

# **CITY OF REDDING SB 341 COMPLIANCE REPORT**

## **SUCCESSOR HOUSING AGENCY**

### **LOW AND MODERATE INCOME HOUSING ASSETS FUND**

SPECIFIED ACTIVITY INFORMATION PURSUANT TO  
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176  
YEAR ENDED JUNE 30, 2019

Pursuant to Assembly Bill (AB) x1 26 (Dissolution Act), on January 23, 2012, the City Council elected, by resolution, the City to serve as the Successor Housing Agency (SHA) of the former Redding Redevelopment Agency (Agency). Subsequently, in June 2012, AB 1484 took effect which provided clean-up language and procedures for the Agency's unwinding process. In accordance with the Dissolution Act and AB 1484, the SHA is responsible for assuming the housing functions of the former Agency and for retaining the housing assets. Housing assets include property previously purchased utilizing the Agency's Low- and Moderate-Income Housing Fund (LMIHF) as well as the Agency's current affordable housing loan portfolio. The Agency currently owns a number of parcels acquired with LMIHF resources.

On January 1, 2014 Senate Bill 341 (SB341) became effective. SB341 amended California Health and Safety Code Section 34176 and added Section 34176.1 to address particular provisions and functions relating to former "redevelopment agencies" and new "housing successor" entities allowed to elect and assume particular functions of redevelopment agencies dissolved in 2012. Pursuant to Section 34176.1, each housing successor agency that assumed the housing functions of a former redevelopment agency are required to post a report on its website containing information regarding the LMHIF of the former redevelopment agency for the previous fiscal year.

Assembly Bill 1793 (Chapter 672, Statutes of 2014, effective January 2015) amended Health and Safety Code Section 34176.1(f) and added new provisions now numbered as 34176(f)(13)(A)-(D).

Senate Bill 107 (Chapter 325, Statutes of 2015, effective January 2016) amended Health and Safety Code Section 34176.1(f) to add a new reporting requirement numbered as 34176(f)(1) and revise the reporting requirement numbered as 34176(f)(2).

Pursuant to The remainder of this Compliance Report provides the information required under Health and Safety Code 34176.1(f):

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1. The amount the city, county, or city and county received pursuant to Section 34191.4 (b)(3)(A).

Loan repayment received by the City	\$0.00
<b>TOTAL</b>	<b>\$0.00</b>

2. The amount deposited to the Low and Moderate Income Housing Asset Fund, 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, and other amounts deposited.

<b>DEPOSITS</b>	
Property Tax Increment – From ROPS	\$0
Property Rentals	\$60
Principal payments	\$111,683
Interest payments	\$56,383
Miscellaneous	\$3,107
Loan Repayments for item listed on the Recognized Obligation Payment Schedule (ROPS)	-
<b>Total Deposits</b>	<b>\$171,233</b>

3. A statement of the balance in the fund as of the close of the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule from other amounts.

Recognized Obligation Payment Schedule amount	\$0
Cash Balance	\$1,102,685
<b>Fund Balance<sup>1</sup></b>	<b>\$14,542,739</b>

<sup>1</sup>This includes LMIHF Assets (cash, loan receivables, and notes) less the deferred inflows, or deferred revenues and accrued liabilities.

4. A description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2) and (3) of subdivision (a), (B) for homeless prevention and rapid rehousing services for the development of housing described in paragraph (2) of subdivision (a), and (C) for the development of housing pursuant to paragraph (3) of subdivision (a).

DESCRIPTION OF EXPENDITURES	
Monitoring/Preserving Long-Term Affordability	\$160,038
Homeless Prevention and Rapid Rehousing Services	\$15,300
Affordable Housing Development: Extremely-Low Income Units affordable to and occupied by households earning 30 percent or less AMI	\$49,611
Affordable Housing Development: Low-Income Units affordable to and occupied by households earning 31-59 percent AMI	\$0
Affordable Housing Development: Moderate Income Units affordable to and occupied by households earning 60-80 percent AMI	\$0
<b>TOTAL EXPENDITURES BY CATEGORY</b>	<b>\$224,949</b>

5. As described in paragraph (1) of subdivision (a), the statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.

Value of Real Property	\$1,928,686
Loans Receivable	\$13,328,420
Grants Receivable	\$0
<b>TOTAL</b>	<b>\$15,257,106</b>

6. A description of any transfers made pursuant to paragraph (2) of subdivision (c) in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.

Not applicable. No transfers have been made pursuant to this Section.

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7. A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.

The Agency does not have any project for which the Agency receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule.

8. For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16. For interests in real property acquired on or after February 1, 2012, a status update on the project.

The Housing Successor has acquired one property through the foreclosure process after February 1, 2012, and will be sold to an income eligible household.

