
HOUSING SUCCESSOR ANNUAL REPORT
City of Pleasant Hill

Fiscal Year 2019-20



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INTRODUCTION

This is the City of Pleasant Hill’s (“City”) 2019-20 Housing Successor Agency Annual Report (“Annual Report”). It presents information on expenditures and activities as required by Health and Safety Code (“HSC”) Section 34176.1(f). This Annual Report also summarizes compliance with certain five- and ten-year planning period requirements as described herein.

HOUSING SUCCESSOR

The City is the Housing Successor Agency (“Housing Successor”) to the former Pleasant Hill Redevelopment Agency (“Agency”), which was dissolved like all other redevelopment agencies statewide in 2012. At the time of dissolution, a housing successor was to be selected to transfer and be responsible for the remaining assets and liabilities of a former redevelopment agency. The City elected to be the Housing Successor by adoption of Resolution No. 3-12 dated January 9, 2012. The Housing Successor is responsible for maintaining housing assets transferred from the former Agency. Its main goal is to provide affordable housing for City residents with these remaining assets, until they are exhausted.

SCOPE OF THIS HOUSING SUCCESSOR ANNUAL REPORT

This Annual Report is limited to the City’s activities as it relates to its role as a housing successor, rather than all housing functions of the City in general. This Annual Report describes compliance with various annual, five-year, and ten-year housing expenditure and production requirements. The current five year compliance period began on July 1, 2019 and ends June 30, 2024; FY 2019-20 is the first year of the current five-year compliance period.

The Annual Report is due to the State of California (“State”) Department of Housing and Community Development (“HCD”) by April 1 annually and must be accompanied by an independent financial audit. The City’s audited financial statements will be posted on the City’s website when available. This Annual Report is an addendum to the Housing Element Annual Progress Report required by Government Code Section 65400, which is submitted to HCD by April 1 annually.

ASSETS TRANSFERRED TO THE 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 (“HAT”) Form that provided an inventory of all housing assets transferred from the Agency to the Housing Successor. This included:

1. Real properties;
2. Personal Property;
3. Low and Moderate Income Housing Fund (“LMIHF”) encumbrances;
4. Loans/Grants Receivables; and
5. Deferrals.

For the Housing Successor, all items on HAT were approved by the California Department of Finance (“DOF”) on September 5, 2012. It is important to distinguish that Housing Successor assets that were not transferred from the former Agency or generated by or purchased with assets from the former Agency, are not subject to HSC Section 34176.1.

A copy of the HAT is provided as Appendix 1.

BACKGROUND

This Section summarizes the legal requirements for use of housing successor assets that are addressed in this Annual Report.

LEGAL REQUIREMENTS PERTAINING TO HOUSING SUCCESSORS

In general, 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 unencumbered cash balance based on certain thresholds.
3. Properties must be developed with affordable housing or sold within five to ten years of the DOF approving the HAT.

Appendix 2 provides a detailed summary of the reporting requirements that are addressed in this Annual Report.

PERMITTED USES OF HOUSING ASSET FUNDS

Pursuant to HSC Section 34176.1, former Agency assets and the revenues generated by those assets, are maintained in a Low and Moderate Income Housing Asset Fund (“Housing Asset Fund”, fund 78). The Housing Asset Fund replaced the former Agency’s Low and Moderate Income Housing Fund. Housing Asset Funds may be spent on:

- **Administrative costs** for operation of the housing successor agency. The law allows a housing successor to spend the greater of:
 - \$200,000 per year 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.

The \$200,000 limit adjusted for inflation in FY 2019-20 is \$220,400 according to HCD. The Housing Successor’s FY 2019-20 Portfolio value was \$4,439,585, of which 5% is \$221,979. The FY 2019-20 administrative cost limit is the higher figure of \$221,979.

- **Homeless prevention and rapid rehousing services** up to \$250,000 per year if the former redevelopment agency did not have any outstanding inclusionary housing or replacement housing production requirements as of 2012. Pleasant Hill is eligible for this expense because the former Agency had met its inclusionary housing and replacement housing production requirements upon dissolution.
- **Affordable housing development** assisting households up to 80 percent of the Area Median Income (“AMI”), subject to specific income and age targets over a five-year period.

