
SENATE BILL 341 ANNUAL REPORT
Firebaugh Housing Successor

Fiscal Year 2021-22



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INTRODUCTION

The City of Firebaugh (“City”) named itself as the successor housing entity (“Housing Successor”) on January 23, 2012 by the adoption of Resolution No. 12-02. The Housing Successor is the successor housing entity to the former Firebaugh Redevelopment Agency (“Agency”), which was dissolved by State law.

This Housing Successor Agency Annual Report (“Annual Report”) contains information on Fiscal Year (“FY”) 2021-22 finances and activities as required by Health and Safety Code (“HSC”) Section 34176.1(f), to show that the Housing Successor is in compliance. FY 2021-22 also marks the third year of the second five-year compliance period for income proportionality, which began in 2019-20. This Annual Report details how the Housing Successor has met all requirements for expenditures by income level from July 1, 2021 through June 30, 2022.

The Annual Report is due to the California Department of Housing and Community Development (“HCD”) by December 31 annually, and must be accompanied by an independent financial audit. The City’s audited financial statements will be posted on the City website when available.

HOUSING SUCCESSOR REQUIREMENTS

Senate Bill (“SB”) 341¹ and subsequent legislation enacted several requirements for housing successor agencies. Housing successors must comply with three major requirements pursuant to HSC Section 34176.1:

1. Expenditures and housing production are subject to income and age targets.
2. Housing successors may not accumulate an “excess surplus,” or a high balance based on certain thresholds.

¹ 2013-14 legislative session

3. Properties must be developed with affordable housing within five to ten years of being approved for transfer from the former redevelopment agency to the housing successor.

The requirements are designed to ensure that housing successors are actively utilizing former Agency housing assets to produce affordable housing. Appendix 1 provides a detailed summary of the reporting requirements that are addressed in this Annual Report.

ASSETS TRANSFERRED TO HOUSING SUCCESSOR

Upon the statewide dissolution of redevelopment in 2012, all rights, powers, committed assets, liabilities, duties, and obligations associated with the housing activities of the Agency were transferred to the Housing Successor. The Housing Successor prepared a Housing Asset Transfer Form (“HAT”) that provided an inventory of all housing assets transferred from the Agency to the Housing Successor. In Firebaugh this included:

1. Real properties;
2. Loans and grants receivable; and
3. Rent Income.

All items on the HAT were approved by the California Department of Finance (“DOF”) on September 5, 2012. A copy of the HAT is provided as Appendix 2.

HOUSING ASSET FUND ACTIVITY

Former Agency assets, and the revenues generated by those assets, are maintained in the Housing Successor’s Low and Moderate Income Housing Asset Fund (“Housing Asset Fund”).² Housing Asset Funds may be spent on:

² The Housing Asset Fund replaced the former Agency’s Low and Moderate Income Housing Fund.

- **Administrative costs** up to \$200,000 per year adjusted for inflation, or 5% of the statutory value of real property owned by the Housing Successor and the value of loans and grants receivable from the HAT (“Portfolio”), whichever is greater. 5% of the Housing Successor portfolio was \$15,139 (5% of \$302,786). According to HCD, the FY 2021-22 administrative cap was not available at the time of the drafting of this report. Therefore, the housing successor is applying the most available (FY 2020-21) published administrative cap limit of \$223,400 to this analysis.
- **Homeless prevention and rapid rehousing services** up to \$250,000 per year if the former Agency did not have any outstanding housing inclusionary or replacement housing production requirements.
- **Affordable housing development** assisting households up to 80 percent of the Area Median Income (“AMI”), subject to specific income and age targets.

Five-Year Income Proportionality: If any Housing Asset Funds are spent on affordable housing development, it triggers a requirement to spend at least 30 percent of such expenses assisting extremely low income households (30% AMI) and no more than 20 percent on low income households (between 60-80% AMI) per five-year compliance period. The first five-year compliance period was January 1, 2014 through June 30, 2019 and the second five-year compliance period will be from July 1, 2019 through June 30, 2024.

Note that housing successors must report expenditures by category each year, but compliance with income proportionality limits is measured every five years. For example, a housing successor could spend all its funds in a single year on households earning between 60-80% AMI, as long as it was 20 percent or less of the total expenditures during the five-year compliance period.

