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 Stockton Housing Successor Agency (Housing Successor) activities during fiscal years 2013-2014 and 2014-2015. 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 conforms with and is organized into sections I. through XI., inclusive, pursuant to Section 34176.1(f) of the Dissolution Law:

I. **Amount Deposited into LMIHAF:** This section provides the total amount of funds deposited into the LMIHAF during the fiscal year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.

As a result of redevelopment dissolution, the Successor Agency is no longer required to deposit 20% (“20% set-aside”) of gross tax increment into the LMIHAF to support affordable housing activities. However, the Redevelopment Agency pledged the 20% set-aside as a repayment source for the 2006 Strong Neighborhoods Initiative Revenue Bonds and the 2003 Housing Certificates of Participation. A transfer of the 20% set-aside is made into the LMIHAF then transferred to the debt service funds for payment of the 2006 SNI bond and the 2003 Housing COP. January receipts are used for March debt service and as a reserve for the September debt service payment. June receipts are used for the balance of the September debt service payment. Any remaining 20% set-aside is transferred back to the Successor Agency and is used for items on the Recognized Obligation Payment Schedule (“ROPS”) as required by dissolution.

A total of $2,599,859 was deposited into the LMIHAF during Fiscal Year 2013-14. Of the total funds deposited into the LMIHAF, a total of $2,518,185 was held for items listed on the ROPS.

A total of $6,903,288 was deposited into the LMIHAF during Fiscal Year 2014-15. Of the total funds deposited into the LMIHAF, a total of $3,330,833 was held for items listed on the ROPS. In 2014-15, a transfer of remaining SNI-C Housing Bond Proceeds from the Successor Redevelopment Agency to the Successor Housing Agency was approved by the Department of Finance. These funds are restricted and must be used for affordable housing. The Stockton City Council, by Resolution No. 2015-06-09-1202, committed the housing bond proceeds for two housing projects.
II. 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 Fiscal Year 2013-14, the ending balance in the LMIHAF was $3,130,806.89, of which $69,425 was held for items listed on the ROPS.

At the close of Fiscal Year 2014-15, the ending balance in the LMIHAF was $5,986,471, of which $69,425 was held for items listed on the ROPS.

III. 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.

During Fiscal Year 2013-2014, a total of $2,518,185 was transferred to the debt service funds for payments on the 2006 SNI, Series C Housing Bonds and the 2003 Housing COPs. There were no other expenditures from the LMIHAF.

During Fiscal Year 2014-2015, a total of $3,253,991 was transferred to the debt service funds for payments on the 2006 SNI, Series C Housing Bonds and the 2003 Housing COPs. Excess 20% set-aside totaling $515,286 was transferred back to the Successor Agency for use on ROPS approved enforceable obligations as required by dissolution. A bankruptcy settlement for the 2003 Housing COPs was paid in the amount of $278,347.

IV. Statutory Value of Assets Owned by Housing Successor: 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 purchased by the Housing Successor. Further, the value of loans and grants receivable is included in the reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor.

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 2013-14</th>
<th>Fiscal Year 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory Value of Real Property</td>
<td>$ 295,000</td>
<td>$ 295,000</td>
</tr>
<tr>
<td>Value of Loans and Grants Receivable, (P&amp;I)</td>
<td>$ 55,088,850</td>
<td>$ 55,981,884</td>
</tr>
<tr>
<td>Total Value of Housing Successor Assets</td>
<td>$ 55,383,850</td>
<td>$ 56,276,884</td>
</tr>
</tbody>
</table>

V. 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 fiscal years 2013-14 or 2014-15.

VI. 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 for housing projects pursuant to the ROPS.

VII. 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 provides a status update on the real property or properties housing asset(s) that were acquired prior to February 1, 2012 and compliance with five-year period for initiating development activities:

<table>
<thead>
<tr>
<th>Address of Property</th>
<th>Date of Acquisition*</th>
<th>Deadline to Initiate Development Activity</th>
<th>Status of Housing Successor Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>530 East Lafayette Street</td>
<td>9/5/2012</td>
<td>9/5/2017</td>
<td>We are accepting proposals from developers, and plan to sell or develop the properties prior to the deadline.</td>
</tr>
<tr>
<td>534 East Lafayette Street</td>
<td>9/5/2012</td>
<td>9/5/2017</td>
<td></td>
</tr>
<tr>
<td>311 South American Street</td>
<td>9/5/2012</td>
<td>9/5/2017</td>
<td></td>
</tr>
<tr>
<td>411 South Stanislaus Street</td>
<td>9/5/2012</td>
<td>9/5/2017</td>
<td></td>
</tr>
<tr>
<td>548 East Lafayette Street</td>
<td>9/5/2012</td>
<td>9/5/2017</td>
<td></td>
</tr>
</tbody>
</table>

*The State Department of Finance approved the Housing Assets Transfer Form on September 5, 2012.

VIII. Description of Outstanding Obligations under Section 33413: This section describes the outstanding inclusionary and 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.
obligations, if any.

Replacement Housing: According to the 2010-2014 Redevelopment Agency Five Year Implementation Plan for the former redevelopment agency, no replacement housing obligations were transferred to the Housing Successor. The former redevelopment agency’s 2010-2014 Implementation Plan is posted on the City’s website at [http://www.stocktongov.com/government/departments/econDev/redev.html](http://www.stocktongov.com/government/departments/econDev/redev.html).

There were no additional projects that incurred replacement obligations between the date the plan was written (December 2009) and the dissolution of the former redevelopment agency on February 1, 2012.

Inclusionary/Production Housing: According to the Implementation Plan for the former redevelopment agency, no Section 33413(b) inclusionary/production housing obligations were transferred to the Housing Successor. The former redevelopment agency as of the end of fiscal year 2010-2011 had already exceeded its total affordable housing production obligation for the ten-year compliance period.

There were additional projects that incurred housing production obligations between the date the report was written (December 2009) and the dissolution of the redevelopment agency on February 1, 2012. The new obligation of 50 units was surpassed, as the former redevelopment agency and the City financially assisted housing developers to produce 333 affordable units during this same period. Since dissolution through fiscal year 2014-2015 an additional 175 affordable units were produced within the project areas.

IX. Income Test: 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 period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.

There is nothing to report at this time.

X. Senior Housing Test: This section provides the percentage 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 ten 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 July 1, 2004 through July 1, 2014 and July 1, 2005 through July 1, 2015.

The following provides the Housing Successor’s Senior Housing Test- Reporting requirements for Implementation Plans pursuant to CRL Section 33490 (a)(2)(C)(iv):
<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 2013-14</th>
<th>Fiscal Year 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assisted Senior Rental Units</strong></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Assisted Rental Units</strong></td>
<td>90</td>
<td>29</td>
</tr>
<tr>
<td><strong>Senior Housing Percentage</strong></td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### XI. Excess Surplus Test:
This section provides the amount of excess surplus (unencumbered funds) in the LMIHAF, exceeding one million or the aggregate amount deposited in the fund over the preceding four fiscal years 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.

*The LMIHAF does not have an excess surplus.*

### XII. Inventory of Homeownership Units:
This section provides 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 LMIHAF pursuant to subdivision (f) of Section 33334.3.

*The former redevelopment agency does not have any inventory of homeownership units assisted by the former redevelopment agency or from the LMIHAF.*