



HOUSING SUCCESSOR ANNUAL REPORT
Merced Housing Successor Agency

Fiscal Year 2020-21

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INTRODUCTION

This Housing Successor Agency Annual Report (“Annual Report”) presents information on Fiscal Year (“FY”) 2020-21 activities as required by Health and Safety Code (“HSC”) Section 34176.1(f), demonstrating compliance with various annual, five-year, and ten-year expenditure and housing production requirements. This Annual Report is required of any housing successor to a former redevelopment agency.

City as Housing Successor

California redevelopment agencies dissolved statewide in 2012. At the time of dissolution, a housing successor was to be selected to assume possession of and be responsible for the remaining housing assets and liabilities of a former redevelopment agency.

The City of Merced (“City”) became the Housing Successor Agency (“Housing Successor”) to the former Merced Redevelopment Agency (“Agency”) by adoption of Resolution No. 2012-5 on January 12, 2012. As such, the former Agency’s affordable housing rights, powers, assets, liabilities, duties, and obligations, excluding any amounts in the former Agency’s Low and Moderate Income Housing Fund, were transferred to the City. Housing Successor assets are maintained in a Low and Moderate Income Housing Asset Fund (“Housing Asset Fund”).

The Merced Designated Local Authority to the former Merced Redevelopment Agency (“DLA”) and the Oversight Board to the Merced Designated Local Authority (“Oversight Board”) oversee the administration of non-housing obligations of the former Agency. Earlier on in the redevelopment dissolution process, the DLA and Oversight Board approved the transfer of certain properties to the Housing Successor, however they do not have ongoing oversight of Housing Successor assets and activities.

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. Activities include, but are not limited to, financial transactions, property disposition, loan administration, and maintaining affordability covenants. It reports compliance with annual, five-year, and ten-year limits on expenditures and housing production. FY 2020-21 represents the second year of a five-year compliance period for income proportionality, which begins in FY 2019-20 and ends in FY 2023-24.

The Annual Report is due to the California Department of Housing and Community Development (“HCD”) by April 1 annually as an addendum to the City’s Housing Element Annual Progress Report. The City’s audited financial statements for FY 2020-21 will include an audit of Housing Successor funds and will be posted on the City website when available, and are incorporated herein by reference.

BACKGROUND

This section summarizes the process of transferring former redevelopment assets to a housing successor, as well as the legal requirements for use of these assets that are addressed in this Annual Report.

Assets Transferred to the Housing Successor

After the City elected to become the Housing Successor in 2012, it prepared a Housing Asset Transfer Form (“HAT”) that provided an inventory of all housing assets transferred from the Agency to the City.¹ The HAT listed 90 housing assets to transfer from the former Agency to the City as permitted by HSC Section 34176(e):

- 21 Real Properties
- 4 Low-Mod Encumbrances
- 40 Loans Receivable
- 7 Rental Agreements
- 18 Deferrals

The California Department of Finance (“DOF”) approved the transfer of all but four assets in a determination letter dated February 25, 2013. The four assets denied on the HAT were related to a Disposition and Development Agreement (“DDA”) with Merced Pacific Associates to develop the Woodbridge Apartments. They included the following HAT items:

- Exhibit C, Item 2: \$3 million Construction Loan low-mod encumbrance;
- Exhibit D, Item 3: \$3 million Construction Loan receivable;
- Exhibit D, Item 4: \$800,000 Participation Loan A; and
- Exhibit D, Item 5: \$4,888,500 Participation Loan B

DOF denied the transfer of these assets to the Housing Successor because the former Agency was not party to the loan agreements. The loan documents are between Merced Pacific Associates and the City of Merced Public Financing and Economic Development Authority (“PFEDA”). However, the DDA and related PFEDA loan agreements pledged the former Agency’s Low and Moderate Income Housing Funds to fund the loans. The City accounts for the Merced Pacific Associates loans as receivable to the Housing Asset Fund in good faith so any repayments are restricted for use on affordable housing activities as originally intended by the former Agency.²

¹ The HAT is attached as Appendix 3.

² It is possible these notes receivable could be transferred out of the Housing Asset Fund in the future if determined to be the appropriate based on ongoing discussions with DOF.

The remaining 86 items on the HAT were approved for transfer; however, the transfer of 21 properties were subject to the findings of a California State Controller’s Office (“SCO”) Asset Transfer Review. The SCO Asset Transfer Review ultimately resulted in the transfer of ten properties to the Housing Successor. Nine properties were transferred by the adoption of Oversight Board Resolution No. 2017-04 on January 26, 2017. DOF approved the action on May 15, 2017. A tenth property was approved for transfer by the adoption of Oversight Board Resolution 2019-013. DOF approved the action on September 9, 2019.

The remaining 11 properties were either sold by the City or transferred as non-housing assets to the DLA or to the City. Table 1 summarizes the transfer status of the 21 properties on the HAT.

Table 1: Status of HAT Properties

Count	HAT Item	Address	APN³	Type
Transferred to Housing Successor				
1	3	1823 I Street	031-074-009	Vacant Land
2	5	1815 I Street	031-074-010	Vacant Land
3	6	205 W. 18 th Street	031-074-011	Vacant Land
4	7	1744 I Street	031-161-001	Vacant Land
5	8	150 W. 19 th Street	031-082-002	Vacant Land
6	9	73 South R Street	059-256-004	Vacant Land
7	16	211 W. 18 th Street	031-074-012	Vacant Land
8	17	49 W. 18 th Street	031-084-011	Vacant Land
9	18	202 W. 19 th Street	031-074-008	Vacant Land
10	19	26 W. 18 th Street	031-163-005	Vacant Land
Sold by Housing Successor⁴				
1	20	454 W. 8 th Street	032-161-002	Single-Family House
2	21	951 W. 7 th Street	032-133-015	Single-Family House

³ Some of properties on the HAT reference a different address or Assessor’s Parcel Number (“APN”) because they were revised since the HAT was prepared in 2012. The addresses and APNs in this report match those approved by the Oversight Board and DOF in 2017.