Ten-Year Age Proportionality: If more than 50% of the total aggregate number of rental units produced by the City, Housing Successor, or former Agency during the past 10 years are restricted to seniors, the Housing Successor may not spend more Housing Asset Funds on senior rental housing.

Appendix 3 describes Housing Asset Fund expenditure requirements in more detail, including the types of costs eligible in each category.

EXPENDITURE LIMIT COMPLIANCE

The Housing Successor complied with all Housing Asset Fund spending restrictions in FY 2021-22, including income targeting requirements for the five-year compliance period to date:³

- The Housing Successor had administrative costs of \$18,755 and did not exceed the maximum amount for FY 2021-22. The money was originally expended from the incorrect account in FY 2020-21 and included expenditures for compliance monitoring and consultation for the San Joaquin Villas project. Accordingly, the Housing Successor made a prior-period adjustment of \$18,755 to reflect the correct account for FY 2021-22.
- No homeless prevention or rapid rehousing expenses were made in FY 2021-22 and, therefore, the Housing Successor did not exceed the maximum amount.
- No affordable housing development-related expenditures were made, so the five-year compliance period income targets do not apply.

The Housing Successor will ensure it meets all annual expenditure requirements going forward, as well as for the ongoing current five-year compliance period of July 1, 2019 through June 30, 2024. Failure to comply with the extremely low-income requirement in any five-year compliance period will result in the Housing Successor having to ensure that 50 percent of remaining funds be spent on extremely low income rental units until in compliance. Exceeding the expenditure limit for low households earning between 60-80% AMI in any five-year reporting period will result in the Housing Successor not being able to expend any funds on these income categories until in compliance.

SENIOR RENTAL HOUSING LIMIT COMPLIANCE

The Housing Successor does not comply with the limit allowing no more than 50 percent of the total aggregate number of rental units produced within the preceding ten years to be restricted to seniors.

³ The Housing Asset Fund figures in this Annual Report are based on unaudited numbers that were available at the time this report was prepared. They might vary slightly from audited numbers once the City's annual audit is complete.

Over the last decade, 40 affordable units were constructed. The Gateway Project was developed in 2016 and included 30 senior units (75%) and 10 non-senior units (25%). The number of senior restricted units from the Gateway Project places the Housing Successor over the 50 percent limit. As a result, the Housing Successor may not spend Housing Asset Funds on senior rental housing until it meets this requirement.

A new housing development called Greystone Estates was completed in FY 2021-22. In addition, there is currently another housing project in the pipeline by Cen Cal Builders. However, neither Greystone Estates nor the Cen Cal Builders projects are considered deed-restricted nor have been assisted with Housing Successor monies.

DEPOSITS AND FUND BALANCE

The Housing Asset Fund cash balance as of June 30, 2022 was \$426,378 as summarized in Table 1. The Housing Successor deposited \$3,000 into the Housing Asset Fund during FY 2021-22 and the bulk of the assets in the fund are Note Receivables.

Table 1 Housing Asset Fund Ending Balance FY 2021-22	
Balance Type	Amount
Beginning Balance	\$ 100,974
<i>FY 2021-22 Deposits</i>	
667 McClain Cerca Del Rio	\$ 3,000
<i>FY 2021-22 Expenses¹</i>	
Compliance Monitoring & San Joaquin Villas (Transfer)	\$ (18,755)
LMIHF Interest Receivable	\$ 182
LMIHF Note Receivable - San Joaquin Vista Apartments	\$ 190,977
LMIHF Note Receivable - San Joaquin Villas ²	\$ 150,000
Ending Balance	\$ 426,378

¹Expenses for the Housing Successor were spent out of the wrong fund in FY 20-21 and corrected in 21-22.

²The San Joaquin Villas project site loan may be rescinded in the near future.

EXCESS SURPLUS

The Housing Asset Fund may not accumulate an “excess surplus”, which is an unencumbered amount that exceeds the greater of \$1 million or the sum of deposits in the prior four fiscal years. This requirement

ensures that housing successors are actively spending available Housing Asset Funds on affordable housing.

