

# **Housing Authority of the City of Palmdale**



## **Annual Report**

Pursuant to Health & Safety Code Section 34176.1

For the Fiscal Year Ended June 30, 2015

## Introduction

California Health & Safety Code §34176.1\* requires that each housing successor present to its legislative body and post on its Internet website an annual report that contains the following items for the previous fiscal year:

- The amount deposited to the Low and Moderate Income Housing Asset Fund distinguishing items listed on the Recognized Obligation Payment Schedule from other accounts.
- 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.
- A description of expenditures from the fund by category, including but not limited to, expenditures 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 activities funded with the Low and Moderate Income Housing Asset Fund
  - homeless prevention and rapid rehousing services
  - development of affordable housing.
- 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.
- A description of any transfers made to a contiguous jurisdiction for the purpose of developing transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update of any project for which transferred funds have been or will be expended if that project has not yet been placed in service.
- 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.
- 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, as amended by Section 34176.1(e). For interests in real property acquired on or after February 1, 2012, a status update on the project.
- 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 successors plans to meet unmet obligations.
- The housing successor shall include in the report posted on its Internet website the implementation plans of the former redevelopment agency.
- If the housing successor fails to comply with the extremely low income requirement in any five year report, demonstrate progress to comply in the annual report.
- 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.

- The amount of excess surplus, as defined in Section 34176(d), the amount of time that the housing successor has had excess surplus, and the housing successor's plan for eliminating the excess surplus.
- 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.
  - (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.
  - (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.
  - (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.

\* *All references are to the Health & Safety Code unless otherwise stated*

The following information is presented in accordance with the requirements of Section 34176.1(f):

**(1) The amount deposited to the Low and Moderate Income Housing Asset Fund.**

The amount deposited to the Low and Moderate Income Housing Asset Fund includes deposits for items on the Recognized Obligations Payment Schedule and funds generated from the housing successor's assets, including revenues and loan payments. A summary of funds deposited is below:

Description	Amount
Deposits for items on the ROPS	\$0
All other deposits	<u>\$1,564,255</u>
Total	<u>\$1,564,255</u>

**(2) A statement of the balance in the fund as of the close of the fiscal year.**

The balance of the Low and Moderate Income Housing Asset funds is \$8,224,183.

**(3) A description of expenditures from the fund by category:**

Description	Amount
Expenditures for ROPS items	\$-0-
Monitoring and preserving the long-term affordability of units & administration of Low and Moderate Income Housing Asset Fund activities	\$507,320
Homeless prevention and rapid rehousing services.	-0-
Development* expenditures (by income category beginning 2019)	684,873
30% of funds to 30% AMI	
50% of funds to 31-59% AMI	
20% of funds to 60-80% AMI	
Total	<u>\$1,192,193</u>

\*Section 34176.1(a)(3)(D) defines "Development" as "new construction, acquisition and rehabilitation, substantial rehabilitation as defined in Section 33413, the acquisition of long-term affordability covenants on multifamily units as described in 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 as those terms are defined in Section 65863.10 of the Government Code."

**(4) 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.**

<u>Description</u>	<u>Statutory Value</u>
Real Property	\$ 8,364,088
Loans and Grants Receivable	<u>\$36,271,960</u>
Total	<u>\$44,636,048</u>

**(5) A description of any transfers made to a contiguous jurisdiction for the purpose of developing transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing in the previous fiscal year.**

None.

**(6) 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 housing successor is holding \$2,979,600 of property tax in an escrow account at US Bank for the Transit Village Townhome Project for Mortgage Assistance Program loans for eligible participants, impact fees, and construction funds. Construction of the infrastructure for 121 units has been completed. A parcel map for the project is in process and the Developer is seeking bank funding for the construction of the units. A Building Equity and Growth in Neighborhoods Program (BEGIN) grant of \$2,220,000 has been approved for mortgage assistance for eligible applicants of the project.