⁴ These two properties were sold by the Housing Successor in FYs 2011-12 and 2014-15. DOF ratified their transfer and sale on September 9, 2019.

Count	HAT Item	Address	APN ³	Type
Transferred to DLA				
1	1	376 S. West Avenue	059-240-018	Vacant Land
2	2	33 Parsons Avenue	035-140-018	Vacant Land
3	4 & 14	406 Childs Avenue / 112 Canal Street	059-240-081	Vacant Land
4	11	2490 & 2498 G Street	033-032-015	Vacant Land
5	12	1011 W. 14 th Street	031-203-018 & - 019	Vacant Land
6	13	843 & 849 W. 14 th Street	031-213-015 & - 016	Vacant Land
7	15	823 W. 14 th Street	031-213-012	Vacant Land
Transferred to DLA then City				
1	10	25 E. Santa Fe Ave	033-032-013	Sidewalk

Legal Requirements Pertaining to Housing Successors

A year after dissolution of redevelopment began, the State Legislature recognized the need to regulate and provide transparency on the use of the housing activities transferred from a former redevelopment agency. Senate Bill 341 (DeSaulnier, 2013) and subsequent legislation enacted several requirements for housing successor agencies contained in HSC Sections 34176-34176.1.

In general, housing successors must comply with three major requirements pursuant to HSC 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 Housing Asset Fund unencumbered balance based on certain thresholds.
3. Properties must be developed with affordable housing within five to ten years of DOF’s approval of the HAT.

Appendix 1 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, 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 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”).
- **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. Merced is ineligible for this expense as of FY 2020-21 because it had outstanding inclusionary housing production requirements when the former Agency dissolved that have not yet been fulfilled. Based on prior development activity, it is estimated that Merced has an outstanding production obligation for 11 very low income units. This obligation will be fulfilled after the construction of the Childs and B Street Affordable Housing Project described later in this Report, making Merced eligible to expend funds in this category.
- **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% AMI), while no more than 20 percent may assist low income households (between 60-80% 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 first five-year compliance period was January 1, 2014 through June 30, 2019. The Housing Successor did not make any development-related expenditures during the first five-year compliance period. Thus, the Housing Successor was in compliance with Housing Asset Fund income proportionality expenditure requirements during the first five-year compliance period. The current (second) 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% 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 a valuable and necessary function of this Annual Report.

Ten-Year Age Proportionality on Units Assisted: If more than 50% of the total aggregate number of rental units produced by the city, housing authority, 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.

Appendix 2 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.

The concept of excess surpluses carries over from the era prior to dissolution of Redevelopment Law, when redevelopment agencies often were receiving substantial amounts of deposits from the mandatory housing set-aside of 20% of tax increment revenues. Today, excess surpluses are generally less common because housing successors no longer receive deposits comparable to the pre-dissolution period.

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

Deposits and Fund Balance

The City deposited \$1,989,336 into the Housing Asset Fund during FY 2020-21, as shown in Table 2.

Table 2: Housing Asset Fund Deposits, FY 2020-21

Revenue Source	Amount
Loan Repayments ¹	\$ 1,343,792
Interest Earned	546,939
Investment Earnings ²	97,990
Miscellaneous	615
Total	\$ 1,989,336

¹ Loan repayments net of Grove loan repayment transferred out to CDBG and HUD 108 per agreement. Excludes Fund 380 "Repayment of Note" totaling \$4,387,694.71. Grove loan repayment retained by Housing Asset Fund are reflected as deposits in Fund 71.

²Excludes Change in Fair Value accruals (-\$52,984.00)

Source: City of Merced, Funds 71, 380, and 471 Revenue Reports

Revenue sources consist of the following:

- Repayments on the principal balance of loans extended by the Housing Successor to developers and homeowners;
- Interest accumulated from the outstanding balance on loans extended by the Housing Successor;
- Investment earnings accumulated from the Housing Successor’s cash balance; and
- Miscellaneous unclassified revenues.

Expenditures

The City expended \$1,478,980 in Housing Asset Funds during FY 2020-21.⁵ Of this amount, \$278,980 was for administrative expenses and is within the annual maximum of \$476,895. The remaining \$1,200,000 was provided as a loan to assist development of the 119-unit Childs and B Street Affordable Housing Project (the Childs Court Apartments). The Housing Successor's loan was dedicated to assisting 30 permanent supportive housing units for households who are homeless or at risk of homelessness, which are restricted to households with incomes up to 30% AMI. An additional 89 units will be rented to households with incomes at or below 50% AMI, which are assisted by other funding sources.

Ending Cash and Fund Balance

The Housing Asset Fund balance as of June 30, 2021 was \$13,475,149, as summarized in Table 3.

Table 3: Housing Asset Fund - Ending Balance as of June 30, 2021

Balance Type	Amount
Cash ¹	\$ 2,263,883
Real Property ²	1,109,913
Notes Receivable	9,627,991
Interest Receivable	473,362
Ending Balance	\$ 13,475,149

¹Excludes Fund 71 Change in Fair Value accrual of \$41,649.00

²Excludes Fund 471 Contra Account credit of \$64,899.00

Source: City of Merced, Funds 71, 380, and 471 Balance Sheets

Housing Successor Portfolio

The Housing Successor Portfolio as of FY 2020-21 includes 10 real properties transferred from the former Agency and 19 loans receivable. The Portfolio had a value of \$10,737,904 as of FY 2020-21, as detailed in Table 4.

⁵ Excludes Fund 380 Detail Budget Report activity related to the Grove loan repayment (\$856,290.00 and \$3,877,752.00 transferred out to repay CDBG and HUD 108 loan per agreement and \$119,290.00 transferred to Fund 71 and reflected as a deposit).