Five-Year Income Proportionality on Development Expenditures: Any Housing Asset Funds may be spent on development of affordable housing projects affordable to low, very low, and extremely low income households. “Development” is defined as “new construction”, acquisition and rehabilitation, substantial rehabilitation as defined in HSC Section 33413, the acquisition of long-term affordability covenants on multifamily units as described in HSC Section 33413, or the preservation of an assisted housing development that is eligible for prepayment or termination or for which within the expiration of rental restrictions is scheduled to occur within five years.”

Over each five-year compliance period, the current one beginning July 1, 2019, at least 30 percent of such development expenditures must assist extremely low income households (30% of AMI), while no more than 20 percent may assist low income households (between 60-80% of AMI). The balance of the funds may be used on very low income households (defined as households earning between 30% and 60% of AMI).

The Housing Successor met all the requirements for expenditures by income level in the first five-year compliance period from January 1, 2014 through June 30, 2019. The second, and current, five-year compliance period is July 1, 2019 to 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% of AMI, as long as it was 20 percent or less of the total expenditures during the five-year compliance period.

Should a housing successor not spend at least 30% of its development expenditures for extremely low income households, or exceeds the amount spent on low income households, future expenditures are subject to greater restriction until these proportionality targets are met.

Specifically, if a housing successor is unable to spend at least 30% of its development expenditures on extremely low units, it is required to increase this spending to 50% until compliant with the 30% threshold; a housing successor that spends more than 20% of its development expenditures on low income units cannot spend any further funds on low income developments until it is at or below the 20% threshold.

As such, tracking these expenditures and their progress over the corresponding five-year period is an important function of this Annual Report.

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

It is important to stress that Housing Successor expenditure and production requirements are measured on different timeframes:

- **One-Year Limits:** Administrative Allowance and Homeless Prevention Allowance. Compliance evaluated annually and resets every year.
- **Five-Year Limit:** Expenditures by Income Level. Compliance evaluated over a fixed five-year period set by law, the current period being July 1, 2019 to June 30, 2024.
- **Ten-Year Limit:** Number of Senior Deed-Restricted Units Assisted. Compliance evaluated based on a rolling ten-year period that is different every year, the current period being FY 2010-11 to 2019-20.

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

LIMITS ON THE ACCUMULATION OF HOUSING FUNDS (EXCESS SURPLUS)

State law limits how much cash a housing successor may retain and, if it fails to commit and spend these dollars in a reasonable timeframe, ultimately penalizes the housing successor by requiring unspent funds to be transferred to HCD for use on State housing programs.

HSC Section 34176.1(d) establishes a limit, known as an “excess surplus” on the amount of unencumbered Housing Asset Funds based on the greater of the following:

- \$1,000,000, or
- The total amount of deposits made into the Housing Asset Fund over the preceding four years.

Only amounts in excess of this threshold are considered an excess surplus. Once an excess surplus is determined, a housing successor must account for these funds separately and encumber said monies within three years. If after the third year the excess surplus has not been fully encumbered, the remaining balance of the excess surplus is to be transferred to HCD within 90 days. HCD is permitted to use these transferred excess surplus funds anywhere in the State under its Multifamily Housing Program or the Joe Serna, Jr. Farmworker Housing Grant Program.

As part of the Annual Report, a housing successor must disclose any excess surplus and describe the housing successor’s plan for eliminating this excess surplus.

HOUSING ASSET FUND ACTIVITY

For FY 2019-20 the Housing Successor has the following activities reported in the Housing Asset Fund.

DEPOSITS AND FUND BALANCE

Table 1 reports, the Housing Successor deposited \$85,272 into the Housing Asset Fund, consisting of \$71,960 of various homeowner loan repayments and \$13,312 in repayments on the Grayson Creek Loan from Bridge Housing Corporation for FY 2019-20.

Table 1: Housing Asset Fund Deposits, 2019-20

Balance Type	Amount
Homeowner Loan Repayments	\$ 71,960
Bridge Loan Repayment	\$ 13,312
SERAF Loan Repayment	\$ -
Total	\$ 85,272

EXPENDITURES

The Housing Successor expended \$72,266 in FY 2019-20. All expenses were administrative costs and were well under the \$221,979 administrative cost limit for FY 2019-20.

ENDING CASH AND FUND BALANCE

The Housing Asset Fund balance as of June 30, 2020 was \$5,120,466 as summarized in Table 2. Of the total balance, \$1,322,360 was cash.

