



HOUSING SUCCESSOR ANNUAL REPORT

Merced Housing Successor Agency

Fiscal Year 2018-19

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INTRODUCTION

The City of Merced (“City”) is the Housing Successor Agency (“Housing Successor”) to the former Merced Redevelopment Agency (“Agency”). The City elected to take on the housing-related responsibilities of the Agency following its dissolution in 2012. The former Agency’s affordable housing rights, powers, assets, liabilities, duties, and obligations, excluding any amounts in the Agency’s Low and Moderate Income Housing Fund, were transferred to the City.

This Housing Successor Agency Annual Report (“Annual Report”) contains information on Fiscal Year (“FY”) 2018-19 finances and activities as required by Health and Safety Code (“HSC”) Section 34176.1(f). FY 2018-19 marks the end of the first five-year compliance period for income proportionality. This Annual Report details how the Housing Successor met all requirements for expenditures by income level from January 1, 2014 through June 30, 2019.

The Annual Report is due to the California 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 website when available.

HOUSING SUCCESSOR REQUIREMENTS

Senate Bill (“SB”) 341¹ and subsequent legislation enacted several requirements for housing successor agencies. 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 balance based on certain thresholds.

¹ 2013-14 legislative session

3. Properties must be developed with affordable housing within five to ten years of being approved for transfer from the former redevelopment agency to the housing successor.

The requirements are designed to ensure that housing successors are actively utilizing former Agency housing assets to produce affordable housing. Appendix 1 provides a detailed summary of the reporting requirements that are addressed in this Annual Report.

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

The HAT listed 90 housing assets to transfer from the former Agency to the Housing Successor as permitted by HSC Section 34176(e):

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

Four items on the HAT were denied for transfer by the State of California Department of Finance (“DOF”) in a determination letter dated February 25, 2013, including one low-mod encumbrance (HAT Exhibit C, Item 2) and three loans receivable (HAT Exhibit D, Items 3, 4 and 5)². These were all related to a Disposition and Development Agreement (“DDA”) with Merced Pacific Associates to develop the Woodbridge Apartments. The low-mod encumbrance was for a \$3 million Construction Loan. Merced did not object to DOF’s determination and agreed to remove the encumbrance. The three loans receivable

² Exhibit C, item 2 and Exhibit D, items 3, 4, and 5 can be found in the Housing Asset Transfer form in Appendix 2 (attached).

were for the \$3 million Construction Loan, an \$800,000 Participation Loan A, and a \$4,888,500 Participation Loan B. DOF denied the transfer of these loans 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 Housing Successor (“PFEDA”). The City did not object to DOF’s determination. However, the Merced Pacific Associates loans are accounted for as notes receivable in the Housing Asset Fund because the Merced Pacific Associates DDA and related PFEDA loan agreements pledged the former Agency’s Low and Moderate Income Housing Funds to fund the loans.³

The remaining 86 items on the HAT were approved for transfer, however the transfer of the 21 properties were subject to the findings of the SCO Asset Transfer Review. The SCO Asset Transfer Review ultimately resulted in the transfer of ten properties to the Housing Successor. The transfer of nine properties was formally approved by the Oversight Board to the Merced Designated Local Housing Successor (“Oversight Board”) on January 26, 2017 by adoption of Resolution No. 2017-04. DOF approved the action on May 15, 2017. On September 9, 2019, DOF approved one additional parcel of vacant land at 26 W. 18th Street for transfer to the Housing Successor.

The remaining 11 properties were either sold by the Housing Successor or transferred as non-housing assets to the Merced Designated Local Housing Successor, to the former Merced Redevelopment Agency (“DLA”), or to the City. Table 1 summarizes the status of the 21 properties on the HAT.

³ 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.

Table 1 Status of HAT Properties				
Count	HAT Item	Address	APN ⁴	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 Successor⁵				
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

⁴ 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.

⁵ These two properties were sold by the Housing Successor in fiscal years 2011-12 and 2014-15. DOF ratified their transfer and sale on September 9, 2019.