Table 4: Housing Successor Real Property and Loans Receivables Portfolio

Asset	Amount
Real Properties	
49 W. 18 th Street	\$ 35,626
205 W. 18 th Street	85,370
211 W. 18 th Street	241,380
150 W. 19 th Street	73,600
202 W. 19 th Street	115,132
1744 I Street	181,044
1823 I Street	19,050
1815 I Street	85,259
73 S. R Street	201,293
26 W. 18th Street	72,159
<i>Subtotal</i>	\$ 1,109,913
Loans Receivable	\$ 9,627,991
Total Portfolio Value	\$ 10,737,904
<i>Source: City of Merced</i>	

REAL PROPERTIES AND DISPOSITION STATUS

DOF approved the transfer of 21 real properties listed on the HAT, pending further review by the SCO Asset Transfer Review. The SCO Asset Transfer Review and subsequent DOF review ultimately resulted in:

- 10 properties transferred to the Housing Successor
- 2 properties sold by the Housing Successor
- 8 properties transferred to the DLA as non-housing assets
- 1 property transferred to the DLA then transferred back to the City as a governmental use (a sidewalk)

The status of the 12 properties that were transferred to or sold by the Housing Successor are described in this section.

HSC Section 34176.1 requires that all real properties acquired by the former Agency prior to February 1, 2012 and transferred to the Housing Successor be developed pursuant to the requirements detailed in HSC Section 33334.16. All property that falls within in these parameters must be developed for affordable housing purposes within five years from the date DOF approved the HAT, or February 25, 2018. The law permits a five-year extension by adoption of a resolution. The City extended the deadline for an additional five years to February 25, 2023 by adoption of Resolution No. 2018-67.

Two properties on the HAT were sold by the Housing Successor:

- **454 W. 8th Street:** This single-family home was sold in FY 2014-15. Net sales proceeds totaling \$139,030 were deposited into the Housing Asset Fund.
- **951 W. 7th Street:** This single-family home was sold in FY 2011-12. Net sales proceeds totaling \$90,503 were deposited into the Housing Asset Fund.

Ten properties on the HAT remain under Housing Successor ownership, listed in Table 5. The Housing Successor issued a Request for Proposals in April 2021 soliciting proposals to develop all ten sites with affordable housing as required by HSC 34176.1 and the Surplus Lands Act (Government Code Section 54220 *et. seq.*).⁶ On October 18, 2021, the City Council approved entering into Exclusive Negotiating Agreements (“ENAs”) to convey the sites to three developers for affordable housing development as shown in Table 5.

⁶ On March 15, 2021, the City Council approved Resolution No. 2021-17 declaring the ten Housing Successor properties in Table 5 as exempt surplus land pursuant to Government Code Section 54221(f)(1)(A). HCD approved the exemption on June 30, 2021. Under the exemption, the properties must be used for development of housing (at least 80 percent of parcel area) and at least 40 percent of housing units on each parcel must be affordable to 60% AMI households (of which at least half are affordable to 50% AMI households) for a term of at least 30 years.

Table 5: Real Properties Held by the Housing Successor

#	Address	Lot S.F.	Negotiating Party
1	1823 I Street	2,100	
2	1815 I Street	2,400	
3	205 W. 18 th Street	3,000	Linc Housing
4	211 W. 18 th Street	7,500	
5	202 W. 19 th Street	7,500	
6	1744 I Street	5,000	
7	49 W. 18 th Street	10,800	Habitat for Humanity
8	150 W. 19 th Street	7,500	
9	73 South R Street	20,416	
10	26 W. 18 th Street	7,500	CC 915

Source: City of Merced

ENAs will be executed in FY 2021-22 that allow the Housing Successor and chosen parties to negotiate affordability and disposition agreements that meet the requirements of HSC 34176.1 and the Surplus Lands Act. Disposition updates will be provided in future annual reports.

LOANS RECEIVABLE

The HAT listed 40 loans receivable and 18 deferrals; several loans have been paid off since dissolution. This section describes the status of loans receivable as of FY 2020-21.

Homeowner Loans

As of July 1, 2020, the Housing Successor had 11 outstanding homeowner loans. Four loans were paid off during FY 2020-21. The seven remaining homeowner loans have an outstanding balance of \$328,678 as of June 30, 2021.⁷ The former Agency made the loans through low income first-time homebuyer and rehabilitation programs. Although most loans require monthly payments, many loan holders are unable to make regular payments. Over half of the remaining loans (five out of seven) are forgivable at the Housing Successor's discretion or upon sale. The Housing Successor does not intend to forgive loans and collects payments based on loan holders' ability to pay.

Developer Loans

⁷ The homeowner and developer loans receivable balances are from a Housing Notes Receivable spreadsheet maintained by Finance Department. Values may not match the total notes receivable balance reported in Table 4 (from the Fund 71 and 471 Balance Sheets) due to allowances for uncollectibles or other accounting adjustments.

The Housing Successor oversees loans issued by the former Agency to four developers as detailed below:

- **Merced Pacific Associates (Woodbridge Place Apartments):** This property has three outstanding loans issued by PFEDA to implement a DDA executed by the former Agency that pledged Low and Moderate Income Housing Funds. They are payable annually from residual receipts:
 - Participation Loan A;
 - Participation Loan B; and
 - Construction Loan (the principal balance rolled over into the Participation Loans and only interest remains).

The outstanding balance on these three loans as of June 30, 2021 was approximately \$8.1 million. There is no forgiveness clause in the DDA. As previously noted, these loans receivable were denied on the HAT but are accounted for in the Housing Asset Fund because the DDA and related PFEDA loan agreements pledged the former Agency's Low and Moderate Income Housing Funds to fund the loans. It is possible the loans will be transferred out of the Housing Asset Fund in the future based on ongoing discussions with DOF.