Table 2: Housing Asset Fund - Ending Balance as of June 30, 2020

Balance Type	Amount
Cash	\$ 1,322,360
Notes Receivable	1,426,310
Loans Receivable	2,183,269
Advance Receivable	638,957
Land Held for Redevelopment	191,049
Deferred Revenue	(629,529)
Working Payables	(11,950)
Total Housing Asset Fund Balances	\$ 5,120,466

HOUSING SUCCESSOR PORTFOLIO

The Housing Successor Portfolio as of FY 2019-20 includes one property and several loans receivable transferred from the former Agency. The Portfolio had a value of \$4,439,585 as of FY 2019-20, as detailed in Table 3.

Table 3: Housing Successor Real Properties and Loans Receivable Portfolio

Asset	Amount
Real Properties	
Woodsworth Lane Vacant Lot	191,049
<i>Subtotal</i>	\$ 191,049
Loans Receivable	
Housing Rehabilitation Loans	677,697
Housing Set-Aside Deferral	638,957
SERAF Loan	1,269,572
Grayson Creek Loan	1,426,310
Rehabilitation Services of Northern California Loan	236,000
<i>Subtotal</i>	\$ 4,248,536
Total Portfolio Value	\$ 4,439,585

REAL PROPERTY AND DISPOSITION STATUS

HSC Section 34176.1(e) requires that all real properties acquired by the Agency prior to February 1, 2012 and transferred to the City be developed for affordable housing purposes or disposed of within five years from the date DOF approved the HAT Form, or September 5, 2017. If the City is unable to meet this deadline, the law allows for a five-year extension via adoption of a resolution. The City adopted Resolution No. 70-17 extending the property disposition deadline to September 5, 2022.

The Agency transferred one real property to the City on the HAT Form, a vacant lot located on Woodsworth Lane that is nearly 9,000 square feet. The City approved a Disposition and Development Agreement with Habitat for Humanity East Bay/Silicon Valley on February 22, 2021 to develop four affordable housing units. More details will be reported in the FY 2020-21 annual report.

LOANS RECEIVABLE

Five types of loan agreements were transferred from the former Agency to the Housing Successor as part of the Housing Asset List approved by DOF on September 5, 2012:

- Homeowner Rehabilitation Loans: The former Agency administered a housing rehabilitation loan program under which low income homeowners were eligible to receive loans up to \$60,000 to make improvements on their homes. These loans bear three to five percent simple interest, have 15-year term, and are secured by deeds of trust. As of June 30, 2020, principal and interest receivable for these loans totaled \$677,697.
- Housing Set-Aside Deferral: Former redevelopment agencies were required to set aside 20% of their property tax increment into a Low and Moderate Income Housing Fund (“Housing Set-Aside”). HSC Section 33334.6 allowed former redevelopment agencies to deposit less than 20% each year so long as certain conditions were met and that the former agency paid back the deficit pursuant to a plan approved by the former agency. The former deferred a total of \$1,161,749 in Housing Set-Aside deposits between fiscal years 1985-86 and 1991-92. A total of \$522,792 was repaid between fiscal years 2002-03 and 2003-04, leaving a remaining balance of \$638,957. This balance will be repaid by the redevelopment Successor Agency through the Recognized Obligation Payment Schedule (“ROPS”) and is expected to be paid off in FY 2022-23. The loan does not bear interest.

- SERAF Loan: In 2010 and 2011, the former Agency was mandated to deposit \$2.3 million into a Supplemental Educational Revenue Augmentation Fund (“SERAF”) to help bridge a State budgetary gap for education. State law permitted the Agency to borrow from its Low and Moderate Income Housing Fund to make the SERAF payments. The Agency borrowed \$1,906,348 from its Housing Fund, which is now due back to the Housing Successor through the ROPS. The Housing Successor received a \$636,776 repayment in FY 2018-19 and \$0 in FY 2019-20, leaving a remaining balance of \$1,269,572. The SERAF loan is expected to be paid off by FY 2021-22. The loan does not bear interest.

- Grayson Creek Loan: The former Agency loaned Bridge Housing Corporation, a non-profit housing developer, \$1,005,000 in 2011 to develop the Grayson Creek Apartments, a 70-unit rental project affordable to very low to moderate (50% - 120% of AMI) income households. The loan bears three percent simple interest and has a 55-year term. The loan is payable from residual receipts. As of June 30, 2020, principal and interest related to this loan totaled \$1,426,310.