The Housing Successor did not have an excess surplus as of FY 2021-22, as shown in Table 2.

Table 2 Excess Surplus Calculation					
Fiscal Year	2018-19	2019-20	2020-21	2021-22	Total 4-Year Deposits
Deposits	\$ 11,365	\$ 3,250	\$ 43,394	\$ 3,000	\$ 61,009
FY 2021-22 Beginning Cash Balance					\$ 100,974
Less: Encumbered Funds					\$ -
Unencumbered Amount ¹					\$ 100,974
Step 1					
\$1 Million, or Last 4 Deposits					\$ 1,000,000
					\$ 61,009
Result: Larger Number					\$ 1,000,000
Step 2					
Unencumbered Cash Balance					\$ 100,974
Larger Number From Step 1					\$ 1,000,000
Excess Surplus					\$ -

¹ As of July 1, 2022

The Housing Successor will continue monitoring its deposits and fund balance to avoid an excess surplus. If the Housing Asset Fund has an excess surplus in the future, the excess surplus must be expended or encumbered within the next three fiscal years. If a housing successor fails to comply, it must transfer any excess surplus to HCD within 90 days of the end of the third fiscal year.

TRANSFERS TO OTHER HOUSING SUCCESSORS

There were no transfers to another housing successor entity for a joint project pursuant to HSC Section 34176.1(c)(2).

HOUSING SUCCESSOR PORTFOLIO

PROPERTIES AND DISPOSITION STATUS

At the time of dissolution, the former Agency requested to transfer two real estate parcels and the rental income associated with them – 1238 P Street (APN 008-075-11) and 1264 P Street (APN 008-075-03) located near 13th Street in the City of Firebaugh – to the Housing Successor. The California Department of Finance (“DOF”) objected to these transfers and the former Agency subsequently sold the properties to the Fresno County Housing Authority. The parcels were used to develop the Gateway Project.

HSC Section 34176.1(e) requires all real properties acquired by the Agency prior to February 1, 2012 and transferred to the Housing Successor to be developed pursuant to the requirements detailed in HSC Section 33334.16. All property that falls within these parameters must be developed for affordable housing purposes or sold within five years from the date DOF approved the HAT Form, which would be before September 5, 2017. All Housing Successor properties transferred on the Housing Asset Transfer Form have been developed.

LOANS RECEIVABLE

The Housing Successor Portfolio included two loans receivable transferred from the former Agency as of FY 2021-22. The Portfolio had a value of \$340,977 and is detailed in Table 3.

Asset	Amount
Loans Receivable	
LMIHF Note Receivable - San Joaquin Vista Apartments	190,977
LMIHF Note Receivable - San Joaquin Villas	\$ 150,000
<i>Subtotal</i>	\$ 340,977
Total Portfolio Value	\$ 340,977

SAN JOAQUIN VISTA APARTMENTS

A loan for \$200,000 was issued on November 16, 2000 to the Firebaugh San Joaquin Vista Associates for the construction of the San Joaquin Vista Apartments, an apartment complex of 47 affordable rental units. Located at 500 P Street in Firebaugh, the San Joaquin Vista Apartments property contains 16 two-bedroom, 24 three-bedroom, and 8 four-bedroom apartments, and is owned by Pacific Communities. As of June 30, 2021, the outstanding loan balance remained at \$190,977.

SAN JOAQUIN VILLAS & MILLER AND LUX APARTMENTS

The San Joaquin Development Partnership (“SJDP”) received a loan for \$150,000 and was awarded a \$240,000 grant on May 5, 2008. The SJDP also received additional grant funding in the amount of \$300,000 from the Agency on March 22, 2011. The loan and grants were transferred to the Housing Successor to develop and operate the San Joaquin Villas. The SJDP originally entered into an agreement to construct 21 very low-, low-, and moderate-income restricted condominiums. However, due to the subprime mortgage crisis and the 2008-09 recession only 10 of the 21 were constructed. The condos are for-sale units. The units built were Cottage-style, single-family detached units targeted to first-time homebuyers who are at extremely low-income levels of the area median income (30% of AMI). All homes are two stories with three bedrooms, two full bathrooms, and solar power systems.

