



HOUSING SUCCESSOR ANNUAL REPORT

Lake Forest Housing Authority

Fiscal Year 2018-19

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INTRODUCTION

The Lake Forest Housing Authority (“Housing Authority”) was established on February 1, 2011 by the adoption of Resolution No. 2011-05 and is the Housing Successor Agency to the former Lake Forest Redevelopment Agency (“Agency”). The Housing Authority is responsible for maintaining housing assets transferred from former Agency. Its main goal is to provide affordable housing for the City of Lake Forest (“City”) residents.

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 City 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 December 31 annually, and must be accompanied by an independent financial audit. The City’s audited financial statements will be posted on the City’s website when available. This report is an addendum to the Housing Authority Annual Report required by HSC Section 34328, which is submitted to HCD by October 1 annually.

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.

¹ 2013-14 legislative session

2. Housing successors may not accumulate an “excess surplus,” or a high balance based on certain thresholds.
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 Authority. The Housing Authority prepared a Housing Asset Transfer Form (“HAT”) that provided an inventory of all housing assets transferred from the Agency to the Housing Authority. This included:

1. Real properties;
2. Low- and Moderate-Income Housing Fund (“LMIHF”) encumbrances;
3. Loan receivables; and
4. Rental Income and Homeowners Association (“HOA”) dues.

All items on HAT were approved by the California Department of Finance (“DOF”) on September 5, 2012. It is important to distinguish that Housing Authority assets that were not transferred from the former Agency, or generated by or purchased with assets from the former Agency, are not subject to HSC Section 34176.1. A copy of the HAT is provided as Appendix 2.

HOUSING ASSET FUND ACTIVITY

Former Agency assets, and the revenues generated by those assets, are maintained in a Low- and Moderate-Income Housing Asset Fund (“Housing Asset Fund”).² Housing Asset Funds may be spent on:

- **Administrative costs** up to \$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”), whichever is greater. The FY 2018-19 limit for the City was \$215,500.
- **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. The former Agency had a surplus of affordable housing production units upon dissolution³, therefore the Housing Authority may spend Housing Asset Funds in this category if it chooses and funds are available.
- **Affordable housing development** assisting households up to 80 percent 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 percent of such expenses assisting extremely low-income households (30% AMI) and no more than 20 percent 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

² The Housing Asset Fund replaced the former Agency’s Low- and Moderate-Income Housing Fund.

³ The Agency assisted in the production of six units outside the Project Area in FY 2001-02, resulting in a surplus of three inclusionary housing units as of February 1, 2012.

60-80% AMI, as long as it was 20 percent or less of the total expenditures during the five-year compliance period.

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

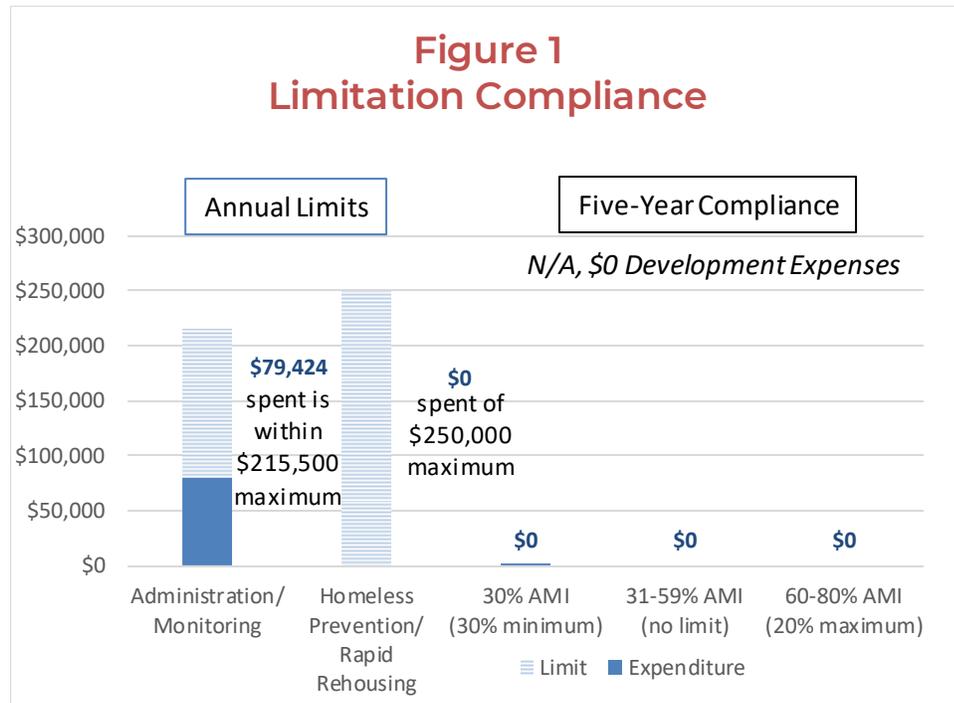
Appendix 3 describes Housing Asset Fund expenditure requirements in more detail, including the types of costs eligible in each category.

