The Housing Authority of the County of Santa Barbara ("HACSB") is the Housing Successor to the former Guadalupe Community Redevelopment Agency ("former RDA"). On September 15, 2016, the City of Guadalupe, as the Successor Agency to the former RDA, transferred all of the housing assets of the former RDA to the Housing Successor. These housing assets, along with any funds generated by the housing assets, are maintained in the Low and Moderate Income Housing Asset Fund ("LMIHAF") in the accounts of the Housing Successor.

This Housing Successor Annual Report ("Report") regarding the LMIHAF has been prepared pursuant to California Health and Safety Code Section 34176.1(f). This Report sets forth certain details of the Housing Successor’s activities during Fiscal Year 2018 ("Fiscal Year"). The purpose of this Report is to provide the governing body of the Housing Successor with 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 (the "Dissolution Law").

The following Report is based upon information prepared by Housing Successor staff and information contained within the independent financial audit of the LMIHAF, as incorporated in the Housing Authority of the County of Santa Barbara’s Audited Financial Statements for Fiscal Year 2018 prepared by Harn & Dolan, CPA, which Audit is separate from this Report. In accordance with Section 34176.1(f), an independent financial audit of the LMIHAF is required within six (6) months after the end of the fiscal year. The Audit is available upon request.

This Report conforms with and is organized into Sections I through XII below, 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.

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.

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.

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.
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.

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.

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 RDA prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, provide a status update on the project.

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 RDA as of February 1, 2012 along with the Housing Successor’s progress in meeting those prior obligations, if any, of the former RDA and how the Housing Successor plans to meet unmet obligations, if any.

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

X. **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, the former RDA, 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, the former RDA and its host jurisdiction within the same time period. For this Report the ten-year period reviewed is January 1, 2008 to January 1, 2018.

XI. **Excess Surplus Test:** This section provides the amount of excess surplus in the LMIHAF, if any, the length of time that the Housing Successor has had excess surplus, and the Housing Successor’s plan for eliminating the excess surplus.

XII. **Inventory of Homeownership Units:** This section provides an inventory of homeownership units assisted by the former RDA or the Housing Successor that are subject to covenants or restrictions or to an adopted program that protects the former RDA’s investment of moneys from the LMIHAF pursuant to Section 33334.3(f). This inventory shall include the number of those units, the number of units lost to the portfolio after February 1, 2012, any funds returned to the Housing Successor, and whether the Housing Successor has contracted with any outside entity for the management of the units.
I. AMOUNT DEPOSITED INTO LMIHAF

A total of $3,011 was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, a total of $0 was transferred to the Housing Successor, and $3,011 was earned interest. A total of $0 was held for items listed on the ROPS.

II. ENDING BALANCE OF LMIHAF

At the close of the Fiscal Year, the ending balance in the LMIHAF was $608,942, of which $0 is held for items listed on the ROPS.

III. DESCRIPTION OF EXPENDITURES FROM LMIHAF

There was $0 in expenditures from the LMIHAF during the Fiscal Year.

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

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

<table>
<thead>
<tr>
<th>Description</th>
<th>As of End of Fiscal Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory Value of Real Property Owned by Housing Successor</td>
<td>$0</td>
</tr>
<tr>
<td>Value of Loans Receivable</td>
<td>$450,000</td>
</tr>
<tr>
<td>Total Value of Housing Successor Assets</td>
<td>$450,000</td>
</tr>
</tbody>
</table>

V. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other housing successor(s) under Section 3476.1(c)(2) during the Fiscal Year.

VI. PROJECT DESCRIPTIONS

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

VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

With respect to interests in real property acquired by the former RDA 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 (“DOF”) approved the property as a housing asset. By letter dated August 31, 2012, DOF approved as housing assets the former RDA’s interest in the real properties commonly known as 4542 12th Street and 855 Pioneer Street in the City of Guadalupe, County of Santa Barbara, California (the “Properties”), which interest was acquired by the former RDA prior to February 1, 2012. Thus, as to the former RDA’s interest in the Properties now held by the Housing Successor, the Housing Successor must initiate activities consistent with the development of the Properties for affordable housing purposes by August 31, 2017.

Pursuant to Section 33334.16, the Housing Successor executed a Resolution whereby it elects to extend the period during which the Housing Successor may retain the Properties before initiating activities
consistent with the development of affordable housing by five additional years, up to and including August 31, 2022.

VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

Replacement Housing: According to the Long Range Property Management Plan of the Successor Agency to the former RDA, no Section 33413(a) replacement housing obligations were transferred to the Housing Successor.

IX. EXTREMELY-LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor require at least 30% of the LMIHAF to be expended for 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. This information is not required to be reported until 2019 for the 2014-2019 period.

X. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former RDA and/or the County within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former RDA and/or County within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds in the LMIHAF to assist additional senior housing units until the Housing Successor or County assists and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The Housing Successor currently only assists undeveloped property and therefore the senior housing test is not applicable.

XI. EXCESS SURPLUS TEST

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 following provides the Excess Surplus test for the preceding four Fiscal Years.

<table>
<thead>
<tr>
<th>Excess Surplus Calculation</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sum of Deposits over Prior Four Fiscal Years</td>
<td>$608,942</td>
</tr>
<tr>
<td>Current Reporting Year Opening Balance (Jan 1, 2018)</td>
<td>$608,942</td>
</tr>
<tr>
<td>Larger of Sum of Deposit or $1 million</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Excess Surplus</td>
<td>$0</td>
</tr>
</tbody>
</table>
XII. INVENTORY OF HOMEOWNERSHIP UNITS ASSISTED BY FORMER RDA

(A) The number of units = 0

(B) Number of units lost to the portfolio after February 1, 2012 = 0

(C) Any funds returned to the Housing Successor as part of an adopted program that protects the former RDA’s investment of moneys from the LMIHAF = 0

(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 Housing Successor has not contracted with any outside entity for the management of units.