Table 1 Status of HAT Properties				
Count	HAT Item	Address	APN ⁴	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

HOUSING ASSET FUND ACTIVITY

Former Agency assets, and the revenues generated by those assets, are maintained in the Housing Successor's Low and Moderate Income Housing Asset Fund ("Housing Asset Fund").⁶ Housing Asset Funds may be spent on:

⁶ The Housing Asset Fund replaced the former Agency's Low and Moderate Income Housing Fund.

- **Administrative costs** up to \$200,000 per year adjusted for inflation based on the Consumer Price Index⁷, 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. According to HCD, the \$200,000 allowance adjusted for inflation in FY 2018-19 is \$215,500. In comparison, 5% of the Housing Successor portfolio was \$462,801 (5% of \$9,256,015). The Housing Successor’s administrative cost limit in FY 2018-19 is the larger number of \$462,801.
- **Homeless prevention and rapid rehousing services** up to \$250,000 per year if the former Agency did not have any outstanding housing inclusionary or replacement housing production requirements. More research needs to be conducted on inclusionary housing requirements and production prior to dissolution to determine if Merced qualifies to spend money in this category. The Housing Successor has not spent any Housing Asset Funds on this category thus far.
- **Affordable housing development** assisting households up to 80% of the Area Median Income (“AMI”), subject to specific income and age targets.

Five-Year Income Proportionality: If any Housing Asset Funds are spent on affordable housing development, it triggers a requirement to spend at least 30% of such expenses assisting extremely low income households (30% AMI) and no more than 20% on low income households (between 60-80% AMI) per five-year compliance period. The first five-year compliance period was January 1, 2014 through June 30, 2019.

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% or less of the total expenditures during the five-year compliance period.

⁷ HCD annually posts on its website [<https://www.hcd.ca.gov/community-development/housing-element/index.shtml>] an adjustment to the annual \$200,000 limitation based the 12-month change in the Consumer Price Index for All Urban Consumers for the preceding calendar year.

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

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

EXPENDITURE LIMIT COMPLIANCE

The Housing Successor complied with all Housing Asset Fund spending restrictions in FY 2018-19, including five-year compliance period income targeting requirements.

- The Housing Successor had \$195,103 in administrative costs, which were within the \$462,801 maximum amount for FY 2018-19.
- No homeless prevention or rapid rehousing expenses were made in FY 2018-19.
- No affordable housing development-related expenditures were made during the five-year compliance period of January 1, 2014 through June 30, 2019, so five-year compliance period income targets do not apply.

The Housing Successor will ensure it meets all expenditure requirements going forward, including the next five-year compliance period of July 1, 2019 through June 30, 2024.

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% 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 the Housing Successor not being able to expend any funds on these income categories until in compliance.