EXPENDITURE LIMIT COMPLIANCE

The City complied with all Housing Asset Fund spending restrictions in FY 2018-19, including five-year compliance period income targeting requirements:⁴

- Administrative costs of \$79,424 did not exceed the \$215,500 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, so five-year compliance period income targets do not apply.

⁴ The Housing Asset Fund figures in this Annual Report are based on unaudited numbers that were available at the time this report was prepared. They might vary slightly from audited numbers once the City's annual audit is complete.



The City 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 Authority ensuring 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 the Housing Authority not being able to expend any funds on these income categories until in compliance.

SENIOR RENTAL HOUSING LIMIT COMPLIANCE

Housing Asset Funds may be used to assist senior rental housing units if no more than 50% of the deed-restricted rental housing units assisted by the Housing Authority, City, or former Agency during the past ten years were restricted to seniors. The Housing Authority, City, and Former Agency did not assist any deed-restricted rental housing units restricted to seniors over the last ten years as illustrated in Table 1. Housing Asset Funds may be used to assist senior rental units in the future if the Housing Authority complies with this senior production limit.

Table 1
Deed-Restricted Senior Units Assisted Prior Ten Years (FY 2009-10 to 2018-19)

Property ^{1,2}	Senior Units	%	Non-Senior Units	%	Total Units
Arroyo at Baker Ranch Apartments	0	0%	189	100%	189
Saguaro Apartments	0	0%	4	100%	4
Total	0		193		193

Total Deed-Restricted Senior Units: 0%

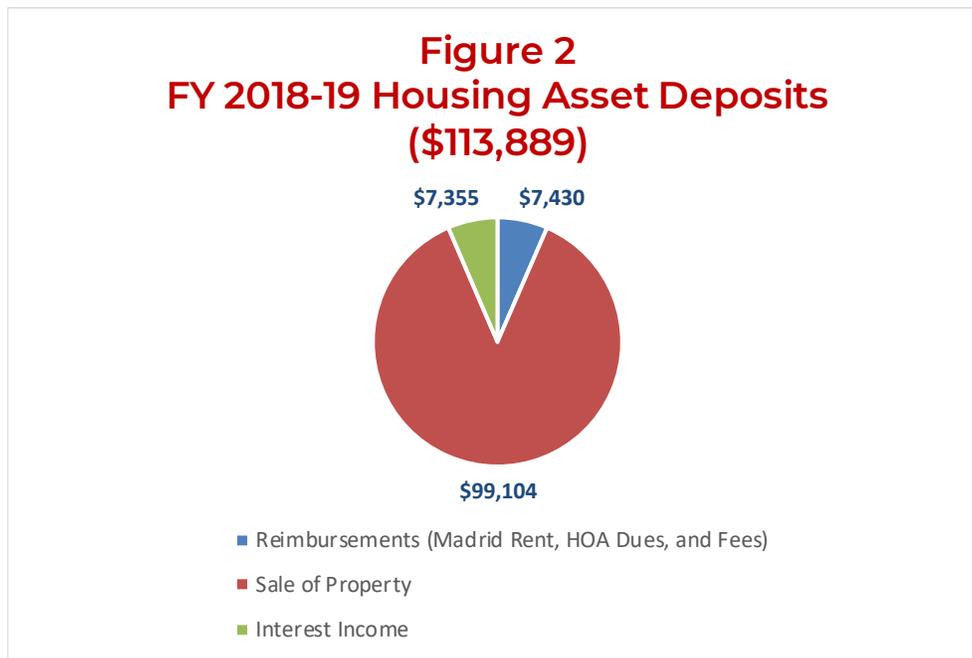
¹ This list only includes units identified as senior-restricted living in the Housing Element.