The Housing Asset Fund includes a fourth loan receivable from Merced Pacific Associates with a remaining balance of \$225,441.57 as of June 30, 2021. It is related to an Energy Efficiency Loan funded with Energy Efficiency and Conservation Block Grant Program Funds the City received from the United States Department of Energy ("DOE"). It is possible this loan will be transferred out of the Housing Asset Fund in the future to account for being funded with DOE funds.

- **Merced Lofts, LLC:** The former Agency issued a \$1.3 million loan to Merced Lofts, LLC in 2004 in exchange for building a multi-use project, including 11 low and moderate income rental units. The property has since been sold, and the loan has a remaining balance owed of \$150,000 pursuant to a negotiated settlement. The payment is pending and will be deposited into the Housing Asset Fund.
- **Central Valley Coalition for Affordable Housing:** Two loans were issued to the Central Valley Coalition for Affordable Housing in exchange for constructing or rehabilitating two homes affordable to low and moderate income households. An \$80,000 loan issued in 1998 was paid off in FY 2018-19 and a \$65,000 loan issued in 2001 was paid off in FY 2019-20.

The Housing Successor administered two additional loans issued to the Central Valley Coalition for Affordable Housing. The loans were related to an Owner Participation Agreement with The Grove, L.P. ("Grove OPA") dated October 21, 2002 to develop 204 affordable units. The former Agency issued a \$1,000,000 loan from low and moderate income housing funds ("Housing Fund Loan"), with 3% annual interest over a 40-year term to be paid from residual receipts. A second \$4,000,000 Section 108 loan was issued by the U.S. Department of Housing and Urban Development to the City ("HUD 108 Loan") to assist with development. The HUD 108 Loan was

guaranteed with former Agency low and moderate income housing funds through a Debt Service Funding Agreement. The City issued a third \$990,000 loan from HOME funds to The Grove, L.P., however that loan is not a housing successor asset.

The Grove, L.P. refinanced the project and paid off the loans in January 2021. The HUD 108 Loan repayment was first applied to pay off the HUD 108 loan balance owed to HUD, then to repay any City funds used to make payments toward the HUD 108 loan such as CDBG funds as required by the OPA and Debt Service Funding Agreement. The remaining \$1.3 million balance was deposited into the Housing Asset Fund in FY 2020-21 and is reflected in Table 2.

- **Merced Senior Investors (Sierra Meadows Apartments):** The former Agency issued a \$1.3 million loan in 1994 to subsidize development of the Sierra Meadows Apartments, which has 100 senior units built by the Affordable Housing Development Corporation (“AHDC”). The loan was backed by the former Agency’s purchase of Housing Authority of the City of Fresno Multifamily Housing Revenue Bonds (“Fresno Bonds”). The Housing Successor received a final loan payment of \$212,925 in FY 2019-20. Pursuant to a second amendment to the Disposition and Development Agreement for the project, the remaining loan balance of \$130,969 was forgiven and the loan has been paid off.

COMPLIANCE WITH EXPENDITURE & PRODUCTION LIMITS

During FY 2020-21, the Housing Successor complied with all annual, five-year, and ten-year expenditure and proportionality requirements as described in this section.

Proportionality Requirements

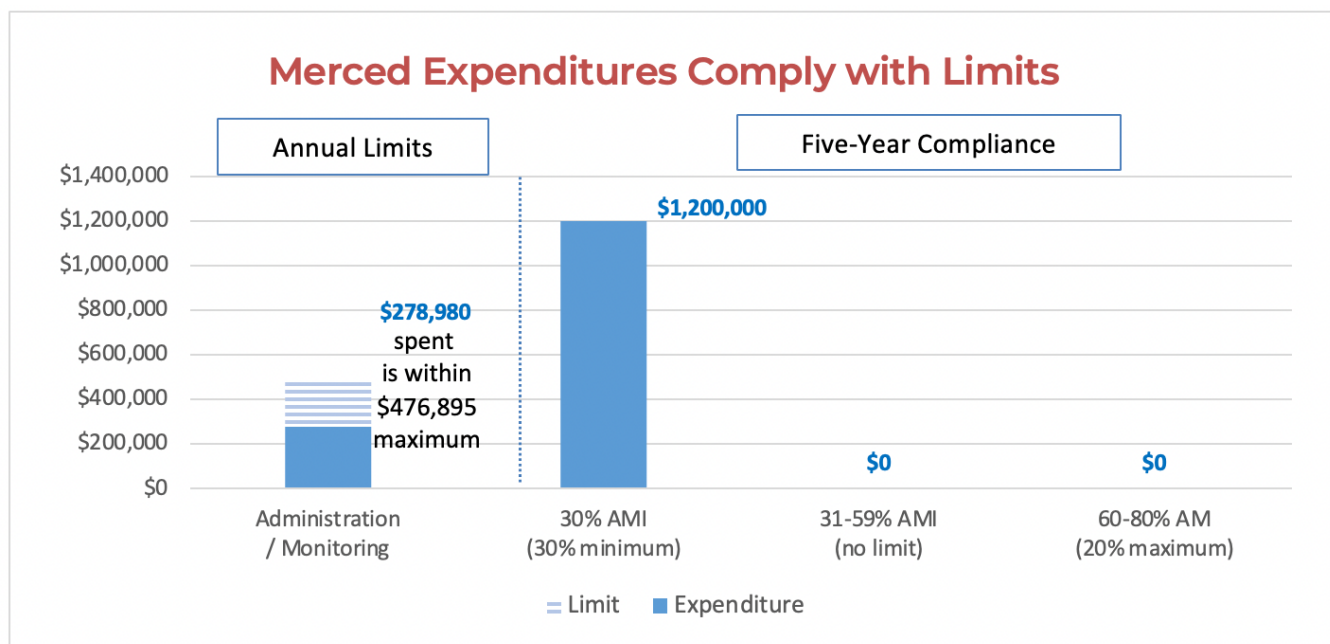
The Housing Successor fully complied with all Housing Asset Fund spending restrictions in FY 2020-21 as follows:

- The Housing Successor expended \$278,980 on allowable administrative expenses, which is well under the maximum limit of \$476,895. The annual limit on administrative expenses is the greater of \$200,000 (plus inflation), or 5% of the Housing Successor Portfolio balance. As shown in Table 4, the Portfolio balance is \$9,537,904, of which 5% is \$476,895.
- The Housing Successor did not use any Housing Asset Funds for homeless prevention or rapid rehousing expenses. Merced is currently ineligible to spend Housing Asset Funds in this category due to an outstanding inclusionary housing production requirement upon dissolution to develop 11 very low income units. Merced will become eligible to spend Housing Asset Funds in this category after the completion of the Childs and B Street Affordable Housing Project described below.

