

**Housing Asset Fund of the City of La Mesa
Addendum to the Annual Progress Report
For Fiscal Year Ended June 30, 2015**



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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 La Mesa**

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To Management of the
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La Mesa, California

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We have prepared the accompanying Addendum to the Annual Progress Report (“Addendum to the APR”) of the Housing Asset Fund of the City of La Mesa (“Housing Successor”) as of June 30, 2015 and for the year then ended in accordance with the reporting provisions of the California Health & Safety Code Section 34176 as amended by Senate Bill 341 (Chapter 796, Statutes of 2013, effective January 2014) (“SB 341”).

The accompanying Addendum to the APR of the Housing Successor of the City of La Mesa (“Housing Successor”) as of June 30, 2015 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 La Mesa, and is not intended to be and should not be used by anyone other than this specified party.

San Bernardino, California
December 1, 2015

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- 1) The amount deposited to the Low and Moderate Income Housing Asset Fund, distinguishing any amounts deposited for items listed on the Recognized Obligation Payment Schedule from other amounts deposited.**

The Housing Asset Fund received \$8,936 as of June 30, 2015. None of these amounts were deposited for items listed on the Recognized Obligation Payment Schedule.

- 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 Asset Fund as of June 30, 2015 was \$8,522,415, 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 Asset Fund's expenditures related to this category as of June 30, 2015 were \$41,677 in administrative expenditures.

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

The Housing Asset Fund had no expenditures related to homeless prevention and rapid re-housing services as of June 30, 2015.

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

The Housing Asset Fund had no expenditures related to the development of housing as of June 30, 2015.

- 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 statutory value of real property owned by the Housing Asset as of June 30, 2015 was \$14,415,000.

The Housing Asset Fund had no notes or loans receivable as of June 30, 2015.

The sum of the statutory value of real property and the value of loans and notes receivable was \$14,415,000.

- 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 Asset 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.**

The Housing Asset Fund received no such property tax revenue for the fiscal year ended June 30, 2015.

- 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, 2015, the Housing Asset Fund did not hold any property acquired prior to February 1, 2012.

As of June 30, 2015, the Housing Asset Fund held the Campina Court Apartments as property acquired after February 1, 2012. The ground lease for the Campina Court Apartments was transferred from the La Mesa Family Housing Partnership, L.P. to USA Property Fund.

As of June 30, 2015, the Housing Asset Fund also held the Old Police Station Site as property acquired after February 1, 2012. The purpose for the retention of the asset was to develop affordable housing for persons of low or moderate income. This development was extended for five years by resolution 2013-109.

- 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, 2015, there were no outstanding obligations pursuant to Section 33413 that remained to be transferred to the Housing Asset Fund on February 1, 2012.

9) The information required by subparagraph (B) of paragraph (3) of subdivision (a).

This item is not applicable to the Housing Asset Fund until the Fiscal Year Ending June 30, 2019.

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.

The percentage of units of deed-restricted rental housing restricted to seniors and assisted is 37%.

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 Asset Fund did not have any excess surplus as of June 30, 2015 or at any point during the fiscal year ended June 30, 2015.