² This list only includes units that had a ground lease executed within the last 10 years.

Source: *Property Rent Rolls (July 2019)*

DEPOSITS AND FUND BALANCE

The Housing Authority deposited \$113,889 into the Housing Asset Fund during FY 2018-19.



Revenue sources include:

- Reimbursements from Madrid rents, HOA dues, and fees (\$7,430);

- Interest income (\$7,355); and
- Revenues from the sale of an exclusive easement by Southern California Gas on the Authority Parcel, as described in the “Property Descriptions and Disposition Status” section on this report (\$99,104).

The Housing Asset Fund balance as of June 30, 2019 was \$334,718 and is summarized in Table 2.

Table 2
Housing Asset Fund Ending Balance FY 2018-19

	Projected 2018-19	Actual 2018-19	Projected 2019-20
REVENUE			
Beginning Balance	\$ 300,253	\$ 300,253	\$ 334,718
Sale of Property ¹	880,000	99,104	-
Other Revenues ²	12,100	14,785	12,600
Total Revenues	\$ 892,100	\$ 113,889	\$ 12,600
EXPENSES			
Consulting Services			
General	80,000	10,958	50,000
Contract Services:			
Real Property Maintenance	12,400	7,428	7,600
Auditing	5,000	3,045	5,000
Rehabilitation Loan Fees	1,500	597	1,500
Rehabilitation Loan Services	1,000	705	1,000
Legal Services	35,000	56,691	-
Total Expenses	\$ 134,900	\$ 79,424	\$ 65,100
Ending Balance	\$ 1,057,453	\$ 334,718	\$ 282,218

¹The Adopted Budget assumed \$0 property sales proceeds in FY 2019-20, however \$780,896 is expected from the sale of the Authority Parcel.

²FY 18-19 Other Revenues consisted of \$7,430 in reimbursements and \$7,355 in interest income.

PROJECTS FUNDED BY ROPS

There are no housing enforceable obligations on the successor agency’s Recognized Obligation Payment Schedule (“ROPS”), therefore there were no deposits into the Housing Asset Fund related to the ROPS in FY 2018-19 and none are anticipated in the future.

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.

The City did not have an excess surplus as of FY 2018-19, as shown in Table 3. The Housing Authority’s prior four years of deposits totals \$365,433 which is much less than \$1 million.

Table 3 Excess Surplus Calculation					
Fiscal Year	2014-15	2015-16	2016-17	2017-18	2018-19
Deposits	\$ 142,591	\$ 133,646	\$ 32,671	\$ 56,524	\$ 113,889
Step 1					
\$1 Million, or					\$ 1,000,000
Prior Four Year Deposits (FY 2014-15 through 2017-18)					\$ 365,433
Result: Larger Number					\$ 1,000,000
Step 2					
Beginning Cash Balance FY 2018-19					\$ 300,253
Larger Number From Step 1					\$ 1,000,000
Excess Surplus					\$ -

The City will continue monitoring its deposits and fund balance to avoid an excess surplus. If the Housing Asset Fund has an excess surplus in the future, the 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.

As the general purpose of the excess surplus calculation is to ensure that money is expended for affordable housing purposes, the best action for the Housing Authority is encumber or expend money currently on deposit.

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).

HOUSING SUCCESSOR PORTFOLIO

The Housing Successor Portfolio had a value of \$1,010,569 as of FY 2018-19, as detailed in Table 4. The Portfolio includes 4 real properties with a statutory value of \$666,501 and 19 loans receivable with an outstanding balance of \$344,068.