- The Housing Successor expended \$1,200,000 on a loan issued to the Childs and B Street Affordable Housing Project (Childs Court Apartments). The Housing Successor’s loan was dedicated to assisting 30 permanent supportive housing units for households who are homeless or at risk of homelessness, which are restricted to households with incomes up to 30% AMI. An additional 89 units will be rented to households with incomes at or below 50% AMI, which are assisted by other funding sources.

The Housing Successor is required to spend at least 30% of its affordable housing expenditures assisting households with incomes up to 30% AMI and at most 20% assisting households with incomes between 60-80% AMI. Currently, the Housing Successor complies with these proportionality requirements. The Housing Successor will continue to monitor its spending to ensure that it meets income proportionality targets for the current five-year compliance period of July 1, 2019 to June 30, 2024.

Figure 1: 2020-21 Housing Asset Fund Expenditure Compliance



The Housing Successor will ensure it continues to meet all Housing Asset Fund expenditure requirements 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 income households earning between 60-80% 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

Pursuant to HSC Section 34176 (b), a maximum of 50% of deed-restricted rental housing units assisted by the former Agency, Housing Successor, or City in the previous 10 years may be restricted to seniors. The Agency, Housing Successor, and City have not produced any senior-restricted rental housing in the last ten years. Therefore, the Housing Successor complies with the limit of 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 City and Housing Successor assisted the 119-unit Childs and B Street Affordable Housing Project in FY 2020-21. Although the Housing Successor's loan was dedicated to assisting only 30 units at the development, other City funding sources assisted the entire 119-unit project. No units were restricted to seniors. Therefore, the Housing Successor may assist up to 119 senior units and remain in compliance with this requirement. There may be other projects assisted by the City in the last ten years that would permit the Housing Successor to assist more than 119 senior units.

Excess Surplus

The Housing Successor did not accumulate an excess surplus in FY 2020-21, as illustrated in Table 6. The unencumbered beginning cash balance of \$1,005,518 is less than the sum of deposits in the prior four years of \$2,040,524, therefore there is no excess surplus as of FY 2020-21.

Table 6: FY 2020-21 Excess Surplus Calculation

Step 1: Determine Unencumbered Cash Balance From Financials		
FY 20-21 Beginning Cash Balance	\$	2,205,518
Less: Encumbered Funds ¹	\$	(1,200,000)
Unencumbered Amount	\$	1,005,518
Step 2: Determine Greater of \$1M or Last 4 Deposits		
\$1 Million, or	\$	1,000,000
Last 4 years' deposits	\$	2,040,524
	2019-20 \$	926,194
	2018-19 \$	227,671
	2017-18 \$	300,666
	2016-17 \$	585,993
Result: Larger Number	\$	2,040,524
Step 3: Excess Surplus is Amount Step 1 Exceeds Step 2, if Any		
(1) Unencumbered Amount	\$	1,005,518
(2) Less: Larger Number From Step 2	\$	2,040,524
Excess Surplus		None

¹ \$1.2 million encumbered for Childs and B Street Affordable Housing Project; funds expended in FY 2020-21

Source: City of Merced

OTHER INFORMATION

Homeownership Unit Inventory

Table 7 presents an inventory of homeownership units assisted by the former Agency or Housing Successor that require restrictions, covenants, or an adopted program that protects Housing Asset Fund monies.

Table 7: Homeownership Unit Inventory in Housing Asset Fund

Table 6 Homeownership Unit Inventory				
Property Address ¹	# Units	Covenant Recorded	Covenant Expiration ²	Covenant Term (Yrs)
50 W. 19th Street	1	3/30/11	3/30/66	55
959 W. 10 th Street	1	9/19/97	2/1/23	20
919 W. 10 th Street	1	8/9/99	2/1/24	25
803 W. 4 th Street	1	1/26/00	6/1/25	20
925 & 927 W. 10 th St.	1	8/14/00	1/1/34	20
1545 W. 10 th St.	1	9/13/00	1/1/26	20
812 W. 13 th Street	1	10/5/05	10/5/50	45

¹ Covenants expired for the properties 507 Sonora Ave. and 3197 Shamrock Ave, respectively, on 5/21/2018 and 1/26/2019.

² In some cases the affordability restriction began after the covenant was recorded.

Note: This inventory contains homeowner units with active loans issued by the former Agency through affordable housing programs. Housing Successor staff are researching the terms of affordable housing covenants and may refine the inventory in future annual reports.

Transfers to Other Housing Successors

There were no transfers to another housing successor entity for a joint project pursuant to HSC Section 34176.1(c)(2).

APPENDIX 1 - 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>
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APPENDIX 2 – HOUSING ASSET FUND EXPENDITURE REQUIREMENTS

<i>Health and Safety Code Section 34176.1</i>		
Expense Category	Limits	Allowable Uses
Administration and Compliance Monitoring	\$476,895 maximum for FY 2020-21 (limit varies each year)	<p>Administrative activities such as:</p> <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 <p>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.</p>
Homeless Prevention and Rapid Rehousing Solutions	\$250,000 maximum per fiscal year	<p>Services for individuals and families who are homeless or would be homeless but for this assistance, including:</p> <ul style="list-style-type: none"> • 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.

