

**ATTACHMENT A
CITY OF RICHMOND
HOUSING & COMMUNITY DEVELOPMENT (HCD)-SUCCESSOR HOUSING
HOUSING SUCCESSOR ANNUAL REPORT
REGARDING THE
LOW AND MODERATE INCOME HOUSING ASSET FUND
FOR FISCAL YEAR 2018-2019 PURSUANT TO
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)**

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 Richmond Housing and Community Development Department (HCD-Housing Successor) activities during Fiscal Year 2018-2019. The purpose of this Report is to provide the governing body of the Housing Successor an annual report of 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).

The Report is based upon information prepared by HCD-Housing Successor staff and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund for the Fiscal year 2018-2019 as prepared by Maze and Associates, which Audit is separate from this annual summary Report. Further, this Report conforms with and is organized into sections I through XIII, inclusive, pursuant to Section 34176.1(f) of the Dissolution Law:

I. AMOUNT RECEIVED PURSUANT TO SECTION 34191.4(b)(3)(A):

This section provides the total amount of funds paid to the City and the amount deposited into the LMIHAF allocable to 20% of the repayments on the reinstated City/Agency loan per Section 34191.4.

The former Redevelopment Agency and City did not enter into any loans that are to be repaid.

II. AMOUNT DEPOSITED INTO LMIHAF:

This section provides the total amount of funds deposited into the LMIHAF during the Fiscal Year, 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 (ROPS) and other amounts deposited.

SOURCE	AMOUNT
Principal Loan Payments	\$174,978
Interest on Loan Payments and Residual Receipts	\$288,947
Bond Monitoring/Issuer Administrative Fee	\$61,411
Loan Processing Fees	\$7,285
Interest on Investment	\$24,830
Miscellaneous Other Revenues	\$0
Total Revenue Deposits	\$557,451

A total of **\$557,451** was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, a total of **\$0** was held for items listed on the ROPS.

III. 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 held for items listed on the ROPS must be distinguished from the other amounts deposited.

Previous Balance + Deposits - Expenditures	\$28,803,272
Net Change in Fund Balance	\$454,449
Ending Balance as of 6/30/2018	\$29,257,721

At the close of the Fiscal Year, the ending balance in the LMIHAF was **\$29,257,721** of which **\$0** is held for items listed on the ROPS.

IV. 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.

There was a total of **\$418,832** expended from the LMIHAF categorized as follows:

DESCRIPTION	FY 2018/19
Monitoring & Administration Expenditures	\$59,100
Homeless Prevention and Rapid Rehousing	\$0
Professional Services	
Housing Development Expenditures:	
◇ Expenditures on Low Income Units	\$249,000
◇ Expenditures on Very-Low Income Units	\$0
◇ Expenditures on Extremely-Low Income Units	\$0
◇ Low Income Units-Project Implementation	\$110,732
Total Housing Development Expenditures	\$359,732
Total LMIHAF Expenditures in the Fiscal Year	\$418,832

The Housing Successor is allowed to spend up to the 5% of the value of the Housing Assets Portfolio (defined and calculated in Section V), which totals **\$27,588.750**, on Monitoring and Administration Expenditures. However, in this case, Housing Successor only spent less than **5%** (approximately **.2%**) of the maximum allowable for Monitoring and Administration due less staffing.

V. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF:

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 (HATS) 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 properties purchased by the Housing Successor. Further, the value of loans and grants receivable is included in this report as assets held in the LMIHAF.

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

	FY 2017/18	FY 2018/19
Statutory Value of Real Property	\$0	\$0
Value of Loans/Notes Receivable	\$ 27,193,856	\$ 27,588,750
Loans Receivable from Successor Agency	\$0	\$0
Total	\$ 27,193,856	\$ 27,588,750

VI. 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 the Fiscal Year.

VII. 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 did not receive or hold property tax revenue pursuant to the ROPS.

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

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; however, this report presents a status update on the project related to such real property.

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. In furtherance thereof, the Housing Successor does not have such real property described in this section.

IX. 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, if any.

The Housing Successor does not have any obligation to fulfill under Section 33413.

X. 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.

Section 34176.1(a)(3)(B) requires that the Housing Successor must 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 now required to be reported for FY 2019 for the 2014 – 2019 period.

For informational purposes, the following provides the Housing Successor's Extremely-Low Income requirement Test as of 2014-2019.

Extremely-Low Income Expenditure Test	2014-2019
LMIHAF on Rental Assistance Demonstration Program-extremely-low household	\$1,100,000
LMIHAF on Senior Rental Housing Units for Extremely-Low Income households	\$1,045,586
LMIHAF on Rehabilitation of Senior Housing - Extremely-Low Income household	\$801,444
Total LMIHAF (Five-Year Total)	\$2,947,030
Extremely-Low Income Test	70%

XI. 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, 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. For this Report, the ten-year period reviewed is July 1, 2008 to June 30, 2019.

No deed-restricted Senior Housing Units were assisted by the former redevelopment agency, the City of Richmond - Housing Successor within the last ten years.

XII. EXCESS SURPLUS TEST:

This section provides the amount of excess surplus in the LMIHAF, 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.

Excess Surplus is defined in Health and Safety Code Section 34176.1(d) as an unencumbered amount in the LMIHAF 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 table displays the Excess Surplus test:

	Preceding Four Fiscal Years				Reporting Year
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
Beginning Balance	\$18,698,445	\$22,726,228	\$23,337,446	\$28,164,627	\$28,664,653
(Less) Unavailable Amounts	\$21,574,704	\$22,950,187	\$25,884,620	\$27,193,856	\$27,588,750
Total Available Balance	(\$2,876,259)	(\$223,959)	(\$2,547,174)	\$970,771	\$1,075,903
Add: Deposits	\$608,043	\$338,178	\$2,140,001	\$554,517	\$557,451
(Less) Expenditures	\$51,144	\$1,132,298	\$403,763	\$1,201,792	\$418,832
(Less) Net Encumbrances	\$0	\$0	\$0	\$0	\$0
Unencumbered Balance Year End	(\$2,319,360)	(\$1,018,079)	(\$810,936)	\$323,497	\$1,214,522

Excess Surplus equals greater of \$1 million or sum of preceding four fiscal years of deposits to the fund:

Limitation on Available Housing Funds – 2018/19	
Greater of	
Base Amount	\$1,000,000
Four Years of Deposits:	
FY 2015/16	\$338,178
FY 2016/17	\$2,140,001
FY 2017/18	\$554,517
FY 2018/19	\$557,451
Total Deposits	\$3,590,147
Excess (Deficit) of Available Low Mood/Housing Asset Fund	\$2,590,147

As shown above, the sum of the past four years' deposits is over one million dollars, so the sum of deposits from the past four preceding years is the operable amount for measuring excess surplus for FY 2018/19. As shown in the first table above, at the end of FY 2018/19, the LMIHAF had an unencumbered total balance of approximately \$1,214,522. All funds currently held in reserve as well as the majority of 2019-20 projected revenue were budgeted, with most of funds earmarked for the affordable housing project which included rental assistance and a smaller appropriation for the City's Home Improvement/Rehabilitation Loan Program for senior citizens of low, very low and extremely low income households.

XIII. INVENTORY OF HOME OWNERSHIP:

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 Low and Moderate Income Housing Fund pursuant to subdivision (f) of Section 33334.3

The Housing Successor does not have an existing inventory of homeownership units that were 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 Housing fund pursuant to subdivision (f) of Section 33334.3.