Asset	Amount
Real Properties¹	
22702 Madrid Drive	162,093
22706 Madrid Drive	171,240
Authority Parcel	326,000
Mamie Thomas Parcel	7,168
<i>Subtotal</i>	<i>\$666,501</i>
Loans Receivable	
Families Forward Promissory Note	100,000
Housing Rehabilitation Loans (18 total)	244,068
<i>Subtotal²</i>	<i>\$344,068</i>
Total Portfolio Value	\$1,010,569

¹ Reflects the statutory value of real properties as of 6/30/2019

² These are preliminary unaudited figures available at the time this report was prepared.

LOANS RECEIVABLE

The former Agency transferred 33 loan agreements to the Housing Authority on the HAT. The loans were issued as part of a Housing Rehabilitation Loan Program. They consist of 30 loans to rehabilitate mobile homes and 3 loans to rehabilitate single-family homes. All of the loans were issued to low- or moderate-income homeowners. Fifteen loans have been paid off since dissolution, all prior to FY 2018-19. As of June 30, 2019, the receivables due from the remaining 18 loans amount to \$244,068.

All of the loans have a zero percent interest rate and are deferred until one of the following occurs:

1. sale or transfer of title of any or all interest in the property;
2. refinance of any lien to which the loan is subordinate;
3. the applicant no longer resides in the property; or
4. default by property owner of the terms and conditions of the loan agreement, deed of trust, or security agreement.

The loan recipients may choose to make occasional payments on their loan at their discretion.

The Housing Authority also has a \$100,000 Promissory Note with Families Forward, an affordable housing nonprofit. Families Forward purchased 23201 Saguario Street, a four-unit apartment complex, from the Housing Authority in April 2015 to operate the property as affordable housing. The Promissory Note was issued as part of the sale and is payable over 50 years commencing on the 5-year anniversary of the sale. Payments will be deposited into the Housing Asset Fund beginning in 2020.

PROPERTY DESCRIPTIONS AND DISPOSITION STATUS

The former Agency transferred five affordable housing real estate property interests to the Housing Authority including:

- Madrid Condos: two condominiums at 22702 and 22706 Madrid Drive;
- Authority Parcel: a 1.67-acre vacant parcel purchased from the Orange County Transportation Authority;
- Mamie Thomas Parcel: a tax-defaulted vacant parcel purchased from the County of Orange; and
- Saguario Property: a four-unit apartment complex in the Saguario Neighborhood that was sold in FY 2015-16.

HSC Section 34176.1(e) requires all real properties acquired by the Agency prior to February 1, 2012 and transferred to the Housing Authority to 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 or sold within five years from the date DOF approved the HAT, or September 5, 2017. If the Housing Authority is unable to develop or dispose of these properties within the five-year period, the law allows for a five-year extension via adoption of a resolution. The Housing Authority approved a

five-year extension via resolution on August 15, 2017 to extend the property disposition deadline to September 5, 2022.

All Housing Authority properties are either being operated as affordable housing, in negotiations to be sold, or have been sold. Descriptions of the properties and their disposition status are below. The Housing Authority anticipates it will meet the extended deadline.

MADRID CONDOS – 22702, 22706 MADRID DRIVE

In 2009, the Agency acquired two condominium units purchased from its LMIHF. The Agency subsequently entered into an Affordable Housing Agreement (“Housing Agreement”) with Families Forward, a nonprofit organization, to implement a transitional housing program. Families Forward rents the units to families in transition and offers a range of program services to help families find permanent housing. The Agency transferred title of the property to the Housing Authority and is responsible for overseeing a 20-year lease of the two units with Families Forward, consistent with the Housing Agreement, which expires in February 2030. In this reporting period, Families Forward operated the units in full compliance with the lease and successfully provided housing to families threatened with homelessness. This property is in compliance with the property disposition deadline, since it is currently being used for affordable housing purposes and previously met the requirement prior to redevelopment dissolution.