On January 13, 2010 California Community Builders, Inc. entered into an agreement with the Housing Successor to separately develop land previously covered under the SJDP agreement. This site was to be called the Miller and Lux Apartments and received a \$200,000 loan and \$50,000 grant from the Housing Successor. However, it too would not be fully developed due to the subprime mortgage crisis. On February 19, 2020, a request was sent to the Housing Successor for the release of certain deeds of trust, promissory notes, and repayment obligations by the SJDP, California Community Builders, and Habitat for Humanity Greater Fresno Area, Inc. (“HFH”), to facilitate the transfer of the San Joaquin Villas and Miller and Lux project sites into the ownership of HFH. The Housing Successor then approved the rescinding of a \$200,000 loan and a \$50,000 grant for the Miller and Lux site. However, this left the debts for the San Joaquin Villas site in place. As of June 30, 2022, the balance due for the San Joaquin Villas project site loan remained at \$150,000. The Housing Successor is exploring steps to rescind this loan as well.

HOMEOWNERSHIP ASSISTED UNITS

The Housing Successor received 124 affordability covenants. These covenants, recorded with the Fresno County Recorder, assure their respective property meets affordability requirements and remains

affordable for 30 years. The covenants were received in exchange for conditional grants given by the Agency, which have a statutory value of \$7,500 each, and were also transferred to the Housing Successor. Five of the covenants and grants have since been terminated; the combined value of the remaining 119 grants was \$892,500. The grant associated with the 667 McClain Street covenant was fully paid in FY 21-22. A total of \$15,500 has been repaid to the Housing Successor from the five covenants that have been terminated. The Housing Successor has not contracted with anyone to manage the assisted units because the units are all single-family homes. Descriptions of the homeowner assisted units are detailed in the following narrative.

CERCA DEL RIO III COVENANTS

The Housing Successor received thirty-nine (39) 30-year affordability covenants, each associated with a \$7,500 grant, for the development of a subdivision called Cerca Del Rio III. In FY 20-21, one covenant associated with the property located at 626 McClain Street was terminated due to the owner selling the property to a non-income eligible buyer. Additionally, In FY 21-22, one covenant associated with 667 McClain was terminated to a non-income eligible buyer. The properties are single-family homes identified as “Lots 1 through 39 of Tract no. 5202, per the map thereof recorded in Book 68, pages 70 and 71 of Maps, in the Fresno County records”. The covenant agreements were executed by the former Agency and Lennar Fresno, Inc. on September 22, 2004 and recorded by the Fresno County Recorder on November 8, 2004. All remaining 37 covenant agreements will expire after November 8, 2034.

DODDERER STREET & REV KANTOR STREET COVENANTS

The Agency transferred thirty-six (36) 30-year affordability covenants to the Housing Successor, each tied to a \$7,500 grant, for the development of a single-family subdivision tract on Dodderer street. An additional 5 affordability covenants for properties on Kantor street were similarly inherited by the Housing Successor. The covenants associated with the properties at 693 Rev Kantor Street and 638 Dodderer Street were terminated after being sold to non-income eligible buyers. All 41 covenant agreements were executed by the former Agency on June 15, 2000 and will expire in 2030.

TRACT 4850

The Housing Successor received forty-four (44) 30-year affordability covenants, each associated with a \$7,500 grant, for the development of a single-family subdivision. One covenant associated with the property located at 744 Lowe Court has been terminated due to the owner selling the property to a non-

income eligible buyer. The parcels are identified as “Lots 1 through 44 of Tract no. 4850, per the map thereof recorded in Volume 63 pages 8 and 9 of Plays, Fresno County Records.” The covenant agreements were executed by the former Agency and CJM Development on December 20, 1999 and recorded by the Fresno County Recorder on February 27, 2001. All remaining 43 covenant agreements will expire after February 27, 2031.

Table 4 presents an inventory of homeownership units assisted by the Housing Successor that require restrictions, covenants, or an adopted program that protects Housing Asset Fund monies.