Health and Safety Code Section 34176.1

Expense Category	Limits	Allowable Uses
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
	Income Targets	Every five years (currently FYs 2020-2024), Housing Asset Funds must meet income targets: <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) Moderate and above moderate income households may not be assisted (above 80% AMI). 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. 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.
	Age Targets	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.

APPENDIX 3 – HOUSING ASSET TRANSFER FORM

The Housing Asset Transfer Form is 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: City of Merced Redevelopment Agency

Successor Agency to the Former Redevelopment Agency: Appointed by Governor

Entity Assuming the Housing Functions of the former Redevelopment Agency: City of Merced Housing Division

Entity Assuming the Housing Functions Contact Name: Elaine Post Title Development Manager Phone 209-385-6863 E-Mail Address _____

Entity Assuming the Housing Functions Contact Name: John Bramble Title City Manager Phone 209-723-1780 E-Mail Address _____

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

X
X
X
X
X

Prepared By: **Elaine Post, Development Manager**

Date Prepared: **7/24/2012 -**

City of Merced
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	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	Vacant Land - Future Low Income Housing Stock	059-240-018 376 South West Ave., Merced, CA	\$96,068	.34 acre	.34 acre	Yes	California Redevelopment Law	31-Jan-11	\$96,068	NA	NA	3-Feb-06	NA
2	Vacant Land - Future Low Income Housing Stock	035-140-018 33 Parsons Ave., Merced CA	\$163,786	.18 acre	.18 acre	Yes	California Redevelopment Law	31-Jan-11	\$163,786			July, 2007	
3	Vacant Land - Future Low Income Housing Stock	031-074-009 1823 I Street, Merced, CA	\$19,050	.05 acre	.05 acre	Yes	California Redevelopment Law	31-Jan-11	\$19,050			Aug-98	
4	Vacant Land - Future Housing Stock	059-024-027 406 Chilios Ave. Merced, CA	\$468,694	4.49 acre	4.49 acre	Yes	California Redevelopment Law	31-Jan-11	\$468,694			Mar-08	
5	Vacant Land - Future Low Income Housing Stock	031-074-010 1815 I Street, Merced CA	\$85,259	.06 acre	.06 acre	Yes	California Redevelopment Law	31-Jan-11	\$85,259			Aug-98	
6	Vacant Land - Future Low Income Housing Stock	031-074-011 205 W. 18th Street Merced,	\$85,370	.07 acre	.07 acre	Yes	California Redevelopment Law	31-Jan-11	\$85,370			Oct-10	
7	Vacant Land - Future Low Income Housing Stock	031-262-001 1744 I Street Merced, CA	\$181,044	.11 acre	.11 acre	Yes	California Redevelopment Law	31-Jan-11	\$181,044			Aug-08	
8	Vacant Land - Future Low Income Housing Stock	031-082-002 150 W. 19th St., Merced, CA	\$73,600	.17 acre	.17 acre	Yes	California Redevelopment Law	31-Jan-11	\$73,600			Feb-09	
9	Vacant Land - Future Low Income Housing Stock	059-256-004 73 South R Street Merced, CA	\$201,293	.47 acre	.47 acre	Yes	California Redevelopment Law	31-Jan-11	\$201,293			Jul-07	
10	Vacant Land - Future Low Income Housing Stock	033-032-013 25 E. Santa Fe Ave Merced,	\$229,499	.21 acre	.21 acre	Yes	California Redevelopment Law	31-Jan-11	\$229,499			Oct-09	
11	Vacant Land - Future Low Income Housing Stock	033-032-001 2490 & 2498 G St. Merced, CA	\$110,151	.16 acre	.16 acre	Yes	California Redevelopment Law	31-Jan-11	\$110,151			Dec-09	
12	Vacant Land - Future Low Income Housing Stock	031-203-018 & 031-203-019 1011 West 14th St. Merced, CA	\$53,092	.17 acre	.17 acre	Yes	California Redevelopment Law	31-Jan-11	\$53,092			Nov-09	
13	Vacant Land - Future Low Income Housing Stock	031-213-016 & 031-213-015 843 & 849 W.	\$90,539	.34 acre	.34 acre	Yes	California Redevelopment Law	31-Jan-11	\$90,539			Nov-09	
14	Vacant Land - Future Housing Stock	059-240-036 112 Canal St Merced, CA	\$90,367	.25 acre	.25 acre	Yes	California Redevelopment Law	31-Jan-11	\$90,367			Dec-09	
15	Vacant Land - Future Low Income Housing Stock	031-213-012 823 W. 14th St Merced, CA	\$45,596	.17 acre	.17 acre	Yes	California Redevelopment Law	31-Jan-11	\$45,596			Dec-09	
16	Vacant Land - Future Low Income Housing Stock	031-074-012 211 W. 18th St. Merced, CA	\$241,380	.17 acre	.17 acre	Yes	California Redevelopment Law	31-Jan-11	\$241,380			Sep-09	
17	Vacant Land - Future Low Income Housing Stock	031-084-011 49 & 51 W. 18th St. Merced, CA	\$35,626	.25 acre	.25 acre	Yes	California Redevelopment Law	24-Mar-11	\$35,626			Sep-09	
18	Vacant Land - Future Low Income Housing Stock	031-074-008 202 W. 19th St. Merced, CA	\$115,132	.17 acre	.17 acre	Yes	California Redevelopment Law	31-Jan-11	\$115,132			Sep-10	
19	Vacant Land - Future Low Income Housing Stock	031-163-005 26 W. 18th Street Merced, CA	\$72,159	.05 acre	.05 acre	Yes	California Redevelopment Law	9-Mar-11	\$72,159			18-Jan-11	
20	Low-Mod Housing	032-161-002 454 W. 18th St. Merced, CA	\$7,587	Single Dwelling House	All	Yes	California Redevelopment Law	18-Apr-11	\$7,587			Feb-10	
21	Low-Mod Housing	032-133-015 951 W. 7th St. Merced, CA	\$15,183	Single Dwelling House	All	Yes	California Redevelopment Law		\$15,183			Nov 2011 - Mar 2012 - Rehab	

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.