**(7) 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, as amended by Section 34176.1(e). For interests in real property acquired on or after February 1, 2012, a status update on the project.**

**Acquired before February 1, 2012**

<u>Parcel</u>	<u>Date Acquired/DOF</u>	<u>Status</u>
Land 293-191110	10/17/2007 10/5/2012	Undevelopable remnant
3006-008-906/907/908 293-191120	07/22/2005 10/5/2012	Agreement A-1977 for development of 121 units of owner occupied townhomes
503 East Avenue Q-3 3008-010-020 (906) (293-191160)	07/19/2007 10/5/2012	Held for resale.
3008-010-015(904) (293-191230)	10/15/2004 10/5/2012	Vacant land held for development
38464 30 <sup>th</sup> Street East (3021-028-900)	07/09/2009 10/5/2012	Rehabilitate and resell to eligible household
3009-024-935 (9 <sup>th</sup> East & Q-12)	12/30/2008 10/5/2012	Exclusive Negotiating Agreement with Meta Housing Corp (A-5202) for development of parcel.
3009-024-936 (10 <sup>th</sup> East & Q-12)	12/30/2008 10/5/2012	Development and Disposition Agreement with Meta Housing Corp

(A-5129) for development of parcel.

**Acquired after February 1, 2012**

<u>Parcel</u>	<u>Date Acquired</u>	<u>Status</u>
38553 4 <sup>th</sup> St East (3008-016-902)	10/02/2013	Held for resale.
38627 32 <sup>nd</sup> Street East (3021-005-900)	08//16/2013	Held for resale
3008-010-021(907) (293-191243)	04/26/2013	Vacant and held for resale/development

**(8) A description of any outstanding replacement or production housing 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 successors plans to meet unmet obligations.**

No outstanding or unmet obligations.

**The housing successor shall include in the report posted on its Internet website the implementation plans of the former redevelopment agency.**

The most current implementation plan is posted at <http://www.cityofpalmdale.org/Your-City-Hall/Federal-and-State-Grants>.

**(9) If the housing successor fails to comply with the extremely low income requirement in any five year report, demonstrate progress to comply in the annual report.**

This requirement is not applicable. The first five year report is due 2019.

**(10) 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.**

<b>Project</b>	<b>Date completed</b>	<b>Units</b>	<b>Senior or Family</b>	
Whispering Palms	5/2008	75	Senior	
Cielo Azul	7/2008	81	Senior	
Summer Terrace	7/2009	80	Senior	
Palo Verde Terrace	12/2009	78	Senior	
Wright Bros Ct	12/2013	156	Family	
NBO 513 Q4	08/27/2009	4	Family	

Project	Date completed	Units	Senior or Family	
NBO 507 Q4	2011	4	Family	
Twin Palms	06/23/2008	48	Family	
Manzanita Villas	6/1/2012	29	Family	20% of 144 units
Palmdale Dream Center	02/12/2015	11	Transitional/Family	
<b>Total</b>		<b>566</b>		
<b>Senior</b>		<b>314</b>		<b>55.5% Senior</b>

**(11) The amount of 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. Section 34176.1(d) defines excess surplus as an unencumbered amount in the account that exceeds the greater of one million dollars or the aggregate amount deposited into the account during the housing successor's preceding four fiscal years, whichever is greater.**

Computation of Low and Moderate Income Housing Asset Funds Excess Surplus

	Low & Moderate Income Housing Asset Funds July 1, 2014
Cash Balance	\$ 4,690,327
Less Encumbrances	<u>(\$4,607,490)</u>
<b>Unencumbered Amount</b>	<b>\$82,837</b>
Limitation = greater of \$1,000,000 or housing successor's preceding four fiscal years' deposits (§34176.1(d))	
Deposits in housing successor's last four fiscal years:	
Fiscal year 2013-2014	\$1,564,255
Fiscal Year 2012-2013	\$1,735,753
2/2012-6/2012	<u>615,604</u>
Total housing successor's four fiscal years deposits	<u><u>\$3,915,612</u></u>
Base Limitation	<u><u>\$ 1,000,000</u></u>
<b>Limitation - Greater Amount</b>	<u><u>\$3,915,612</u></u>
Computed Excess Surplus [Unencumbered Amount exceeding the Limitation]	<u><u>NONE</u></u>

**(12) 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.**
- (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.**
- (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.**
- (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.**

Number of homeownership units assisted by the former redevelopment agency or the housing successor and subject to covenants or restrictions at 6/30/2015: 351

Number of units lost to portfolio February 1, 2012 through June 30, 2015: 62

Reasons for Losses:

Loans paid: 40

Loans lost to foreclosure or value of property less than loan: 22

Funds received by the Housing Authority:

February 1, 2012 - June 30, 2015: \$757,068.75

The Housing Authority of the City of Palmdale has not contracted with an outside entity for the management of the units.