Table 4
Homeownership Unit Inventory

Item #	Project Name / Address	Year of Transfer		Item #	Project Name / Address	Year of Transfer	
		to Housing Successor	Affordability Period (Yrs)			to Housing Successor	Affordability Period (Yrs)
Cerca Del Rio III				Dodderer St.			
1	Lot 1 of Tract 5202 Cerca Del Rio III	2012	30	61	773 Dodderer St.	2012	30
2	Lot 2 of Tract 5202 Cerca Del Rio III	2012	30	62	761 Dodderer St.	2012	30
3	Lot 3 of Tract 5202 Cerca Del Rio III	2012	30	63	759 Dodderer St.	2012	30
4	Lot 4 of Tract 5202 Cerca Del Rio III	2012	30	64	747 Dodderer St.	2012	30
5	Lot 6 of Tract 5202 Cerca Del Rio III	2012	30	65	735 Dodderer St.	2012	30
6	Lot 7 of Tract 5202 Cerca Del Rio III	2012	30	66	723 Dodderer St.	2012	30
7	Lot 8 of Tract 5202 Cerca Del Rio III	2012	30	67	671 Dodderer St.	2012	30
8	Lot 9 of Tract 5202 Cerca Del Rio III	2012	30	68	669 Dodderer St.	2012	30
9	Lot 10 of Tract 5202 Cerca Del Rio III	2012	30	69	651 Dodderer St.	2012	30
10	Lot 11 of Tract 5202 Cerca Del Rio III	2012	30	70	645 Dodderer St.	2012	30
11	Lot 12 of Tract 5202 Cerca Del Rio III	2012	30	71	633 Dodderer St.	2012	30
12	Lot 13 of Tract 5202 Cerca Del Rio III	2012	30	72	621 Dodderer St.	2012	30
13	Lot 14 of Tract 5202 Cerca Del Rio III	2012	30	Tract 4850 (1-44)			
14	Lot 15 of Tract 5202 Cerca Del Rio III	2012	30	73	Lot 1 of Tract 4850	2012	30
15	Lot 16 of Tract 5202 Cerca Del Rio III	2012	30	74	Lot 2 of Tract 4850	2012	30
16	Lot 17 of Tract 5202 Cerca Del Rio III	2012	30	75	Lot 3 of Tract 4850	2012	30
17	Lot 18 of Tract 5202 Cerca Del Rio III	2012	30	76	Lot 4 of Tract 4850	2012	30
18	Lot 19 of Tract 5202 Cerca Del Rio III	2012	30	77	Lot 5 of Tract 4850	2012	30
19	Lot 20 of Tract 5202 Cerca Del Rio III	2012	30	78	Lot 6 of Tract 4850	2012	30
20	Lot 21 of Tract 5202 Cerca Del Rio III	2012	30	79	Lot 7 of Tract 4850	2012	30
21	Lot 22 of Tract 5202 Cerca Del Rio III	2012	30	80	Lot 8 of Tract 4850	2012	30
22	Lot 23 of Tract 5202 Cerca Del Rio III	2012	30	81	Lot 9 of Tract 4850	2012	30
23	Lot 24 of Tract 5202 Cerca Del Rio III	2012	30	82	Lot 10 of Tract 4850	2012	30
24	Lot 25 of Tract 5202 Cerca Del Rio III	2012	30	83	Lot 11 of Tract 4850	2012	30
25	Lot 26 of Tract 5202 Cerca Del Rio III	2012	30	84	Lot 12 of Tract 4850	2012	30
26	Lot 27 of Tract 5202 Cerca Del Rio III	2012	30	85	Lot 13 of Tract 4850	2012	30
27	Lot 28 of Tract 5202 Cerca Del Rio III	2012	30	86	Lot 14 of Tract 4850	2012	30