- Rehabilitation Services of Northern California (“RSNC”): On October 17, 2016, the City entered into a Predevelopment Loan Agreement with RSNC to fund predevelopment work related to constructing long-term supportive housing to low income seniors. The loan bears three percent (3%) simple interest and has a 55-year term. As of June 30, 2020, the outstanding balance of the loan was \$236,000. RSNC has since changed its name to Choice in Aging and has partnered with Satellite Affordable Housing Associates (“SAHA”) to develop 82 units of affordable housing on its site. On February 3, 2020, City Council approved transferring the \$236,000 predevelopment loan to SAHA, and committed to an additional loan of \$2 million subject to certain requirements detailed in a commitment letter. The project received a portion of necessary entitlements in February 2021 and the Housing Successor is negotiating loan agreements in FY 2020-21.

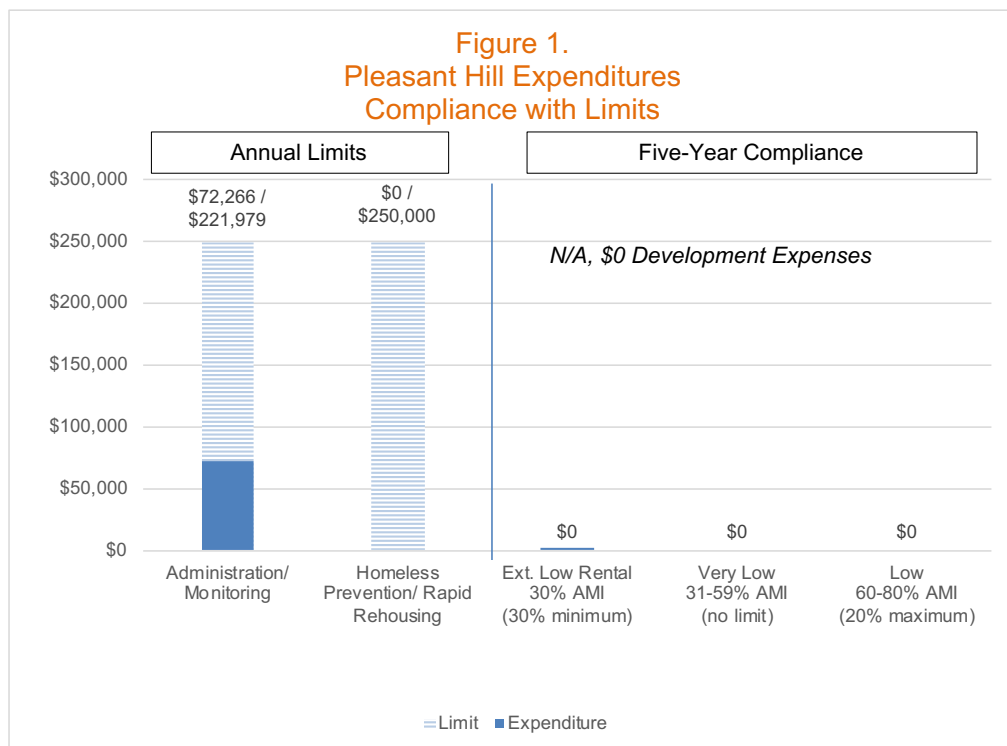
COMPLIANCE WITH EXPENDITURE & PRODUCTION LIMITS

During the FY 2019-20, the Housing Successor was in compliance with all annual and five- to ten year planning period requirements as described in this section.

PROPORTIONALITY REQUIREMENTS

As summarized in Figure 1, the Housing Successor fully complied with all Housing Asset Fund spending restrictions in FY 2019-20, including five-year compliance period income targeting requirements:

- Administrative costs of \$72,266 did not exceed the \$221,979 maximum amount for FY 2019-20.
- No homeless prevention or rapid rehousing expenses were made in FY 2019-20.
- No affordable housing development-related expenditures were made in FY 2019-20. Therefore, the five-year compliance period income targets have not been triggered thus far.



The Housing Successor will ensure it continues to meet all expenditure requirements going forward, throughout this five-year compliance period of July 1, 2019 through June 30, 2024 and future five-year compliance periods.

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% of 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 complies 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. The Housing Successor, City, and former Agency assisted 55 deed-restricted rental units in the last ten years, 27 of which are restricted to seniors. Table 4 details units assisted by the two projects in the past ten years.