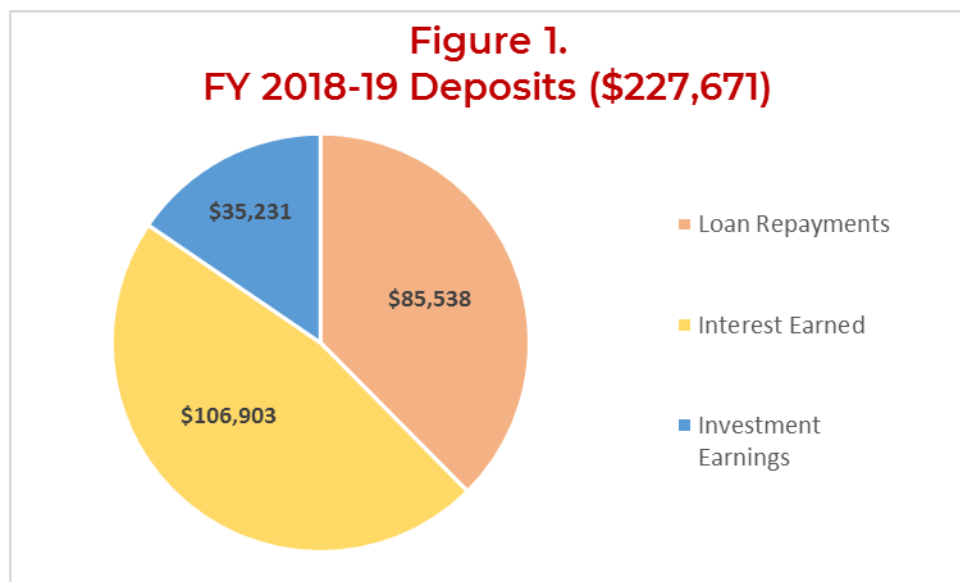
SENIOR RENTAL HOUSING LIMIT COMPLIANCE

The Housing Successor complies with the limit allowing no more than 50% of the total aggregate number of rental units produced within the preceding ten years to be restricted to seniors. Over the last decade, 40 affordable units were constructed. The City, Housing Successor, and former Agency have not assisted

any deed-restricted units during the past ten years. With no deed-restricted units built, the Housing Successor is, by default, under the limit allowing no more than 50% of the total aggregate number of rental units produced within the preceding ten years to be restricted to seniors.

DEPOSITS AND FUND BALANCE

The Housing Successor deposited \$227,671 into the Housing Asset Fund during FY 2018-19. Revenues consist of \$106,903 in interest earned, \$85,538 in loan repayments, and \$35,231 in investment earnings (see Figure 1).



As demonstrated in Table 2, the Housing Asset Fund had a balance of \$10,778,715 at the end of the fiscal year, consisting of \$1,513,584 in cash, \$1,109,913 in real property value, \$8,146,102 in notes receivable, and \$9,116 in interest receivable.

Table 2	
Housing Asset Fund Balance FY2018-19	
Asset	Amount
Cash	\$ 1,513,584
Real Property	\$ 1,109,913
Notes Receivable	\$ 8,146,102
Interest Receivable	\$ 9,116
Housing Asset Fund Balance	\$ 10,778,715

EXCESS SURPLUS

The Housing Asset Fund may not accumulate an “excess surplus”, which is 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.

In the FY 2017-18 Annual Report, the Housing Successor reported an excess surplus of \$359,163 based on the ending cash balance as of June 30, 2018. The excess surplus calculation methodology was updated this year to calculate excess surplus based on the cash balance at the beginning of the fiscal year. This matches the excess surplus methodology applied by HCD prior to redevelopment dissolution. Based on the updated methodology, the FY 2017-18 excess surplus was \$111,743.

Excess surplus must be expended or encumbered within three fiscal years. If a housing successor fails to comply, it must transfer any excess surplus to HCD within 90 days of the end of the third fiscal year. This means the FY 2017-18 excess surplus must be expended or encumbered by June 30, 2021. The Housing Successor encumbered \$1.2 million in Housing Asset Funds in February 2019 by entering into an Enforceable Funding Commitment Agreement for a multifamily affordable rental housing project at Childs & B Street. Table 3 demonstrates there is no remaining excess surplus from FY 2017-18.

Table 3
FY 17-18 Excess Surplus Elimination

Fiscal Year	2017-18
Excess Surplus (Beginning of 2018-19)	\$ 111,743
Elimination of FY 17-18 Excess Surplus	
Expenditures	
<i>FY 18-19 Administrative Costs</i>	\$ 195,103
Encumbrances	
<i>Childs & B¹</i>	\$ 1,200,000
Remaining 17-18 Excess Surplus	\$ -

¹ Encumbered pursuant to Enforceable Funding Commitment Agreement approved by City Council in February 2019. Final expended amount subject to change pending execution of a Disposition and Development Agreement.

The Housing Successor did not have an excess surplus as of FY 2018-19, as shown in Table 4. The unencumbered cash balance of \$169,045 is less than the sum of deposits in the prior four years totaling \$1.3 million.