28	Lot 29 of Tract 5202 Cerca Del Rio III	2012	30	87	Lot 15 of Tract 4850	2012	30
29	Lot 30 of Tract 5202 Cerca Del Rio III	2012	30	88	Lot 16 of Tract 4850	2012	30
30	Lot 31 of Tract 5202 Cerca Del Rio III	2012	30	89	Lot 17 of Tract 4850	2012	30
31	Lot 32 of Tract 5202 Cerca Del Rio III	2012	30	90	Lot 19 of Tract 4850	2012	30
32	Lot 33 of Tract 5202 Cerca Del Rio III	2012	30	91	Lot 20 of Tract 4850	2012	30
33	Lot 34 of Tract 5202 Cerca Del Rio III	2012	30	92	Lot 21 of Tract 4850	2012	30
34	Lot 35 of Tract 5202 Cerca Del Rio III	2012	30	93	Lot 22 of Tract 4850	2012	30
35	Lot 36 of Tract 5202 Cerca Del Rio III	2012	30	94	Lot 23 of Tract 4850	2012	30
36	Lot 38 of Tract 5202 Cerca Del Rio III	2012	30	95	Lot 24 of Tract 4850	2012	30
37	Lot 39 of Tract 5202 Cerca Del Rio III	2012	30	96	Lot 25 of Tract 4850	2012	30
Dodderer St.				97	Lot 26 of Tract 4850	2012	30
38	614 Dodderer St.	2012	30	98	Lot 27 of Tract 4850	2012	30
39	626 Dodderer St.	2012	30	99	Lot 28 of Tract 4850	2012	30
40	640 Dodderer St.	2012	30	100	Lot 29 of Tract 4850	2012	30
41	652 Dodderer St.	2012	30	101	Lot 30 of Tract 4850	2012	30
42	664 Dodderer St.	2012	30	102	Lot 31 of Tract 4850	2012	30
43	676 Dodderer St.	2012	30	103	Lot 32 of Tract 4850	2012	30
44	728 Dodderer St.	2012	30	104	Lot 33 of Tract 4850	2012	30
45	730 Dodderer St.	2012	30	105	Lot 34 of Tract 4850	2012	30
46	742 Dodderer St.	2012	30	106	Lot 35 of Tract 4850	2012	30
47	754 Dodderer St.	2012	30	107	Lot 36 of Tract 4850	2012	30
48	766 Dodderer St.	2012	30	108	Lot 37 of Tract 4850	2012	30
49	788 Dodderer St.	2012	30	109	Lot 38 of Tract 4850	2012	30
50	810 Dodderer St.	2012	30	110	Lot 39 of Tract 4850	2012	30
51	822 Dodderer St.	2012	30	111	Lot 40 of Tract 4850	2012	30
52	834 Dodderer St.	2012	30	112	Lot 41 of Tract 4850	2012	30
53	839 Dodderer St.	2012	30	113	Lot 42 of Tract 4850	2012	30
54	841 Dodderer St.	2012	30	114	Lot 43 of Tract 4850	2012	30
55	846 Dodderer St.	2012	30	115	Lot 44 of Tract 4850	2012	30
				Kantor St.			
56	853 Dodderer St.	2012	30	116	Lot 21 of Tract 4851 Rev. Kantor St.	2012	30
57	858 Dodderer St.	2012	30	117	Lot 23 of Tract 4851 Rev. Kantor St.	2012	30
58	860 Dodderer St.	2012	30	118	Lot 24 of Tract 4851 Rev. Kantor St.	2012	30
59	827 Dodderer St.	2012	30	119	Lot 25 of Tract 4851 Rev. Kantor St.	2012	30
60	815 Dodderer St.	2012	30				

