SENATE BILL 341
ANNUAL REPORT

Woodland Housing Successor Agency
Report for Fiscal Year 2018/19
Dated July 5, 2019

WOODLAND
City of Trees
CALIFORNIA

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REPORTING REQUIREMENTS OF SENATE BILL 341

On January 1, 2014, Senate Bill 341 ("SB 341") became effective and amended certain section of the Health & Safety Code ("HSC") that pertain largely to entities that accepted the housing assets and liabilities of former redevelopment agencies. (California redevelopment agencies by State legislation in 2012.) SB 341 clarified that all former redevelopment agency housing assists, regardless of their originating redevelopment agency, must be maintained in a separate fund called the Low and Moderate Income Housing Asset Fund ("Housing Asset Fund"). SB 341 outlined a series of reporting requirements that must be adhered to in annual reports. This annual report is due to the California Department of Housing and Community Development ("HCD") by April 1 of each year. This report must be accompanied by an independent financial audit, which is due by December 31 every year.

In accordance with HSC Section 34176.1(f), certain data must now be reported annually for the Housing Asset Fund. These requirements are presented in Figure 1.

Figure 1. Reporting Requirements of HSC Section 34176.1(f)

Revenues and Expenditures	Assets and Active Projects	Obligations and Proportionality
Total amount deposited in the Housing Asset Fund for the fiscal year	Description of any project(s) still funded through the Recognized Obligation Payment Schedule ("ROPS")	Description of any outstanding production obligations of the former RDA that are inherited by the Housing Successor
Statement of balance at the close of the fiscal year	Update on property disposition for any property owned more than five years or plans for property owned less than five years	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: ▪ Repaid rehousing for homelessness prevention (up to $250,000 per year); ▪ Administrative expenses ($200,000 or 2% of "portfolio" per year); ▪ Monitoring expenses (included as an administrative expense); ▪ All other expenditures must be reported as spent for each income group (extremely low-, very low-, and low-income)	Other "portfolio" balances, including: ▪ Statutory value of any real property either transferred from the former RDA or purchased by the Housing Asset Fund (note that the Successor may only hold property for five years); ▪ Value of loans and grants receivable	Percentage of deed-restricted rental housing restricted to seniors and assisted by the entity assuming housing functions, the former RDA, or the County 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 Successor that are subject to covenants or restrictions that protects the former RDA'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

ASSETS TRANSFERRED TO THE HOUSING SUCCESSOR

According to HSC Section 34176(e), housing assets may include the following:

- Real property;
- Restrictions on the use of property;
- Personal property in a residence;
- Housing-related files;
- Office supplies and software program acquired for low- and moderate-income purposes;
- Funds encumbered by an enforceable obligations;
- Loan or grant receivables funded from the former Low and Moderate Income Housing Fund ("LMIHF");
- Funds derived from the rents or operations of properties acquired for low- and moderate-income housing purposes;
- Rents or payments from housing tenants or operators of low- and moderate-income housing; and
- Repayment of Supplemental Educational Revenue Augmentation Fund ("SERAF") loans.

The assets transferred from the RDA to the Successor included loan receivables.

EXPENDITURE REQUIREMENTS OF SENATE BILL 341

In the months following redevelopment dissolution, the California legislature passed several legislative bills, including SB 341, to clarify issues concerning the activities and assets of former redevelopment agencies. SB 341 reinstated several affordable housing requirements formerly completed by redevelopment agencies. Specifically, SB 341 directs expenditures from the Successor's Housing Asset Fund as follows:

- **Administrative Expenditures:** Administrative expenditures, which include housing monitoring, are capped at either $200,000 or 2% of the Housing Asset Fund's annual portfolio, whichever is greater. The portfolio includes outstanding loans or other receivable and the statutory value of any real property owned by the Successor.
- **Homeless Prevention:** A housing successor is authorized to spend up to $250,000 each year on rapid rehousing solutions for homeless prevention if all obligations pursuant to HSC Sections 33413 and 33418 have been fulfilled.
- **Income Proportionality Limits:** Remaining allowable expenditures must be spent to expand housing options for low-income households, defined as households earning 80% or less of the area median income ("AMI"). At least 30% of expenditures or less of the AMI. A maximum of 20% may go towards households earning between 60% and 80% of the AMI. No funding may be spent on moderate-income households, defined as households earning 81 to 120% of the AMI.