Table 4
Excess Surplus Calculation

Fiscal Year	2017-18	2018-19
Beginning Cash Balance	\$ 1,233,368	\$ 1,480,788
Less: Encumbered Funds	-	(1,200,000)
Less: Prior Year Excess Surplus	-	(111,743)
Unencumbered Amount	\$ 1,233,368	\$ 169,045
Step 1		
\$1 Million, or	\$ 1,000,000	\$ 1,000,000
Last 4 Deposits	\$ 1,121,625	\$ 1,257,685
Result: Larger Number	\$ 1,121,625	\$ 1,257,685
Step 2		
Unencumbered Cash Balance	\$ 1,233,368	\$ 169,045
Larger Number From Step 1	\$ 1,121,625	\$ 1,257,685
Excess Surplus	\$ 111,743	\$ -

TRANSFERS TO OTHER HOUSING SUCCESSORS

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

HOUSING SUCCESSOR PORTFOLIO

As of June 30, 2019, the portfolio balance of real properties and loans receivable was \$9,256,015 as shown in Table 5. The Housing Successor's portfolio includes 18 loans receivable, no grants receivable, and 10 real properties.

Table 5 Portfolio Value of Real Properties and Loans Receivable	
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
Subtotal	1,109,913
Loans Receivable	\$8,146,102
Total Portfolio Value	\$9,256,015

Source: City of Merced, Fund 71 and 471 Balance Sheets (as of 1/28/20). Individual property values from HAT and City staff.

PROPERTY DEVELOPMENT AND DISPOSITION

As described in the “Assets Transferred to the Housing Successor” section earlier in this report, 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 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 Housing Asset Transfer Form, 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 Fiscal Year 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 Fiscal Year 2011-12. Net sales proceeds totaling \$90,503 were deposited into the Housing Asset Fund.

The City is considering a disposition and development strategy for the ten properties formally transferred to the Housing Successor. The strategy is summarized in Table 6. All properties are vacant land zoned for residential uses.

Table 6 Property Development and Disposition Strategy			
#	Address	Lot S.F.	Strategy
1	1823 I Street	2,100	The City will solicit proposals for affordable multifamily housing development. Sites 1-8 may be packaged to solicit proposals for scattered site development.
2	1815 I Street	2,400	
3	205 W. 18 th Street	3,000	If scattered site development is not feasible, a smaller development could be pursued on Sites 1-5.
4	211 W. 18 th Street	7,500	
5	202 W. 19 th Street	7,500	Sites 1-4 are contiguous parcels and Site 5 is across the street. If developers are not interested in including Site 5 in a single development project, the City will consider selling Site 5 to increase funds available to subsidize development on Sites 1-4.
6	1744 I Street	5,000	
7	49 W. 18 th Street	10,800	Sites 6-8 could be packaged with Sites 1-5 to solicit proposals for scattered site development.
8	150 W. 19 th Street	7,500	
9	73 South R Street	20,416	Will consider selling if scattered site development is not feasible. The sales proceeds would be deposited into the Housing Asset Fund to subsidize other affordable housing development.
10	26 W. 18 th Street	7,500	
			Considering transferring property to a non-profit affordable housing developer interested in the site.
			Package with Sites 1-8 to offer for scattered site development.

Housing Successor staff will make efforts to initiate development or sell the properties in Table 6 by February 25, 2023. Future annual reports will provide status updates.

LOANS RECEIVABLE

Although the HAT listed 40 loans receivable and 18 deferrals, several loans have been paid off since dissolution. The Housing Successor currently maintains the following loans receivable:

HOMEOWNER LOANS

The Housing Successor administers 10 homeowner loans⁸ with an outstanding balance of approximately \$543,348 as of June 30, 2019.⁹ Two loans were paid in-full during FY 2018-19. 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 loans (6 out of 10) are forgivable at the City's discretion or upon sale. The City does not intend to forgive loans and collects payments based on loan holders' ability to pay.

DEVELOPER LOANS

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

- **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 was issued in 1998 and a

⁸ Some homeowners received multiple loans.

⁹ 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 5 (from the Fund 71 and 471 Balance Sheets) due to allowances for uncollectibles or other accounting adjustments.

\$65,000 loan was issued in 2001. Both loans require fixed monthly payments. The first \$80,000 loan was paid off in Fiscal Year 2018-19. The second loan had an outstanding balance of \$27,582 and is expected to be paid off by Fiscal Year 2024-25.