Table 4: Deed-Restricted Units Assisted in Last 10 Years

Property	Senior Units	%	Non-Senior Units	%	Total Units
Garden Park Apartments	0	0%	28	100%	28
Rehabilitation Services of Northern California / Choice in Aging ¹	27	100%	0	0%	27
Total	27		28		55

Total Deed-Restricted Senior Units: 49%

¹ The City has a predevelopment loan agreement with RSNC, who is now Choice in Aging, to assist 27 extremely low income units at their 82-unit senior housing development project. In February 2020, the City approved a commitment of \$2 million to assist 30 extremely low income senior units at the Choice in Aging project in FY 2019-20. An agreement is expected to be executed in FY 2020-21.

Source: City of Pleasant Hill

EXCESS SURPLUS

The Housing Asset Fund may not accumulate an “excess surplus”, or 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 accumulated excess surplus of \$286,918 in FY 2019-20 because its beginning cash balance was \$1,302,189 which is larger than the \$1,015,271 deposited in the prior four years, as shown in Table 5.

Table 5: Excess Surplus Calculation

Fiscal Year	2015-16	2016-17	2017-18	2018-19	Prior 4 Year Deposits
Deposits	\$ 37,490	\$ 72,408	\$ 59,834	\$ 845,539	\$ 1,015,271
Beginning Cash Balance					\$ 1,302,189
Less: Encumbered Funds ¹					-
Unencumbered Amount					\$ 1,302,189
Step 1					
\$1 Million, or					\$ 1,000,000
Last 4 Deposits					\$ 1,015,271
Result: Larger Number					\$ 1,015,271
Step 2					
Unencumbered Cash Balance					\$ 1,302,189
Larger Number From Step 1					\$ 1,015,271
Excess Surplus					\$ 286,918

¹On February 3, 2020, the City Council approved a commitment of \$2 million in Housing Asset Funds to Satellite Affordable Housing Associates to assist with the development of 30 extremely low income rental units assisted to seniors. Agreements are expected to be executed in FY 2020-21.

The Housing Successor must expend its \$286,918 in FY 2019-20 excess surplus within three fiscal years, or June 30, 2023. If the Housing Successor fails to comply with this requirement, any remaining excess surplus funds must be transferred to HCD within 90 days of June 30, 2023. The Housing Successor expects to execute agreements encumbering \$2,283,000 in Housing Asset Funds in FY 2020-21, which will be reported in in future annual reports.

OTHER INFORMATION

TRANSFERS TO OTHER HOUSING SUCCESSORS

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

HOMEOWNERSHIP UNIT INVENTORY

Table 6 presents an inventory of homeowner and rental affordable units assisted by the former Agency or Housing Successor that require restrictions, covenants, or an adopted program that protects Housing Asset Fund monies.

Table 6: Affordable Unit Inventory

Project	Address/Phone	Total # Units	Total # Affordable Units	Type	Senior?	Owner/Operator
Grayson Creek Apartments	100 Chilpancingo Pkwy 925-686-4000	70	70	Rental	No	Bridge Housing Corp
Hookston Manor Senior Apartments	80 W Hookston Rd 925-937-6471	100	99	Rental	Yes	Satellite Affordable Housing Associates
Garden Park Apartments (special needs)	2387 Lisa Lane 925-677-7480	29	28	Rental	No	Contra Costa Interfaith Housing & Mercy Housing Garden Park Apts, LLC
Villa Montanaro Apartments	203 Coggins Drive 925-256-7196	147	10	Rental	No	Windsor Communities
Iron Horse Apartments (fka Lincoln Green Apts)	225 Coggins Drive 877-225-4712	252	4	Rental	No	Greystar
DVC Triplex Associates	716 Stubbs Rd 925-831-8970	6	1	Rental	No	Jean Allen Edwards Trust
Gallery Walk	Various	133	1	Ownership	No	Various
TOTAL # AFFORDABLE HOUSING UNITS			213			

(Assisted by Housing Successor or former Redevelopment Agency)

APPENDIX 1 – HOUSING ASSET TRANSFER FORM

Attached as a separate document.