Although housing successors must report expenditures by category each year, compliance with income proportionality limits is reported at the end of each five-year compliance period. The first five-year compliance period began in Fiscal Year 2013/14 and will end in Fiscal Year 2018/19. For example, a housing successor could spend any amount of its funds during Fiscal Year 2013/14 on households earning between 60% and 80% AMI, as long as this amount is 20% or less of the total expenditures by the end of Fiscal Year 2018/19.

LOW AND MODERATE INCOME HOUSING ASSET FUND

The Housing Asset Fund contains all the assets that were transferred from the RDA to the Successor via the Housing Asset Transfer ("HAT") Form. The HAT included:

- Six loans for four rental projects; and
- Ten First Time Homebuyer loans.

Of the ten First Time Homebuyer loans listed on the HAT, eight of the loans remain open and outstanding with a total loan value of $678,696.58. Payoffs of First Time Homebuyer loans did not occur during Fiscal Year 2018/19. Appendix C lists the Successor's First Time Homebuyer loans as of the end of June 30, 2019.

HOUSING ASSET FUND DEPOSITS

SB 341 requires housing successors to annually report the funds that were deposited into the Housing Asset Fund during the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedules ("ROPS").

The Successor did not deposit funds during Fiscal Year 2018/19 as revenues were not generated. It should be noted that the Successor's loan for the Heritage Oaks affordable housing project (acquisition and rehabilitation) was paid off in approximately March 2019. The Successor used the proceeds to retire a HELP loan with the California Housing Finance Agency (CalHFA). CalHFA awarded the former Woodland Redevelopment Agency a HELP loan in 2004 for the Heritage Oaks project.

Table 1. FY 2018/19 Housing Asset Fund Deposits as of June 30, 2019
Woodland Housing Trust

Description	Amount
Loan Payoffs	$0
Interest Income	$0
Total	**$0**

Source: City of Woodland

HOUSING ASSET FUND ENDING BALANCE

SB 341 requires housing successors to submit a statement showing the Housing Asset Fund's ending balance at the close of the fiscal year, distinguishing any amounts held for items listed on the ROPS.

Table 2. FY 2018/19 Housing Asset Fund Balance as of June 30, 2019
Woodland Housing Trust

Description	Amount
Cash	$0
Land Held for Resale	$0
Mortgage Assistance	$0
Residual Receipts Loans Receivable	$0
Loans Receivable from Non-Housing	$0
Accounts Payable	$0
Total	**$0**

Source: City of Woodland

OTHER ASSET BALANCES

SB 341 requires housing successors to report on the statutory value of real properties formerly owned by the former redevelopment agency, and loans and grant receivables on the Housing Asset Transfer Form. The Successor does own real property. The statutory values of real property, loans and grants receivable belonging to the Successor on June 30, 2018 are shown in Table 3.

The Successor listed six rental multi-family and ten First Time Homebuyer loans on the HAT which had outstanding loan balances of $5,368,319 and $623,199, respectively. The current balances of the rental multi-family and First Time Homebuyer loans are $3,989,439.27 (five loans) and $678,696.42 (eight loans), respectively.

Table 3. FY 2018/19 Real Properties and Loan/Grant Receivables as of June 30, 2019
Woodland Housing Trust

Real Properties	Statutory Value
Low Moderate Housing	$0
Subtotal	$0

Loans and Grants Receivables	Statutory Value
Rental Multi-Family Loans Receivables	$3,989,439.27
SERAF	$0
Loans Receivable from Non-Housing	$0
First Time Homebuyer Loans	$678,696.42
Subtotal	$4,668,135.69

Total	$4,668,135.69

Source: City of Woodland

HOUSING ASSET EXPENDITURES

SB 341 requires housing successors to provide a description of expenditures from the Housing Asset Funds by category, including expenditures for (A) monitoring and preserving the long-term affordability of units' subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor, (B) administering such activities, (C) homeless prevention and rapid rehousing services, and (D) the development of affordable housing units for various income groups. Table 4 presents expenditures for the Housing Asset Fund.