AUTHORITY PARCEL – EL TORO ROAD, NORTH OF RAILROAD TRACKS (APN 614-024-01)

The former Agency used LMIHF to purchase a 1.67-acre vacant parcel formerly owned by the Orange County Transportation Authority (OCTA). Due to the exorbitant costs of creating public street access to the landlocked parcel, the Agency Board directed Agency staff to solicit purchase offers from the two adjacent property owners (Kingdom Hall and Forest Glen Apartments). Agency staff subsequently submitted two conceptual development proposals to the Agency Board for review. This project was halted during DOF’s review of asset transfers.

The Housing Authority staff resumed negotiations with the adjacent landowners in FY 2013-14. The Authority Board approved the Purchase and Sale Agreements with Kingdom Hall (JW Congregation Support Inc.) in May of 2017 and Southern California Gas Company (“SCG”) in September of 2018. The Housing Authority received \$99,104 in revenues in FY 2018-19 from the purchase of an exclusive easement by SCG. In April of 2019, the City Council approved a General Plan Amendment, Zone Change, Site Development Permit, and Tentative Parcel Map for the development of the site with two buildings proposed to be used as religious institutions. The sale of the property to Kingdom Hall is pending City Council approval and the recording of a Final Map to subdivide the property. Proceeds from the sale will be deposited in the Housing Asset Fund designated for affordable housing.

MAMIE THOMAS PARCEL – EL TORO ROAD, SOUTHWEST OF JERONIMO (APN 614-021-31)

The Agency purchased a 7,000 sq. ft. tax-defaulted vacant property from the County of Orange using non-housing funds and conveyed title of the property to the Housing Authority. The Housing Authority Board is evaluating disposition options. SB 341 requires the Housing Authority to initiate development or dispose of the property by September 5, 2022. If the property is sold, sales proceeds will be deposited into the Housing Asset Fund.

PROPERTIES ACQUIRED WITH HOUSING ASSET FUNDS

After dissolution, the Housing Authority entered into an Exclusive Negotiation Agreement (“ENA”) with National CORE, a non-profit developer of affordable housing, in December 2017, to locate a site and develop an affordable housing project. The ENA commits \$3.7 million of City funding to the project; approximately \$300,000 are designated from Housing Asset Funds and the remainder are from affordable housing in-lieu fees. National CORE secured a site near the intersection of El Toro Road and Raymond Way, and will work with the City to negotiate an affordable housing agreement that will ensure that any Housing Asset Funds committed to the project meet HSC Section 34176.1 requirements. National CORE will also begin working on the entitlements with the City.

HOMEOWNERSHIP UNIT INVENTORY

This report must include an 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 moneys from the LMIHF. There are no homeownership units assisted by the former Agency or Housing Authority subject to affordable housing covenants or restrictions to report.

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 Authority
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 Authority, 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: Lake Forest Redevelopment Agency

Successor Agency to the Former Redevelopment Agency: City of Lake Forest

Entity Assuming the Housing Functions of the former Redevelopment Agency: Lake Forest Housing Authority

Entity Assuming the Housing Functions Contact Name: David E. Belmer Title Assistant City Manager Phone 949 461-3437 E-Mail Address dbelmer@lakeforestca.gov

Entity Assuming the Housing Functions Contact Name: Keith D. Neves Title Director of Finance / City Treasur Phone 949 461-3431 E-Mail Address kneves@lakeforestca.gov

