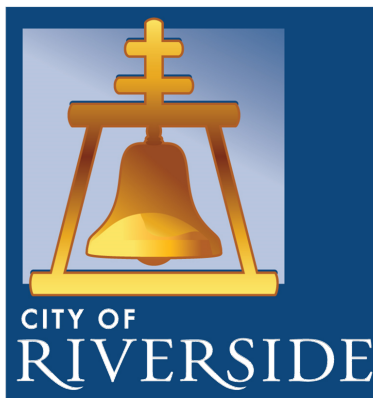


# HOUSING SUCCESSOR ANNUAL REPORT

LOW- AND MODERATE-INCOME HOUSING ASSET FUND  
FOR FISCAL YEAR 2022/2023  
PURSUANT TO  
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)  
FOR THE  
HOUSING AUTHORITY OF THE CITY OF RIVERSIDE



*City of Arts & Innovation*

**April 1, 2024**

# HOUSING SUCCESSOR ANNUAL REPORT

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## **INTRODUCTION**

This Housing Successor Annual Report (Report) regarding the Low- and Moderate-Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1 (f) and is dated as of April 1, 2024. This Report sets forth certain details of the Housing Authority of the City of Riverside (Housing Successor) activities during Fiscal Year 2022/2023. The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular Sections 34176 and 34176.1 (Dissolution Law).

This Report conforms with and is organized into sections I. through XI., inclusive, pursuant to Section 34176.1(f) of the Dissolution Law.

## **AMOUNT DEPOSITED INTO LMIHAF**

This section provides the total amount of funds deposited into the LMIHAF during the Fiscal Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.

A total of \$1,000,400.41 was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, a total of \$0 was held for items listed on the ROPS.

## **ENDING BALANCE OF LMIHAF**

This section provides a statement of the balance in the LMIHAF as of the close of the Fiscal Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.

At the close of the Fiscal Year, the ending balance in the LMIHAF was \$1,074,896.55 of which \$0 is held for items listed on the ROPS.

## **DESCRIPTION OF EXPENDITURES FROM LMIHAF:**

This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year. The expenditures are to be categorized.

The following is a description of expenditures from the LMIHAF by category:

FY 2022/2023 LMIHAF Expenditures	
Activity	Amount
Maintenance & Monitoring Expenditures	\$150,001.09
Administration	\$890,116.85
Homeless Prevention and Rapid Rehousing Services Expenditures	\$0
Housing Development Expenditures	
• Expenditures on extremely low income units	\$0
• Expenditures on very low income units	\$0
• Expenditures on low income units	\$0
<b>Total LMIHAF Expenditures in Fiscal Year</b>	<b>\$1,040,117.94</b>

**Administrative Expenditures:** Administrative expenditures, which include housing monitoring, are capped at either \$200,000 or 5 percent of the Housing Asset Fund’s annual portfolio, whichever is greater. The portfolio includes the statutory value of real property owned by the housing successor and of loans and grants receivable, including real property and loans and grants transferred to the housing successor pursuant to HSC 34176 and real property purchased and loans and grants made by the housing successor. HCD adjusts the \$200,000 cap for inflation based on the annual Consumer Price Index. The adjusted cap for FY 2022-23 is \$254,500. The Housing Successor’s 2022-2023 administrative cost limit is based on 5 percent of the \$32,540,659.14 portfolio balance reported in Table below, or \$1,627,032.96.

## STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF

This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

Under the Dissolution Law and for purposes of this Report, the "statutory value of real property" means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer schedule approved by the Department of Finance as listed in such schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of property(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reports assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor.

	<b>As of End Fiscal Year</b>
<b>Statutory Value of Real Property Owned by Housing Authority</b>	<b>\$ 1,981,816.41</b>
<b>Value of Loans and Grants Receivable</b>	<b>\$30,558,842.73</b>
<b>Total Value of Housing Successor Assets</b>	<b>\$32,540,659.14</b>

## **DESCRIPTION OF TRANSFERS**

This section describes transfers, if any, to another housing successor agency made in previous Fiscal Year(s), including whether the funds are unencumbered and the status of projects; if any, for which the transferred LMIHAF will be used. The sole purpose of the transfers must be for the development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.

The Housing Successor did not make any LMIHAF transfers to other Housing Successor(s) under Section 34176.1(c)(2) during the Fiscal Year.

## **PROJECT DESCRIPTIONS**

This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of the project.

The Housing Successor does not receive or hold property tax revenue pursuant to the ROPS.

## **STATUS OF COMPLIANCE WITH SECTION 3334.16**

This section provides a status update on compliance with Section 3334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, provide a status update on the project.

Section 34176.1 provides that Section 3334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; however, this Report presents a status update on the project related to such real property.