**PROPERTIES ACQUIRED AFTER FEBRUARY 1, 2012:**

Address	APN #	Original Cost	Purchase Date
2392 LaVilla Way	109-410-063-000	\$174,000	June 2019

The following table provides a status of the properties acquired before February 1, 2012 including information regarding purchase dates and original values. There have been street address changes and changes to the Assessor Parcel Numbers of the associated properties, which are further explained in the table footnotes.

**PROPERTIES ACQUIRED BEFORE FEBRUARY 1, 2012:**

Address	APN #	Original Cost	Purchase Date
2950 Polk Street / Woodlands <sup>1</sup>	108-350-061-000	\$104,637	December 2001
2900 Polk Street / Polk Open Space <sup>1</sup>	108-350-063-000	\$104,638	December 2001
825 Parkview Avenue	104-350-018-000	\$49,000	August 2002
815 Parkview Avenue	104-350-019-000	\$49,000	December 2002
2955 Leland Avenue	108-010-043-000	\$81,700	July 2002
1081 Lake Boulevard	114-060-032-000	\$435,000	July 2005
1313 Rose Avenue	116-440-025-000	\$289,928	June 2008
850 Quartz Hill Road	115-170-001-000	\$814,783	July 2008

<sup>1</sup>Former street addresses of these properties were 3214 Mark Street and 901 & 909 Grange Street. The 2950 Polk Street property is under a 60-year lease with PC Redding, an affordable housing tax credit general partnership and developer, and the 2900 Polk Street Open Space is dedicated parks open space in support of the affordable housing development.

9. A description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.

There were no obligations transferred to the SHA upon dissolution of the RRA.

The Redevelopment implementation plans can be accessed on the City of Redding's website at <http://www.cityofredding.org/departments/redevelopment>

10. The information required by subparagraph (B) of paragraph (3) of subdivision (a).

Pursuant to HSC 34167.1(a)(3), the housing successor shall expend all funds remaining in the Low and Moderate Income Housing Asset Fund after the expenditures allowed (monitoring and homeless services) for the development of housing affordable and occupied by households earning 80 percent or less of the area median income, with at least 30 percent of these remaining funds expended for the development of rental housing affordable to and occupied by households earning 30 percent or less of the area median income and no more than 20 percent of these remaining funds expended for the development of housing affordable to and occupied by households earning between 60 percent and 80 percent of the area median income. A housing successor shall demonstrate in the annual report described in subdivision (f), for 2019, and every five years thereafter, the housing successor's expenditures from January 1, 2014, through the end of the latest fiscal year covered in the report comply with the requirements of this subparagraph.

Failure to comply with the extremely low income requirement in any 5-year reporting period will result in the Successor Housing Agency having to ensure that 50% of remaining funds be spent on extremely low income rental units until in compliance. Exceeding the expenditure limit for households earning between 60% and 80% of the AMI in any 5-year reporting period will result in the Housing Authority not being able to expend any funds on these income categories until in compliance.

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Based on Expenditures	Requirement	Total	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	Jan-Jun 2014
Admin	Annual Max 2% or \$200,000	611,552.29	160,337.98	157,735.78	94,923.20	65,070.69	63,921.99	69,562.65
Homeless	Annual Max \$250,000	30,877.50	15,000.00	12,575.00	-	-	-	3,302.50
Extremely low income	Minimum 30%	63.44%	100.00%	100.00%	100.00%	100.00%	100.00%	20.42%
Low income		36.56%	0.00%	0.00%	0.00%	0.00%	0.00%	79.58%
Moderate income	Maximum 20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

11. 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.

Between 2009 and 2019, there were 240 affordable units developed. Of these units, there were 22 units specifically designated as senior housing; therefore, the percentage of affordable units developed for seniors within the previous 10-year period was nine percent.

12. The amount of any excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor’s plan for eliminating the excess surplus.

The excess surplus as of June 30, 2019 is zero.

13. 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. This inventory shall include all of the following information:

a. The Number of Those Units:

There are 73 homeowners who have a loan with the former redevelopment agency/housing successor.

- b. In the first report pursuant to this subdivision, the number of units lost to the portfolio after February 1, 2012, and the reason or reasons for those losses. For all subsequent reports, the number of the units lost to the portfolio in the last fiscal year and the reason for those losses.

**Portfolio activity through June 30, 2019:**

Payoffs	2
Short Sale	0
Foreclosure/Trustee Sale	0
<b>TOTAL</b>	<b>2</b>

- c. Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency’s investment of moneys from the Low and Moderate Income Housing Fund.

No additional funds have been returned to the housing successor agency as a part of an adopted program as described in this section.

- d. Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

The housing successor has not contracted with any outside entity for the management of units as described in this section.