Table 4. FY 2018/19 Housing Asset Fund Expenditures as of June 30, 2019
Woodland Housing Trust

Description	Amount
Monitoring and Preserving Affordability Covenants	$0
Administrative Costs	$0
Rapid Rehousing/Homelessness Prevention	$0
Development of Affordable Housing	$0
Total	**$0**

Source: City of Woodland

SB 341 states a Housing Successor may expend, on administrative costs, up to 2% of the statutory value of real property and loans. If the statutory value is less than $200,000 for any fiscal year, the Housing Successor may expend up to this amount. The Successor's statutory value for FY 2018/19 is $4,668,135.69. However, the Successor agency did not expend funds on administrative costs and therefore has complied with administrative costs expenditure requirements.

MONEY TRANSFERS BETWEEN HOUSING SUCCESSORS

SB 341 requires that when two or more contiguous housing successors enter into a joint venture to provide (A) a description of any transfers made in the previous fiscal year and in earlier fiscal years and (B) a description of and status update on any project for which transferred funds have been or will be expended. The Successor has not entered into a joint venture with another housing successor. Therefore, the Successor is in compliance with this legal requirement.

PROPERTY AND PROJECT DESCRIPTIONS

PROPERTY TAX REVENUE RECEIVED

SB 341 requires housing successors to provide a description of any project for which the housing successor receives or holds property tax revenues pursuant to the ROPS and the status of that project. There are no provisions in the ROPS permitting the Successor to receive or hold property tax revenues.

STATUS UPDATES ON DISPOSITIONS AND DEVELOPMENTS

SB 341 requires that all real properties acquired by the RDA prior to February 1, 2012 and transferred to the Successor developed pursuant to the requirements detailed in HSC Section 33334.16. Thus, all property 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 by August 27, 2017. In addition, housing successors are to provide a status update on any projects for real property acquired on or after February 1, 2012. All real property acquired by the RDA was disposed of prior to the RDA's dissolution and the Successor has not acquired real property.

OUTSTANDING OBLIGATIONS

SB 341 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.

According to the last Woodland Redevelopment Implementation Plan adopted by the former Redevelopment Agency, the Successor did not have any outstanding inclusionary or replacement housing obligations as of December 15, 2009. Between December 15, 2009 and dissolution, the Redevelopment Agency did not develop affordable housing units or displace existing housing units.

PROPORTIONALITY REQUIREMENTS FOR INCOME GROUPS

SB 341 limits Housing Asset Fund expenditures to lower income households earning 80% or less of the AMI. At least 30% of funds must be spent on rental housing for households earning 30% or less of the AMI and not more than 20% of the expenditures can be spent on households earning between 60% and 80% of the AMI. Failure to comply with the extremely low income requirements in any five-year reporting period will result in the Successor having to allocate 50% of its remaining funds to extremely low income rental units until its expenditures comply with proportionality limits. If, at the end of any five-year period, the Successor exceeds its spending limit for households earning between 60% and 80% of the AMI, it will not be able to spend additional funds on these income groups until its expenditures comply with proportionality limits.

During FY 2018-19, the Successor did not expend funds. With no qualifying expenditures to report, the Housing Successor is, by default, compliant with the proportionality requirements of SB 341.

SENIOR HOUSING

SB 341 requires housing successors to report the percentage units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Successor, its RDA, and its host jurisdiction within the previous ten years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former RDA and its host jurisdiction within the same period. For this report, the ten-year period reviewed is July 1, 2009 through June 30, 2019. Pursuant to HSC 34176.1, the percentage of affordable housing units for seniors shall not exceed 50% of the total number of affordable housing units. Over the last ten years, no affordable senior rental units were constructed. The percentage of affordable rental units developed for seniors is therefore 0%. By default, the Successor has not exceeded the 50% threshold.

EXCESS SURPLUS

Housing successors are required to report (A) the amount of any excess surplus, (B) the amount of time that the successor agency has had the excess surplus, and (C) the housing successor's plan for eliminating the excess surplus. Excess surplus is defined by HSC Section 34176.1(d) as "an unencumbered amount in the account that exceeds the greater of one million dollars, or the aggregate amount deposited into the account during the housing successor's preceding four fiscal years, whichever is greater."

