

DISCOVER LIFE'S POSSIBILITIES



HOUSING SUCCESSOR OF THE CITY OF SAN MARCOS

Addendum to the Annual Progress Report

For Fiscal Year Ended June 30, 2024



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 SAN MARCOS (Housing Successor) activities during Fiscal Year 2023-24. 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).

This report includes discussion on the deposits to, ending balance of, and expenditures from the LMIHAF. A description of the Housing Successor's assets, and any transfers of assets to other housing successor agencies are addressed as well. The report also discusses the Housing Successor's current projects, acquisitions of any real property since February 1, 2012, or any outstanding obligations. Finally, as required by law, three separate tests are discussed – the income test, senior housing test, and excess surplus test.

In addition, this Report is made available to the public on the [City's website](#).

(1) 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.

The Housing Successor Fund received a repayment of \$2,254,663.00 from the SERAF loan, which was listed on the Recognized Obligation Payment Schedule. The other amounts the Housing Successor Fund received were \$2,431,151.15 in investment income and \$2,121,354.16 in miscellaneous revenue as of June 30, 2024.

(2) 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, 2024 was \$36,698,643.94, none of which was held for items listed on the Recognized Obligation Payment Schedule.

(3) 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 as of June 30, 2024, were \$640,601.11.

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 \$125,000.00 related to homeless prevention and rapid re-housing services.

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

The Housing Successor Fund's expenditures related to this category as of June 30, 2024, were \$640,601.11.

(4) 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 following provides the statutory value of assets owned by the Housing Successor:

FY 2022-2023	
<i>Value of properties owned by the Housing Successor Fund</i>	<i>\$11,353,392.00</i>
<i>Value of loans receivable in the Housing Successor Fund</i>	<i>\$171,014,730.64</i>
<i>Value of Loans and Grants Receivable</i>	<i>\$0.00</i>
Total	\$182,368,122.64

(5) 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.

No transfers occurred pursuant to paragraph (2) of subdivision (c) in the previous fiscal year or earlier fiscal years in the Housing Successor Fund.

(6) 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.

This item is not applicable to the Housing Successor.

(7) 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 neither owns nor has acquired real property subsequent to February 1, 2012 other than those that are associated with the properties listed on the Housing Asset List submitted to the Department of Finance on August 1, 2012. We are in compliance with Section 33334.16.

(8) 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, 2021, there were no outstanding obligations pursuant to Section 33413 that remained to be transferred to the housing successor on February 1, 2012.

(9) This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for a five-year period, with the time period beginning January 1, 2014, and whether the statutory thresholds have been met.

Section 34176.1(a)(3)(B) requires that the Housing Successor must expend at least 30% of the remaining funds in the LMIHAF for the 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.

Extremely Low-Income Test	2023-2024 Period
LIMIHAF Spent on Extremely Low-Income Households (Five Year Total)	\$ 2,347,328.22
Total LMIHAF (Five Year Total)	\$12,070,133.66
Extremely Low-Income Test	19%

(10) 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, 2024, 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.

(11) 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, 2024, or at any point during the fiscal year.

(12) 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 information shall include all of the following information:

(A) The number of those units.

225 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.

None lost to foreclosure, bankruptcy, or sale

(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.

For fiscal year ended June 30, 2024, \$1,586,043.02 was returned.

(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.

No outside contractor; managed by City staff