



**HOUSING SUCCESSOR ANNUAL REPORT
REGARDING THE
LOW AND MODERATE INCOME HOUSING ASSET FUND
FOR FISCAL YEAR 2019-20
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 September 30, 2020. This Report sets forth certain details of the Placer County (Housing Successor) activities during Fiscal Year 2019-20. 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 2019-20 as prepared by CLA (Clifton Larson Allen), 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 2019-20. 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 2019-20. 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 2019-20. 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.
- 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, 2010 – June 30, 2020.

- 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.
- XII. **Homeownership Units in Housing Successor Loan Portfolio:** AB1973 augments the information required to be submitted in the annual report of the housing successor. Commencing with the housing successor annual report for housing activities conducted during 2018, each housing successor will be required to report information about the housing successor’s homeownership unit inventory. Specifically, each housing successor will be required to provide the number of homeownership units in its affordable housing portfolio, report the loss and reason for losses of homeownership units, and whether the housing successor has contracted with any entity for management of such units. The 2019 housing successor annual report must contain the number of homeownership units lost since the February 1, 2012 dissolution of the redevelopment agency and provide a reason for such losses.

The information contained within the independent financial audit which includes the Low and Moderate Income Housing Fund (LMIHAF) within the Placer County Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2018-19 as prepared by CLA is to be provided to the Housing Successor’s governing body by December 31, 2020. 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
First Time Homebuyer Loan Payments	\$ 10,320
Auburn Court Apartments, LP Payoff (Restriction Remains)	\$ 39,000
Interest Earned	\$ 6,237
Total non-property tax deposit to LMIHAF	\$ 55,557

AMOUNT DEPOSITED INTO LMIHAF OF PROPERTY TAX REVENUE FOR ROPS SERIES C HOUSING BOND PAYMENTS (Bonds were reissued in 2015 and are now 2015B Bonds)

Source	Amount
Deposit of property tax revenue for payment of Series C Housing Bonds from ROPS	\$841,931
Total property tax deposit for ROPS Series C Bond Payment	\$841,931

A total of \$841,931 was deposited into the LMIHAF during the Fiscal Year 2019-20. Of the total funds deposited into the LMIHAF, a total of \$841,931 was held for payment of Series C/2015B Housing Bonds listed on the ROPS.

II. ENDING BALANCE OF LMIHAF

Subject	Balance
Previous Balance June 30, 2019	\$283,663
Current Deposits	\$897,488
Expenditures	\$851,918
Ending Balance at June 30, 2020	\$329,233

At the close of the Fiscal Year 2019-20, the ending balance in the LMIHAF was **\$329,233**, of which \$0 was held for items listed on the ROPS.

III. DESCRIPTION OF EXPENDITURES FROM LMIHAF

Subject	Expenditure
Monitoring and Administration	\$ 9,987
ROPS - Series C Bond Payments	\$841,931
Total Expenditures	\$851,918

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
First Time Homebuyer Loans (5 loans)	\$ 411,654
Owner Occupied Rehabilitation Loans (2 loans)	\$ 152,890
Quartz Ridge Family Apartments Development Project Loan	\$ 3,215,000
Auburn Court Apartments Project Loan	\$ 0
Kings Beach Housing Associates Development Project IIG Loan	\$ 3,277,868
Kings Beach Housing Associates Development Project Loan	\$ 7,895,604
Total Statutory Value of Assets Owned by Housing Successor	\$14,953,016

Statutory Value of Real Property Owned by Housing Successor	Statutory Value
No land owned by Housing Successor	\$
Total Statutory Value of Land Owned by Housing Successor	\$ 0

Total Statutory Value of All Assets **\$ 14,953,016**

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 2019-20.

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 hold any property tax revenue pursuant to the ROPS.

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 (address changed to 200 Silver Bend Way)	August 29, 2012	August 29, 2017	The property was transferred to the Quartz Ridge Family Apartments LLC. for the development of deed-restricted, affordable rental housing on December 1, 2014. The development was completed and occupied in September 2016.

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 County'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 periods.**

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, 2010 through June 30, 2020.

Senior Housing Test 1-1-2010 – 6-30-2020	Number
Number of assisted senior rental units	0
Total number of assisted rental units	151
Kings Beach Housing Apartments (RDA loan) 75 units	
Sawmill Heights Workforce Housing (county grant) 12 units	
Quartz Ridge Family Housing (RDA Bonds) 64 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:

Fiscal Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Beginning Balance	\$ 354,990	\$ 338,731	\$ 376,360	\$ 365,401	\$ 328,319	\$ 310,455	\$ 283,663
Add: Deposits	\$ 465,544	\$ 793,439	\$ 730,557	\$ 790,448	\$ 864,799	\$ 857,290	\$ 897,488
(Less) Expenditures	\$<481,803>	\$<755,810>	\$<741,516>	\$<827,530>	\$<882,673>	\$<884,082>	\$<851,918>
Ending Balance	\$ 338,731	\$ 376,360	\$ 365,401	\$ 328,319	\$ 310,455	\$ 283,663	\$ 329,233

The Excess Surplus calculation relates to a four-year calculation. The balance at June 30, 2020 is less than one million dollars; therefore, the determination is that during this period there is no Excess Surplus.

XII. HOMEOWNERSHIP UNITS IN HOUSING SUCCESSOR LOAN PORTFOLIO

There are five homeownership units in the housing successor loan portfolio. The housing successor manages the loan portfolio for these units; there are no contracts for loan portfolio management. No units have been lost since February 1, 2012.

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>.