Excess surplus calculations were once performed by redevelopment agencies on an annual basis, and were intended to ensure that the funds are expended to benefit low-income households in a timely manner. SB 341 reinstates this calculation for housing successors. The first calculation of this total cannot be performed until the close of the fifth fiscal year. Once four years of deposits have been established, at the close of the fifth year (FY 2016/17), the Successor will have to perform a true excess surplus calculation, comparing the unencumbered fund balance to the prior four years of deposits. While an excess surplus calculation was not performed at the close of FY 2016/17, the Successor did not have funds at that time and does not hold funds as of June 30, 2019.

INVENTORY OF HOMEOWNERSHIP UNITS

Assembly Bill 1793 ("AB 1793"), added requirements to the SB 341 Report, requires the annual reporting of any homeownership units assisted by the Successor that require restrictions, covenants, or an adopted program that protects Housing Asset Fund monies.

Of the ten loans listed on the Successor's Housing Asset Transfer Form for homeownership units, eight of the loans remain outstanding. The property description, remaining loan term and amount, affordability period and covenant expiration is attached as Appendix C.

APPENDIX A

Housing Asset Transfer Form

Exhibit D - Loans/Grants Receivables

City of Woodland
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	Yes, Partially (67,000)	1,317,000	April 4, 2008	Fair Plaza Sr. Apts, L.P.	Acq/Rehab Proj	Yes	April 4, 2039	3.5% simple	1,512,493
2	No	1,550,000	Jan. 11, 2005	Heritage Oaks, L.P.	Acq/Rehab Proj	Yes	Aug. 22, 2014	3% simple	1,897,285
3	No	1,000,000	Dec. 18, 2001	Comnty Hsng Opps Corp (CHOC)	Acq/Rehab Proj (Casa Del Sol)	Yes	Jan. 31, 2013	3% simple	1,316,027
4	Yes	150,000	Dec. 27, 2000	CHOC	Acq (Woodland Mobile Home Pk)	Yes	Dec. 31, 2023	5% simple	109,368
5	Yes	245,077	Jan. 10, 1994	CHOC	Rehab Proj (Hotel Woodland)	Yes	Jan. 10, 2024	4.44% simple	446,070
6	No	50,000	Oct. 18, 1995	CHOC	See Item #5	Yes	Oct. 18, 2025	4.44% simple	87,076
7	Yes, see Note 1	47,900	May 9, 2003	Greenwood, see Note 1	Mortgage Assist	Yes	May 29, 2048	5.25% simple	70,898
8	Yes, see Note 1	50,900	May 21, 2003	Greenwood, see Note 1	Mortgage Assist	Yes	May 21, 2048	5.25% simple	75,250
9	Yes, see Note 1	67,400	June 9, 2003	Greenwood, see Note 1	Mortgage Assist	Yes	June 9, 2048	5.25% simple	99,458
10	Yes, see Note 1	68,500	May 20, 2003	Greenwood, see Note 1	Mortgage Assist	Yes	May 20, 2048	5.25% simple	101,279
11	Yes, see Note 1	50,900	March 25, 2003	Greenwood, see Note 1	Mortgage Assist	Yes	March 25, 2048	5.25% simple	75,667
12	Yes, see Note 1	47,900	April 18, 2003	Greenwood, see Note 1	Mortgage Assist	Yes	April 18, 2048	5.25% simple	71,043
13	Yes, see Note 1	53,400	April 18, 2003	Greenwood, see Note 1	Mortgage Assist	Yes	April 18, 2048	5.25% simple	0, see Note 2
14	Yes	27,900	June 30, 2009	SLSP, see Note 3	Mortgage Assist	Yes	June 30, 2039	3% simple	30,506
15	Yes	45,000	Oct. 30, 2009	SLSP, see Note 3	Mortgage Assist	Yes	Oct. 30, 2039	3% simple	48,503
16	Yes	47,030	Jan. 14, 2010	SLSP, see Note 3	Mortgage Assist	Yes	Jan. 14, 2040	3% simple	50,541
17									
18									
19									
20									

Notes

Loan balances are calculated through June 30, 2012 with the exception of Item 13. The loan listed on Item 13 was paid off on July 16, 2012.