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

Prepared By: **Keith D. Neves**

Date Prepared: **7/31/2012**

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

Item #	Type of Asset a/	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low-mod housing	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Date of transfer to Housing Successor Agency	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	Low-Mod Housing / Condominium	22702 Madrid Drive APN 933-43-060	\$226,931	1,022	1,022	Yes	Recorded Housing Covenant	15-Mar-11	\$243,140			22-Jan-10	
2	Low-Mod Housing / Condominium	22706 Madrid Drive APN 933-43-058	\$239,736	1,087	1,087	Yes	Recorded Housing Covenant	15-Mar-11	\$256,860			22-Jan-10	
3	Low-Mod Housing / Land	Authority Parcel APN 614-024-01	\$326,000	72,745	72,745	No	California Redevelopment Law	15-Mar-11	\$326,000			3-May-07	
4	Low-Mod Housing / Land	Mamie Thomas Parcel APN 614-021-31	\$7,168	7,000	7,000	No	California Redevelopment Law	15-Mar-11	\$7,168			22-Jan-10	
5	Low-Mod Housing / Fourplex	Saguaro Property APN 617-091-25	\$877,508	4,851	4,851	No	California Redevelopment Law	24-Apr-12	\$907,766			17-Jun-11	
6	Low-Mod Housing	Cash / Fees to service existing housing loan	\$30,000										
7	Low-Mod Housing	Cash / Recording Fees for Mobile Homes	\$3,000										
8	Low-Mod Housing	Cash / Ongoing cost to monitor existing low and moderate income housing loans	\$18,000										
9	Low-Mod Housing	Cash / Madrid condominium dues	\$252,000										
10	Low-Mod Housing	Cash / Relocation of Saguaro Property Tenants as necessary	\$223,317										
11	Low-Mod Housing	Cash / Saguaro Utilities (Gas, Electric, Waste Management)	\$9,600										
12	Low-Mod Housing	Cash / Saguaro Various Maintenance Requirements	\$48,600										
13	Low-Mod Housing	Cash / Madrid Various Maintenance Requirements	\$15,000										
14	Low-Mod Housing	Cash / Authority Parcel Various Maintenance Requirements	\$7,200										
15	Low-Mod Housing	Cash / Saguaro Landscape Maintenance	\$600										
16													
17													
18													

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

Item #	Type of Asset a/	Description	Carrying Value of Asset	Date of transfer to Housing Successor Agency	Acquisition cost funded with Low-Mod Housing Fund monies	Acquisition costs funded with other RDA funds	Acquisition costs funded with non-RDA funds	Date of acquisition by the former RDA
1								
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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 Lake Forest
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	6/5/2001	L&B/TCR Lake Forest LLC	0	Yes	Low-mod housing	L&B/TCR Lake Forest LLC				
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17											
18											
19											
20											

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 Lake Forest
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	15,000	3/15/2011	Bartell	Rehab	Yes	Transfer of title	0%	15,000.00
2	Loan	12,500	3/15/2011	Burke	Rehab	Yes	Transfer of title	0%	11,321.05
3	Loan	11,000	8/31/2010	Cameron	Rehab	Yes	Transfer of title	0%	11,000.00
4	Loan	5,000	2/10/2009	Carlson	Rehab	Yes	Transfer of title	0%	5,000.00
5	Loan	15000	8/4/2009	Clark	Rehab	Yes	Transfer of title	0%	15,000.00
6	Loan	15,000	9/21/2010	Dunn	Rehab	Yes	Transfer of title	0%	15,000.00
7	Loan	15000	4/19/2011	Ellis	Rehab	Yes	Transfer of title	0%	15,000.00
8	Loan	30000	8/31/2010	Evans	Rehab	Yes	Transfer of title	0%	30,000.00
9	Loan	15000	8/18/2009	Flores	Rehab	Yes	Transfer of title	0%	15,000.00
10	Loan	15000	12/8/2009	Gartman	Rehab	Yes	Transfer of title	0%	14,923.00
11	Loan	18000	10/12/2010	Greer	Rehab	Yes	Transfer of title	0%	15,991.00
12	Loan	15000	8/4/2009	Hogan	Rehab	Yes	Transfer of title	0%	15,000.00
13	Loan	15000	12/8/2009	Hoglund	Rehab	Yes	Transfer of title	0%	15,000.00
14	Loan	15000	4/21/2009	Hoppes	Rehab	Yes	Transfer of title	0%	15,000.00
15	Loan	15000	9/14/2010	Ives	Rehab	Yes	Transfer of title	0%	15,000.00
16		15000	10/27/2009	Kennedy	Rehab	Yes	Transfer of title	0%	15,000.00
17	Loan	15000	2/24/2009	King	Rehab	Yes	Transfer of title	0%	15,000.00
18	Loan	15000	4/14/2009	Lowrey	Rehab	Yes	Transfer of title	0%	15,000.00
19	Loan	15000	4/13/2010	Madsen	Rehab	Yes	Transfer of title	0%	15,000.00
20	Loan	15000	6/30/2009	Mekkelson	Rehab	Yes	Transfer of title	0%	15,000.00
21	Loan	15000	7/21/2009	Mulvey	Rehab	Yes	Transfer of title	0%	14,845.00
22	Loan	15000	6/30/2009	Reny	Rehab	Yes	Transfer of title	0%	15,000.00
23	Loan	12000	3/31/2009	Rocho	Rehab	Yes	Transfer of title	0%	12,000.00
24	Loan	15000	8/4/2009	Rose	Rehab	Yes	Transfer of title	0%	15,000.00
25	Loan	15000	1/5/2010	Sdao	Rehab	Yes	Transfer of title	0%	15,000.00
26	Loan	23000	10/6/2009	Sawyer	Rehab	Yes	Transfer of title	0%	23,000.00 *
27	Loan	15000	10/21/2008	Seyford	Rehab	Yes	Transfer of title	0%	15,000.00
28	Loan	10000	10/14/2008	Sison	Rehab	Yes	Transfer of title	0%	10,000.00
29	Loan	15000	10/26/2010	Stamey	Rehab	Yes	Transfer of title	0%	15,000.00
30	Loan	15000	8/4/2009	Stringfellow	Rehab	Yes	Transfer of title	0%	15,000.00
31	Loan	15000	3/29/2011	Turney	Rehab	Yes	Transfer of title	0%	15,000.00
32	Loan	15000	1/20/2009	Van Eyke	Rehab	Yes	Transfer of title	0%	15,000.00
33	Loan	8300	2/26/2010	Welenc	Rehab	Yes	Transfer of title	0%	8,300.00