- **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 is backed by the former Agency’s purchase of Housing Authority of the City of Fresno Multifamily Housing Revenue Bonds (“Fresno Bonds”). The loan had an outstanding balance of \$343,884 as of June 30, 2019. The loan is payable annually from residual receipts.

The second amendment to the DDA notes that, “within thirty (30) days of the conclusion of the 20th year following the Occupancy Date, the Agency shall execute and deliver to Redeveloper certification that Redeveloper shall possess no further obligation to repay the Agency loans provided for in this section.” The Occupancy Date is defined as the date a Certificate of Occupancy or Certificate of Completion is received, whichever first occurs. The Occupancy Date is defined as the date a Certificate of Occupancy or Certificate of Completion is received, whichever first occurs. The Certificate of Completion is dated July 8, 1999. As a result, the last payment was made in November 2019. The City plans to deliver the certification described above to AHDC. The City will need to ensure that the former Agency’s portion of the Fresno Bonds are retired.

- **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, 2019 was approximately \$7.4 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 \$206,699 as of June 30, 2019. 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.

OUTSTANDING OBLIGATIONS

HSC Section 34176.1 requires housing successors to describe (A) any outstanding obligations that were supposed to be transferred to the housing successor at the time of dissolution, (B) the housing successor's progress in meeting those obligations, and (C) the housing successor's plans to meet unmet obligations.

Further research is required to determine if the former Agency had any outstanding inclusionary or replacement housing obligations at the time of dissolution. The Housing Successor will address this in future reports.

HOMEOWNERSHIP UNIT INVENTORY

Table 7 displays an inventory of homeownership units with active loans issued by the former Agency through affordable housing programs. In FY 2018-19, two units were removed from the inventory because the affordability covenants expired and their loans were paid off.

Table 7
Homeownership Unit Inventory

Property Address¹	# Units	Covenant Recorded	Covenant Expiration²	Covenant Term (Yrs)
959 W. 10 th Street	1	9/19/1997	2/1/2023	20
919 W. 10 th Street	1	8/9/1999	2/1/2024	25
803 W. 4 th Street	1	1/26/2000	6/1/2025	20
925 & 927 W. 10 th St.	1	8/14/2000	1/1/2034	20
1545 W. 10 th St.	1	9/13/2000	1/1/2026	20
812 W. 13 th Street	1	10/5/2005	10/5/2050	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.

APPENDIX 1 - HOUSING SUCCESSOR ANNUAL REPORT REQUIREMENTS

Housing Successor Reporting Requirements <i>Health and Safety Code Section 34176.1(f)</i>		
Housing Asset Fund Revenues & Expenditures	Other Assets and Active Projects	Obligations & Proportionality
Total amount deposited in the Housing Asset Fund for the fiscal year Amount of deposits funded by a Recognized Obligation Payment Schedule (“ROPS”)	Description of any project(s) funded through the ROPS	Description of any outstanding production obligations of the former Agency that were inherited by the Housing Successor
Statement of balance at the close of the fiscal year	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)	Compliance with proportionality requirements (income group targets), which must be upheld on a five year cycle
Description of Expenditures for the fiscal year, broken out as follows: <ul style="list-style-type: none"> • Homeless prevention and rapid rehousing • Administrative and monitoring • Housing development expenses by income level assisted 	Other “portfolio” balances, including: <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 	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
Description of any transfers to another housing successor for a joint project	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	Amount of any excess surplus, and, if any, the plan for eliminating it

APPENDIX 2 – 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.

Exhibit D - Loans/Grants Receivables

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.

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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APPENDIX 3 – HOUSING ASSET FUND EXPENDITURE REQUIREMENTS

Housing Asset Fund Expenditure Requirements <i>Health and Safety Code Section 34176.1</i>		
Expense Category	Limits	Allowable Uses
Administration and Compliance Monitoring	\$462,801 maximum for FY 2018-19 (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 (\$215,500 for FY 2018-19 according to HCD) 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.

Housing Asset Fund Expenditure Requirements
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	<p>“Development” includes:</p> <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
	<i>Income Targets</i>	<p>Every five years (currently FYE 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% 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>
	<i>Age Targets</i>	<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.</p> <p>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>