**DEPARTMENT OF FINANCE
HOUSING ASSETS LIST
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
(Health and Safety Code Section 34176)**

Former Redevelopment Agency: Pleasant Hill Redevelopment Agency

Successor Agency to the Former Redevelopment Agency: City of Pleasant Hill, Acting as Successor Agency to the former Pleasant Hill Redevelopment Agency

Entity Assuming the Housing Functions of the former Redevelopment Agency: City of Pleasant Hill, Acting as Housing Successor Agency to the former Pleasant Hill Redevelopment Agency

Entity Assuming the Housing Functions Contact Name: Robert Stewart Title Redevelopment Administrator Phone 925-671-5215 E-Mail Address rstewart@ci.pleasant-hill.ca.us

Entity Assuming the Housing Functions Contact Name: Robert Stewart Title Redevelopment Administrator Phone 925-671-5215 E-Mail Address rstewart@ci.pleasant-hill.ca.us

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	X
Exhibit B- Personal Property	X
Exhibit C - Low-Mod Encumbrances	X
Exhibit D - Loans/Grants Receivables	X
Exhibit E - Rents/Operations	X
Exhibit F- Rents	
Exhibit G - Deferrals	X

Prepared By: Robert Stewart

Date Prepared: 27-Jul-12

City Of Pleasant Hill
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset a/	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low-mod housing	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Date of transfer to Housing Successor Agency	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	Woodsworth Lane Vacant Lot	APN 150-150-071	\$191,049	14,875	14,875	No	n.a.	1-Feb-12	\$347,354	\$0	\$0	15-Jun-09	Fee
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a/ Asset types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit B - Personal Property

City of Pleasant Hill
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset a/	Description	Carrying Value of Asset	Date of transfer to Housing Successor Agency	Acquisition cost funded with Low-Mod Housing Fund monies	Acquisition costs funded with other RDA funds	Acquisition costs funded with non-RDA funds	Date of acquisition by the former RDA
1	Affordable Housing Files, Agreements and Documents	Paperwork	\$0	1-Feb-12	\$0	\$0	Estimate: \$500.00 (City funds)	1992 - 2011
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a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

City of Pleasant Hill
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of housing built or acquired with enforceably obligated funds a/	Date contract for Enforceable Obligation was executed	Contractual counterparty	Total amount currently owed for the Enforceable Obligation	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Current owner of the property	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition of the property
1	Low-mod Housing	9/14/2001	Bridge Housing Corp.	\$4,792,200.00	Yes	CRL & Tax Credits	Bridge Hsg. Corp.	\$7,820,000.00	\$0	Unknown	2002
2	Low-mod Housing	6/20/2011	Garden Park Apts. Community (GPAC)	\$451,030.00	Yes	CRL	GPAC	\$451,030.00	\$0	Unknown	2012
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a/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit E - Rents/Operations

City of Pleasant Hill
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent/operation is associated with (if applicable)
1	Deferred Interest	Low-mod Housing	Bridge Housing Corp.	Bridge Housing Corp.	Housing Successor Agency	Affordable Housing	Yes	CRL & Tax Credits	n.a.
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a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit F - Rents (None)

City of Pleasant Hill
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent is associated with (if applicable)
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a/ May include rents or home loan payments.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit G - Deferrals

City of Pleasant Hill
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
1	SERAF HSC 33690 (c) (1)	FYE 2010	\$1,909,985.00	0	\$1,909,985.00	FYE 2015
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APPENDIX 2 - HOUSING SUCCESSOR ANNUAL REPORT REQUIREMENTS

Health and Safety Code Section 34176.1(f)

<p>Housing Asset Fund Revenues & Expenditures</p>	<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>
<p>Other Assets and Active Projects</p>	<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 developed with affordable housing).</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>
<p>Obligations & Proportionality</p>	<p>Description of any outstanding production obligations of the former Agency that were inherited by the Housing Successor.</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 Successor, 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 3 – HOUSING ASSET FUND EXPENDITURE REQUIREMENTS

Health and Safety Code Section 34176.1

Expense Category	Limits	Allowable Uses
Administration and Compliance Monitoring <i>Annual Limit</i>	\$221,979 maximum for FY 2019-20 (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 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.
Homeless Prevention and Rapid Rehousing Solutions <i>Annual Limit</i>	\$250,000 maximum per fiscal year	<ul style="list-style-type: none"> Services for individuals and families who are homeless or would be homeless but for this assistance, including: 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.
Affordable Housing Development	No spending limit, but must comply with income and age targets	“Development” includes: <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

Health and Safety Code Section 34176.1

Expense Category	Limits	Allowable Uses
	<p>Income Targets</p> <p><i>Fixed Five-Year Compliance Period</i></p> <p><i>(FY 2019-20 to 2023-24)</i></p>	<p>Every five years (currently FYs 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>
	<p>Age Targets</p> <p><i>Rolling Ten-Year Period</i></p>	<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. 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>