

- 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.**

As of June 30, 2017, the Housing Successor Fund's real property interests were as follows: (see page 4).

Property Description	Year of Acquisition	Value	Status on compliance with 33334.16
Land, Regal Park Condo - 1.15 acres	1992	\$ 170,100	In Compliance
Land, 250 E LA Avenue	2007	578,814	In Compliance
Land, 1095 Walnut Canyon	2007	10,500	In Compliance
Land, 1095 Walnut Canyon	2008	363,986	In Compliance
Land, 1113 Walnut Canyon	2007	10,470	In Compliance
Land, 1113 Walnut Canyon	2008	401,330	In Compliance
Land, 460 Charles Street	2007	13,050	In Compliance
Land, 460 Charles Street	2008	437,810	In Compliance
Land, 450 Charles Street	2008	476,368	In Compliance
Land, 450 Charles Street	2009	43,848	In Compliance
Land, 450 Charles Street	2009	11,112	In Compliance
Land, 1293 Walnut Canyon	2008	522,547	In Compliance
Land, 1293 Walnut Canyon	2009	12,556	In Compliance
Land, 1331 Walnut Canyon	2008	389,457	In Compliance
Land, 1331 Walnut Canyon	2009	8,517	In Compliance
Land, 484 Charles Street	2008	481,681	In Compliance
Land, 484 Charles Street	2009	16,610	In Compliance
Land - 1063 Walnut Canyon Road	2008	464,859	In Compliance
Land - 1063 Walnut Canyon Road	2009	9,675	In Compliance
Land - 1073 Walnut Canyon Road	2009	301,073	In Compliance
Land - 1123 Walnut Canyon Road	2008	477,782	In Compliance
Land - 1123 Walnut Canyon Road	2009	10,950	In Compliance
Land - 1083 Walnut Canyon Road	2010	704,113	In Compliance
Land - 1083 Walnut Canyon Road	2011	12,667	In Compliance
Land - 112 First Street	2010	12,940	In Compliance
112 First Street, Demolition Cost	2011	4,020	In Compliance
124 First Street	2010	356,060	In Compliance
112 First Street, Demolition Cost	2011	13,253	In Compliance
		\$ 6,316,148	

As of June 30, 2017, the Housing Successor Fund did not hold any property acquired after February 1, 2012.

- 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.**

As of June 30, 2017, there were no outstanding obligations pursuant to Section 33413 that remained to be transferred to the Housing Successor Fund on February 1, 2012.

- 10) The information required by subparagraph (B) of paragraph (3) of subdivision (a).**

This item is not applicable to the Housing Successor until Fiscal Year Ended June 30, 2019.

- 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.**

As of June 30, 2017, the Housing Successor Fund had 0% 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.**

The Housing Successor Fund did not have any excess surplus as of June 30, 2017, or at any point during the fiscal year.

- 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.**

The Housing Successor Fund assisted approximately 20 homeownership units by 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 Low and Moderate Income Housing Fund Pursuant to subdivision (f) of Section 33334.3.

- 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.**

The Housing Successor Fund had no units lost to the portfolio after February 1, 2012, as of June 30, 2017.

- 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.**

The Housing Successor Fund did not received any funds in return as part of an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund for the year ended June 30, 2017.

- 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.**

The units are owned and managed by the Area Housing Authority and monitored by the City of Moorpark.