Note 1: Each loan consisted of funds from RDA Low-Mod Housing Fund and a reduced purchase price subsidy. The loans were provided to low and moderate income households purchasing homes in the Greenwood Subdivision. Individual loan files are maintained by the Woodland Housing Successor Agency. Principal forgiveness starts for each loan after ten years of home ownership. After 45 years of home ownership, the principal and accrued interest are forgiven. Interest is not assessed unless the borrower/property owner sells prior to a 45-year period.
The loan balances include accrued interest through June 30, 2012.

Note 2: The loan was paid off on July 16, 2012.

Note 3: Loans were provided to low income households purchasing homes in the Spring Lake Specific Plan area. Individual loan files are maintained by the Woodland Housing Successor Agency.

APPENDIX B

Woodland Housing Successor Agency
Rental Multi-Family and First Time Homebuyer Loans

City of Woodland, Housing Successor Agency
Rental Multi-Family and First Time Homebuyer Loans

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	Yes, Partially (67,000)	1,317,000	April 4, 2008	Fair Plaza Sr. Apts, L.P.	Acq/Rehab Proj	Yes	April 4, 2039	3.5% simple	1,771,554.45
2	No	1,000,000	Dec. 18, 2001	Comnty Hsng Opps Corp (CHOC)	Acq/Rehab Proj (Casa Del Sol)	Yes	Jan. 31, 2013	3% simple	1,556,027.40
3	Yes, see Note 1	150,000	Dec. 27, 2000	CHOC	Acq (Woodland Mobile Home Pk)	Yes	Dec. 31, 2023	5% simple	37,000.00
4	Yes	245,077	Jan. 10, 1994	CHOC	Rehab Proj (Hotel Woodland)	Yes	Jan. 10, 2024	4.44% simple	522,240.42
5	No	50,000	Oct. 18, 1995	CHOC	See Item #5	Yes	Oct. 18, 2025	4.44% simple	102,617.00
6	Yes, see Note 2	38,320	May 9, 2003	Greenwood	Mortgage Assist	Yes	May 29, 2048	7.50% simple	84,696.05
7	Yes, see Note 2	40,720	May 21, 2003	Greenwood	Mortgage Assist	Yes	May 21, 2048	7.50% simple	89,901.95
8	Yes, see Note 2	53,920	June 9, 2003	Greenwood	Mortgage Assist	Yes	June 9, 2048	7.50% simple	116,723.87
9	Yes, see Note 2	49,320	May 20, 2003	Greenwood	Mortgage Assist	Yes	May 20, 2048	7.50% simple	106,867.32
10	Yes, see Note 2	36,648	March 25, 2003	Greenwood	Mortgage Assist	Yes	March 25, 2048	7.50% simple	79,271.63
11	Yes, see Note 2	38,320	April 18, 2003	Greenwood	Mortgage Assist	Yes	April 18, 2048	7.50% simple	82,752.34
12	Yes	45,000	Oct. 30, 2009	SLSP, see Note 3	Mortgage Assist	Yes	Oct. 30, 2039	3% simple	58,067.26
13	Yes	47,030	Jan. 14, 2010	SLSP, see Note 3	Mortgage Assist	Yes	Jan. 14, 2040	3% simple	60,416.00
14									
15									

Notes

Loan balances are calculated through June 30, 2019.

Note 1: Loan balance is approximate amount.

Note 2: Each loan consisted of funds from RDA Low-Mod Housing Fund and a reduced purchase price subsidy. The loans were provided to low and moderate income households purchasing homes in the Greenwood Subdivision. Individual loan files are maintained by the Woodland Housing Successor Agency. Principal forgiveness starts for each loan after ten years of home ownership. After 45 years of home ownership, the principal and accrued interest are forgiven. Interest is not assessed unless the borrower/property owner sells prior to 45-year period. If a sale occurs prior to 45 years, the interest is calculated at the lower of the highest rate then allowed by law or two percent (2%) over the prime interest rate announced by Wells Fargo Bank, N.A. The loan balances include accrued interest through June 30, 2019.

Note 3: Loans were provided to low income households purchasing homes in the Spring Lake Specific Plan area. Individual loan files are maintained by the Woodland Housing Successor Agency.