City of Merced
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
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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 Merced
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-Laurel Glen Apartments	5-Sep-00	Merced Laurel Glen, L.P. A California Limited	121,496	Yes	Redevelopment Law, Tax Credits,	Merced Laurel Glen, L.P.	\$130,000		\$3,581,528	1-Nov-00
2	Multi-Family Unit - Woodbridge Apartments	8-Sep-11	Merced Pacific Associates	2,688,500	Yes	Redevelopment Law, Tax Credits, State Requirements	Merced Pacific Associates	\$3,000,000		\$12,229,079	Current
3	Low-Mod Multi-Family Unit - The Grove - 108 Loan	10-Oct-02	Central Valley Coalition for Affordable Housing	3,185,560	Yes	Redevelopment Law, Tax Credits, State Requirements	Central Valley Coalition for Affordable Housing	\$1,000,000		\$16,414,576	12/30/2004
4	Low-Mod Multi-Family Unit - The Grove - Loan Guarantee	10-Oct-02	Central Valley Coalition for Affordable Housing	299,000	Yes	Redevelopment Law, Tax Credits, State Requirements	Central Valley Coalition for Affordable Housing	\$1,000,000		\$16,414,576	12/30/2004
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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.

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

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
1	Loan	\$1,134,000	29-Jun-94	Merced Senior Limited, a California Limited Partnership	Sierra Meadows - Senior Low-Mod Housing	Yes	Apr-14	6%	\$861,251
2	Participation Loan	\$1,298,250	15-Dec-03	Merced Lofts, LLC	Merced Lofts - Renovation	Yes	2016	Portion of Profit	1,298,250
3	Construction Loan	\$3,000,000	8-Sep-11	Merced Pacific Associates	Construction Loan for Woodbridge Multi Family Housing	Yes	12/30/2012	5.95%	\$3,000,000
4	Participation Loan	\$800,000	8-Sep-11	Merced Pacific Associates	Woodbridge Low-Mod Multi Family	Yes	30 Year Term	2.50%	Effective End of Const.
5	Participation Loan	\$4,888,500	8-Sep-11	Merced Pacific Associates	Woodbridge Low-Mod Multi Family	Yes	40 Year Term	5.95%	Effective End of Const.
6	HUD 108 Loan	\$4,000,000	10-Oct-02	Central Valley Coalition for Affordable Housing	The Grove - Multi Family	Yes	2022	6.50%	4,685,234
7	Loan	\$130,000	5-Sep-00	Merced Laurel Glen, L.P.	Laurel Glen - Village Green Multi-Fam Apartments Renovation	Yes	2030	0%	117,000
8	Loan	\$1,000,000	October 10, 2002	Central Valley Coalition for Affordable Housing	The Grove - Multi Family	Yes	2042	3%	\$1,091,150.68
9	2nd Construction Loan	\$250,000	5-May-03	Merced Lofts, LLC	Merced Lofts - Renovation	Yes	10 Year Term w/Balk	5.75%	250,000
10	Loan	\$49,777.77	19-Sep-97	Ralph M. Ferrel	Demolition/Reconstruction of Single Family Residence	Yes	240+ months	5%	\$59,786.57
11	Loan	\$68,701.33	15-Sep-97	Jorge Guerrero & Margarita Mejia Guerrero	Demolition/Reconstruction of Single Family Residence	Yes	240+ months	5%	\$88,050.92
12	Loan	\$5,650.00	23-Jun-94	Curtis Rigers & Beverly Rigers	Down Payment & Closing Cost Assistance	Yes	240 months	5.875%	\$1,061.09

13	Loan	\$4,410.00	1-Feb-00	Joanna Lavaughn Scott	Rehab of Single Family Residence	Yes	240 months	0%	\$4,310.00
14	Loan	\$3,175.30	7-Feb-00	Ramon C. Zamora & Celia V. Zamora	Rehab of Single Family Residence	Yes	240+ months	0%	\$3,503.82
15	Loan	\$8,196.00	26-Jan-99	Susan M. Cruz	Down Payment & Closing Cost Assistance	Yes	240 months	5%	\$2,121.05
16	Loan	\$164,476.50	5-Oct-05	Samuel Garcia & Avelina Garcia	Demolition/Reconstruction of Single Family Residence	Yes	240+ months	3%	\$160,121.96
17	Loan	\$3,800.00	10-Apr-97	Santiago Oregel C. & Pedro Oregel R.	Down Payment & Closing Cost Assistance	Yes	240 months	5.625%	\$1,275.88
18	Loan	\$10,000.00	9-Apr-97	Christopher P. Garcia & Michelle Marquez Garcia	Down Payment & Closing Cost Assistance	Yes	240 months	4.75%	\$3,809.10
19	Loan	\$10,000.00	14-Apr-98	Cecilio Badillo & Irma Badilla	Down Payment & Closing Cost Assistance	Yes	240 months	4.875%	\$4,649.99
20	Loan	\$3,198.00	30-Apr-98	Marilynne Pereira	Down Payment & Closing Cost Assistance	Yes	240 months	3.750%	\$1,178.92
21	Loan	\$8,385.00	21-May-98	Francisco Javier Herrera & Erlinda Sylvia Herrera	Down Payment & Closing Cost Assistance	Yes	240 months	4%	\$3,867.67
22	Loan	\$9,963.00	30-Jul-98	Edgar C. Cardenas	Down Payment & Closing Cost Assistance	Yes	240 months	5%	\$8,811.13
23	Loan	\$5,257.31	13-Oct-98	Salvador Miramontes & Maria Castanon	Down Payment & Closing Cost Assistance	Yes	240 months	5.5%	\$5,257.31
24	Loan	\$12,539.25	18-Aug-99	Bertha G. Mendoza	Rehab of Single Family Residence	Yes	240 months	5%	\$4,118.43
25	Loan	\$98,281.96	5-Apr-02	James Henry Lee, Jr.	Single Family Low-Mod Rental Housing	Yes	240 months	0%	\$25,510.47
26	Loan	\$101,303.29	5-Apr-02	James Henry Lee, Jr.	Single Family Low-Mod Rental Housing	Yes	240 months	0%	\$28,387.16
27	Loan	\$28,671.87	1-Apr-97	Daniel E. Hanson & Ida Lee Hanson	Single Family Low-Mod Rental Housing	Yes	360 months	5%	\$75,738.60
28		\$66,230.18	19-Jun-97						
29	Loan	\$65,000.00	21-May-01	Central Valley Coalition for Affordable Housing	Single Family Low-Mod Rental Housing	Yes	240 months	5%	\$49,580.02

