HOUSING SUCCESSOR ANNUAL REPORT
REGARDING THE
LOW AND MODERATE INCOME HOUSING ASSET FUND
FOR FISCAL YEAR 2013-14
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)
FOR THE COUNTY OF PLACER

The 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) and is dated as of December 16, 2014. This Report sets forth certain details of the Placer County (Housing Successor) activities during Fiscal Year 2013-14. 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).

The following Report is based on information prepared by Housing Successor staff and information contained within the independent financial audit which includes the Low and Moderate Income Housing Fund within the Placer County Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2013-14 as prepared by Vavrinek, Trine, Day & Co., LLP, which audit is separate from this annual Report. 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 2013-14. 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 2013-14. 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 2013-14. The expenditures are to be categorized.

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

ATTACHMENT 1

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 3334.16: This section provides a status update on compliance with Section 3334.16 for interest in real property acquired by the former redevelopment agency prior to February 1, 2012. For interest 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 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.

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 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, 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, 2004 – June 30, 2014.

XI. 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 elimination of the excess surplus.

This report is to be provided to the Housing Successor's governing body by December 31, 2014. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the County's website, http://www.placer.ca.gov.

I. AMOUNT DEPOSITED INTO LMIHAF

Source	Amount
1st Time Homebuyer Loan Payments	$ 7,462.00
Kings Beach Housing Project Loan Payment	$ 22,696.40
Tax Credit Allocation Committee Project Review Payment	$ 1,000.00
Reimbursement of Legal Fees	$ 790.75
Interest Earned	$ 3,896.12
Total non-property tax deposit to LMIHAF	**$ 35,845.27**

AMOUNT DEPOSITED INTO LMIHAF OF PROPERTY TAX REVENUE FOR ROPS SERIES C HOUSING BOND PAYMENTS

Source	Amount
Deposit of property tax revenue for payment of Series C Housing Bonds from ROPS	$429,698.75
Total property tax deposit for ROPS Series C Bond Payment	**$429,698.75**

A total of $465,544.02 was deposited into the LMIHAF during the Fiscal Year 2013-14. Of the total funds deposited into the LMIHAF, a total of $429,698.75 was held for payment of Series C Housing Bonds listed on the ROPS.

II. ENDING BALANCE OF LMIHAF

Subject	Balance
Previous Balance June 30, 2013	$354,990.16
Current Deposits	$465,544.02
Expenditures	$481,802.70
Ending Balance at June 30, 2014	**$338,731.48**

At the close of the Fiscal Year 2013-14, the ending balance in the LMIHAF was $377,839.73, of which $0 was held for items listed on the ROPS.

III. DESCRIPTION OF EXPENDITURES FROM LMIHAF

Subject	Expenditure
Monitoring and Administration	$ 52,103.95
ROPS - Series C Bond Payments	$429,698.75
Total Expenditures	**$481,802.70**

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

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(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

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

Asset Category Loans Notes Receivable	Statutory Value
1st Time Homebuyer Loans (4 loans)	$ 393,787.25
Owner Occupied Rehabilitation Loans (3 loans)	$ 209,539.80
Quartz Ridge Family Apartments Development Project Loan	$ 291,781.50
Auburn Court Apartments Project Loan	$ 39,000.00
Kings Beach Housing Associates Development Project IIG Loan	$ 3,277,868.23
Kings Beach Housing Associates Development Project Loan	$ 7,895,603.60
Total Statutory Value of Assets Owned by Housing Successor	*$12,107,580.38*

Statutory Value of Real Property Owned by Housing Successor	Statutory Value
Land held for Quartz Ridge Family Apartments – 360 Silver Bend Way, Auburn, CA 95603	$ 816,164.00
Total Statutory Value of Land Owned by Housing Successor	*$ 816,164.00*

Total Statutory Value of All Assets **$12,923,744.38**

V. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other Housing Successor(s) under Section 34176.1(c)(2) during the Fiscal Year 2013-14.

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 held property tax revenue pursuant to the ROPS for the Quartz Ridge Family Apartments project.

Property Tax Revenue and Housing Bond Expenses for Quartz Ridge Family Apartments	Statutory Value
Property Tax Revenue held for Quartz Ridge Family Apartments – 360 Silver Bend Way, Auburn, CA 95603	$ 417,032.00
Project Expenses FY 2013-14	$ 38,981.63
Balance of Property Tax Revenue for Quartz Ridge	$ 378,050.37
Balance of Housing Bonds Held for Quartz Ridge	$ 1,405,218.15
Total Balance of Tax Revenue and Housing Bonds for QR	**$ 1,783,268.52**

The balance of the property tax revenue and the housing bonds are encumbered for Quartz Ridge Family Apartments. ***These funds are not included in the LMIHAF balance in this report***.

Project Status: The balance of the property tax revenue for Quartz Ridge Family Apartments was expended on project and property management costs, legal fees and the transfer of funds to the developer on November 18, 2014, per the project loan terms in the disposition and development agreement.

VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 34176.1 provides that Section 33334.16 does not apply to interest 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 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 project for property that was acquired by the former redevelopment agency prior to February 1, 2012 and was held by the Housing Successor in the LMIHAF during the Fiscal Year 2013-14.

Property Address	Date of transfer approval from DOF	Deadline to initiate activity	Current Status
360 Silver Bend Way, Auburn, CA 95603	August 29, 2012	August 29, 2017	The property was being held for the development of the property at 6/30/2014. The property was transferred to the Quartz Ridge Family Apartments LLC. for the development of deed-restricted, affordable rental housing on December 1, 2014.

VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

Replacement Housing: According to the Fiscal Year 2007-2012 Implementation Plans for the former redevelopment agency, 32 units of Section 33413(a) replacement housing obligations were transferred to the Housing Successor. The obligation was met with development of 75 units of 55 year deed-restricted affordable housing known as Kings Beach housing. The former redevelopment agency's Implementation Plans are posted on the County's website at http://www.placer.ca.gov.

Inclusionary/Production Housing. According to the Fiscal Year 2007-2012 Implementation Plans for the former redevelopment agency, no Section 33413(b) inclusionary/production housing obligations were transferred to the Housing Successor. The former redevelopment agency's Implementation Plans are posted on the City's website at http://www.placer.ca.gov.

IX. EXTREMELY-LOW INCOME TEST

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 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 redevelopment agency and/or the County within the previous ten years in relation to the

aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency 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 following provides the Housing Successor's Senior Housing Test for the ten year period of January 1, 2004 through December 31, 2014.

Senior Housing Test 1-1-2004 – 6-30-2014	**Number**
Number of assisted senior rental units	0, zero percent
Total number of assisted rental units	84
Kings Beach Housing Apartments (RDA loan) 75 units	
Sawmill Heights Workforce Housing (county grant) 9 units	

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 of unencumbered funds for the preceding three Fiscal Years:

Year	FY 2013-14	FY 2014-2015	FY 2015-2016	FY 2016-2017
Beginning Balance	$354,990.16			
Add: Deposits	$465,544.02			
(Less) Expenditures	$481,802.70			
Ending Balance	**$338,731.48**			

Since the Excess Surplus calculation relates to a four year calculation. The Housing Successor has not been in existence for a four year period and the balance at June 30, 2014 is less than one million dollars, therefore, the determination is that during this period there is no Excess Surplus.

NOTE:

This report must be presented to the Housing Successor Agency governing body within six months of the end of the previous fiscal year.

This report and the former redevelopment agency's Implementation Plans are posted on the County's website at http://www.placer.ca.gov.