486,380.05

* Paid off on 5/8/2012 in the full amount of \$23,000

City of Lake Forest
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)
1	Saguaro Property Rent / \$5,950 month APN 617--091-25	Low-mod housing	Lake Forest Housing Authority	Lake Forest Housing Authority	Lake Forest Housing Authority	Maintenance	No		#5
2	22702 Madrid Drive Rent / \$1 Year APN 933-43-060	Low-mod housing	Lake Forest Housing Authority	Lake Forest Housing Authority	Lake Forest Housing Authority	Maintenance	Yes		#1
3	22706 Madrid Drive Rent / \$1 Year APN 933-43-058	Low-mod housing	Lake Forest Housing Authority	Lake Forest Housing Authority	Lake Forest Housing Authority	Maintenance	Yes		#2
4	22702 Madrid Drive HOA Dues / \$280 month APN 933-43-060	Low-mod housing	Lake Forest Housing Authority	Lake Forest Housing Authority	Lake Forest Housing Authority	Maintenance	Yes		#1
5	22706 Madrid Drive HOA Dues / \$280 month APN 933-43-058	Low-mod housing	Lake Forest Housing Authority	Lake Forest Housing Authority	Lake Forest Housing Authority	Maintenance	Yes		#2

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

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent is associated with (if applicable)
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2									
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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 Lake Forest
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						
2						
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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	\$215,500 maximum for FY 2018-19 (limit varies each year)	Administrative activities such as: <ul style="list-style-type: none"> • Professional services (consultant fees, auditor fees, etc.) • Staff salaries, benefits, and overhead for time spent on Housing Successor administration • Compliance monitoring to ensure compliance with affordable housing and loan agreements • Property maintenance at Housing Successor-owned properties <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	Services for individuals and families who are homeless or would be homeless but for this assistance, including: <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.
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

Housing Asset Fund Expenditure Requirements
Health and Safety Code Section 34176.1

Expense Category	Limits	Allowable Uses
	<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 percent of remaining funds be spent on extremely low-income rental units until in compliance.</p> <p>Exceeding the expenditure limit for low households earning between 60-80% AMI in any five-year reporting period will result in not being able to expend any funds on these income categories until in compliance.</p>
	<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>