Note: 744 Lowe Ct., 626 McClain St., 638 Dodderer St., 693 Rev Kantor St., and 667 McClain St., have been removed as a result of being sold.
Source: City of Firebaugh

APPENDIX 1 - HOUSING SUCCESSOR ANNUAL REPORT REQUIREMENTS

Housing Successor Reporting Requirements Health and Safety Code Section 34176.1(f)	
<b style="color: #c00000;">Housing Asset Fund Revenues & Expenditures	<p>Total amount deposited in the Housing Asset Fund for the fiscal year</p> <p>Amount of deposits funded by a Recognized Obligation Payment Schedule (“ROPS”)</p> <p>Statement of balance at the close of the fiscal year</p> <p>Description of Expenditures for the fiscal year, broken out as follows:</p> <ul style="list-style-type: none"> • Homeless prevention and rapid rehousing • Administrative and monitoring • Housing development expenses by income level assisted <p>Description of any transfers to another housing successor for a joint project</p>
<b style="color: #c00000;">Other Assets and Active Projects	<p>Description of any project(s) funded through the ROPS</p> <p>Update on property disposition efforts (note that housing successors may only hold property for up to five years, unless it is already</p> <p>Other “portfolio” balances, including:</p> <ul style="list-style-type: none"> • Statutory value of any real property either transferred from the former Agency or purchased by the Housing Asset Fund • Value of loans and grants receivable <p>Inventory of homeownership units assisted by the former Agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former Agency’s investment of monies from the Low and Moderate Income Housing Fund</p>
<b style="color: #c00000;">Obligations & Proportionality	<p>Description of any outstanding production obligations of the former Agency that were inherited by the Housing Authority</p> <p>Compliance with proportionality requirements (income group targets), which must be upheld on a five-year cycle</p> <p>Percentage of deed-restricted rental housing restricted to seniors and assisted by the former Agency, the Housing Authority, or the City within the past ten years compared to the total number of units assisted by any of those three agencies</p> <p>Amount of any excess surplus, and, if any, the plan for eliminating it</p>

APPENDIX 2 – HOUSING ASSET TRANSFER FORM

The Housing Asset Transfer Form is attached as a separate document.

APPENDIX 3 – HOUSING ASSET FUND EXPENDITURE REQUIREMENTS

Housing Asset Fund Expenditure Requirements <i>Health and Safety Code Section 34176.1</i>		
Expense Category	Limits	Allowable Uses
Administration and Compliance Monitoring	\$223,400 maximum for FY 2020-21 (limit varies each year)	Administrative activities such as: <ul style="list-style-type: none"> Professional services (consultant fees, auditor fees, etc.) Staff salaries, benefits, and overhead for time spent on Housing Successor administration Compliance monitoring to ensure compliance with affordable housing and loan agreements Property maintenance at Housing Successor-owned properties <p>Capped at \$200,000 adjusted annually for inflation or 5% of the statutory value of real property owned by the housing successor and the value of loans and grants receivable from the HAT (“Portfolio”), whichever is greater.</p> <p>At the time of the drafting of this report, the FY 2021-22 cap was not available. Therefore, the housing successor is applying the most available (FY 2020-21) published administrative cap limit of \$223,400.</p>
Homeless Prevention and Rapid Rehousing Solutions	\$250,000 maximum per fiscal year	Services for individuals and families who are homeless or would be homeless but for this assistance, including: <ul style="list-style-type: none"> Contributions toward the construction of local or regional homeless shelters Housing relocation and stabilization services including housing search, mediation, or outreach to property owners Short-term or medium-term rental assistance Security or utility deposits Utility payments Moving cost assistance Credit repair Case management Other appropriate activities for homelessness prevention and rapid rehousing of persons who have become homeless.

Housing Asset Fund Expenditure Requirements
Health and Safety Code Section 34176.1

Expense Category	Limits	Allowable Uses
Affordable Housing Development	No spending limit, but must comply with income and age targets	<p>“Development” includes:</p> <ul style="list-style-type: none"> • New construction • Acquisition and rehabilitation • Substantial rehabilitation • Acquisition of long-term affordability covenants on multifamily units • Preservation of at-risk units whose affordable rent restrictions would otherwise expire over the next five years
	<i>Income Targets</i>	<p>Every five years (currently FYE 2020-2024), Housing Asset Funds must meet income targets:</p> <ul style="list-style-type: none"> • At least 30% on extremely low income rental households (up to 30% AMI or “Area Median Income”) • No more than 20% on low income households (60-80% AMI) <p>Moderate and above moderate income households may not be assisted (above 80% AMI).</p> <p>Failure to comply with the extremely low income requirement in any five-year compliance period will result in having to ensure that 50 percent of remaining funds be spent on extremely low income rental units until in compliance.</p> <p>Exceeding the expenditure limit for low households earning between 60-80% AMI in any five-year reporting period will result in not being able to expend any funds on these income categories until in compliance.</p>
	<i>Age Targets</i>	<p>For the prior ten years (resets every year), a maximum of 50% of deed-restricted rental housing units assisted by the Housing Successor or its host jurisdiction may be restricted to seniors.</p> <p>If a housing successor fails to comply, Housing Asset Funds may not be spent on deed-restricted rental housing restricted to seniors until in compliance.</p>