30	Loan	\$30,000.00	21-Feb-95	Central Valley Coalition for Affordable Housing	Single Family Low-Mod Rental Housing	Yes	240 months	6%	\$6,890.40
31	Loan	\$80,000.00	20-Oct-97	Central Valley Coalition for Affordable Housing	Single Family Low-Mod Rental Housing	Yes	240 months	5%	\$35,484.51
32	Loan	\$55,815.00	18-Jan-11	John Chapman & Carol J. Chapman & Jack E. Helsby	Multi-Family Low-Mod Rental Housing	Yes	55 years	0%	\$55,815.00
33	Loan	\$15,784.63	20-Jan-00	Frances O. Vaughn	Rehab of Single Family Residence	Yes	240+ months	5%	\$23,676.93
34	Loan	\$59,415.62	9-Aug-99	Heriberto & Lorena Rodriguez	Rehab of Single Family Residence	Yes	240+ months	5%	\$89,123.42
35	Loan	\$22,422.81	13-Sep-00	Linda T. Zamora	Rehab of Single Family Residence	Yes	240+ months	5%	\$33,634.21
36	Loan	\$105,544.34	10-Aug-00	Octavio Garza	Demolition/Reconstruction of Single Family Residence	Yes	240+ months	5%	\$168,769.74
37	Loan	\$54,063.93	8-Mar-00	Mary Ann Rodriguez	Rehab of Single Family	Yes	240+ months	5%	\$81,095.83
38	Loan	\$88,918.47	3-May-02	Catrina Samaniego	Demolition/Reconstruction of Single Family Residence	Yes	240+ months	5%	\$131,538.43
39	Loan	\$2,524.00	15-Jan-03	Lai Nyan Saeteurn & Fahm Seng Saeteurn	Public Facilities Financing Fee Grant Program	Yes	120 months	5%	\$3,728.95
40	Loan	\$16,700.00	18-Aug-08	Ho D. Truong & Le Nguyet	Property Cleanup for Gateway Project Area. Property had safety concerns and visual blight	Yes	Loan to be repaid when the land is either sold or developed.	0%	\$16,700.00

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

Item #	Type of payment a/	Type of property with which they 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)
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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.

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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.

City of Merced
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	Affordability of Rehabilitation Project for Multi Family Low-Mod Units	2003	\$1,298,250	Portion of Profits	\$1,298,250	Dec. 31, 2016
2	Affordability for New Construction for Multi Family Low-Mod Units	2002	\$1,091,150	3%	\$1,091,150	Dec. 31, 2042
3	Affordability for Rehabilitation Construction of Multi Family Low/Mod Units	2003	250,000	0%	\$250,000	Dec. 31 2016
4	Affordability	FY 1999-2000	\$59,415.62	5%	\$89,123.42	Affordability Assessment required approximately every 60 months.
5	Affordability	FY 1999-2000	\$15,784.63	5%	\$23,676.93	Affordability Assessment required approximately every 60 months.
6	Affordability	FY 1999-2000	\$54,063.93	5%	\$81,095.83	Affordability Assessment required approximately every 60 months.

7	Affordability	FY 2000-2001	\$105,544.34	5%	\$168,769.74	Affordability Assessment required approximately every 60 months.
8	Affordability	FY 2000-2001	\$22,422.81	5%	\$33,634.21	Affordability Assessment required approximately every 60 months.
9	Affordability	FY 2001-2002	\$88,918.47	5%	\$131,538.43	Affordability Assessment required approximately every 60 months.
10	Loan / Grant Agreement	FY 2002-2003	\$2,524.00	5%	\$3,728.95	Note will be canceled on 01/15/2013 if the property remained owner-occupied for a 120 month period. No principal or interest will be owed.
11	Gateway Project Area with Safety concerns and visual blight	FY 2008-2009	\$16,700.00	0%	\$16,700.00	Loan to be repaid when the land is either sold or developed.
12	Low / Mod Rental	FY 2010-2011	\$55,815.00	0%	\$55,815.00	Loan to be repaid in 55 years -- (2066)
13	Low / Mod Rental	FY 11-12	\$3,000,000.00	5.95%	\$3,000,000.00	Funds to be paid at certificate of completion - will be deducted from \$4.8 million loan
14	Low / Mod Rental	FY 11-12	\$800,000.00	2.50%	\$800,000.00	30 Year Term Beginning after Profit

15	Low / Mod Rental	FY 11-12	\$4,888,500	5.95%	\$1,888,500.00	40 Year Term Beginning after Profit
16	Affordability	FY 98-99	\$55,064.33	5%	\$82,596.43	Affordability Assessment required approximately every 60 months.
17	Affordability	FY 97-98	\$49,777.77	5%	\$49,777.77	Affordability Assessment required approximately every 60 months.
18	Affordability	FY 05-06	\$88,476.50	3%	\$97,755.62	Affordability Assessment required approximately every 60 months.
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