With respect to interests in real property acquired by the former redevelopment agency *prior* to February 1, 2012, the time periods described in Section 3334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development

of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset.

The following provides a status update on the real property on properties housing asset(s) that were acquired prior to February 1, 2012 and compliance with five-year period:

Address of Property	Date of Acquisition	DOF Approved Property as a Housing Asset	Status of Housing Successor Activity
3893 3 <sup>rd</sup> Street	8/9/2010	9/11/2012	Property is being developed with 32 Permanent Supportive Housing units. Project anticipated to be completed by 11/2024.
3879 3 <sup>rd</sup> Street	8/19/2010	9/11/2012	
3961 3 <sup>rd</sup> Street	8/19/2010	9/11/2012	
2882 Mission Inn Avenue	4/16/2008	9/11/2012	Project did not close escrow by 12/2022. As a result, staff has to release a new RFP on the development of the site and then submit a surplus disposition request to HCD for approval in FY 2023/2024.
11049 Bogart Avenue		9/11/2012	Project did not close escrow by 12/2022. As a result, staff has to release a new RFP on the development of the site and then submit a surplus disposition request to HCD for approval in FY 2023/2024.
8733 Indiana Avenue		9/11/2012	In FY 2023/2024, staff will release a Request for Proposals for the development of the site along with the Successor Agency who owns the adjacent property at 8717 Indiana Avenue.
10568 Hole Avenue	9/23/1998	9/11/2012	Parking lot leased to an adjacent affordable housing complex until February 22, 2031. Property was acquired by the City and granted to the Redevelopment Agency after a street realignment project. The Property was transferred to the City's Housing Authority, the Housing Successor Agency.

## DESCRIPTION OF OUTSTANDING OBLIGATIONS UNDER SECTION 33413

This section describes any outstanding inclusionary and replacement housing obligations, if any, under Section 33413 that remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012 along with the Housing Successor's progress in meeting those prior obligations, if any, of the former redevelopment agency and how the Housing Successor's plan to meet unmet obligations, if any.

The Housing Successor does not have any obligations to fulfill under Section 33413.

## INCOME TEST

This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five year period, with the time period, with the time period beginning 2017/2018 to 2022/2023 and whether the statutory thresholds have been met.

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI. If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five-year report, then the Housing Successor must ensure that at least 50% of the remaining LMIHF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement.

2017/2018 – 2022/2023	
Extremely Low-Income Test	# of Units
# of Assisted Extremely Low Income Rental Units	39
# of Total Assisted Rental Units	142
<b>Extremely Low Income Unit Percentage</b>	<b>27%</b>

## SENIOR HOUSING TEST

This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate



number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former Redevelopment Agency and its host jurisdiction within the same time period. For this Report the ten-year period reviewed is July 1, 2013 to June 30, 2023.

Unit Category	# of Units
Assisted Senior Rental Units	19
Total Assisted Rental Units	250
<b>Senior Housing Test (%)</b>	<b>8%</b>

Since the Housing Successor’s Senior Housing Test is 8%, the Housing Authority is able to assist rental housing developments restricted to seniors with LMIHF.

### EXCESS SURPLUS TEST

The Housing Successor does not presently retain a computed excess surplus pursuant to Health and Safety Code Section 34176.1. For the purpose of this report, pursuant to Section 34176.1(d), “excess surplus shall mean an unencumbered amount that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited in to the account during the housing successor’s preceding four fiscal years, whichever is greater.” If the unencumbered amount does not exceed the greater of the aggregate amount deposited into the LMIHAF during the preceding four fiscal years or \$1,000,000, whichever is greater, there is no excess surplus.

Since the Excess Surplus calculation relates to a four year calculation and the Housing Successor has not been in existence for that period, the determination is that during the following three year period, the Housing Successor has no excess surplus.

THE CITY OF RIVERSIDE HOUSING AUTHORITY  
(a component unit of the City of Riverside, California)  
CALCULATION OF EXCESS SURPLUS IN THE LOW/MOD INCOME HOUSING ASSET FUND  
June 30, 2023 (in thousands)

Fund Balance, June 30, 2023		\$41,803
Less Unavailable Amounts:		
Encumbrances	\$5,933	
Notes receivable	30,559	
Land and improvements held for resale	1,981	<u>(38,473)</u>
Available Low and Moderate Income Housing Funds		\$3,330

Limitation (greater of \$1,000 or three years LMIHF deposits)

LMIHF Deposits for last three years

2012	\$ 4,099
2012-2013	652
2022-2023	344

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(5,095)

Excess(Deficit) of Available Low/Mod Housing Asset Fund  
Over(Under) Limitation

(\$1,765)

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Computed Excess Surplus, June 30, 2023

\$0