
HOUSING SUCCESSOR ANNUAL REPORT
City of San Carlos
Fiscal Year 2018-19



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INTRODUCTION

The City of San Carlos (“City”) is the Housing Successor Agency (“Housing Successor”) to the former San Carlos Redevelopment Agency (“Agency”). The Housing Successor is responsible for maintaining housing assets transferred from the former Agency. Its main goal is to provide affordable housing for City of San Carlos (“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 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. This report is an addendum to the Housing Element Annual Progress Report required by Government Code Section 65400, which is also submitted to HCD by April 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.
2. Housing successors may not accumulate an “excess surplus,” or a high cash balance based on certain thresholds.

¹ 2013-14 legislative session

3. Properties must be developed with affordable housing or sold within five to ten years of the California Department of Finance approving the Housing Asset Transfer Form.

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. This included:

1. Real properties;
2. Personal Property;
3. Loans Receivables; and
4. Rents/Operations.

All items on HAT were approved by the California Department of Finance (“DOF”) on September 5, 2012.

It is important to distinguish that Housing Successor 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 Housing Successor was \$215,500, which is the \$200,000 limit adjusted for inflation by HCD.
- **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 Housing Successor qualifies because the former Agency had a surplus of affordable housing production units upon dissolution.
- **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 60-80% AMI, as long as it was 20 percent or less of the total expenditures during the five-year compliance period.

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

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 10 years are restricted to seniors, the Housing Successor may not spend more Housing Asset Funds on senior rental housing.

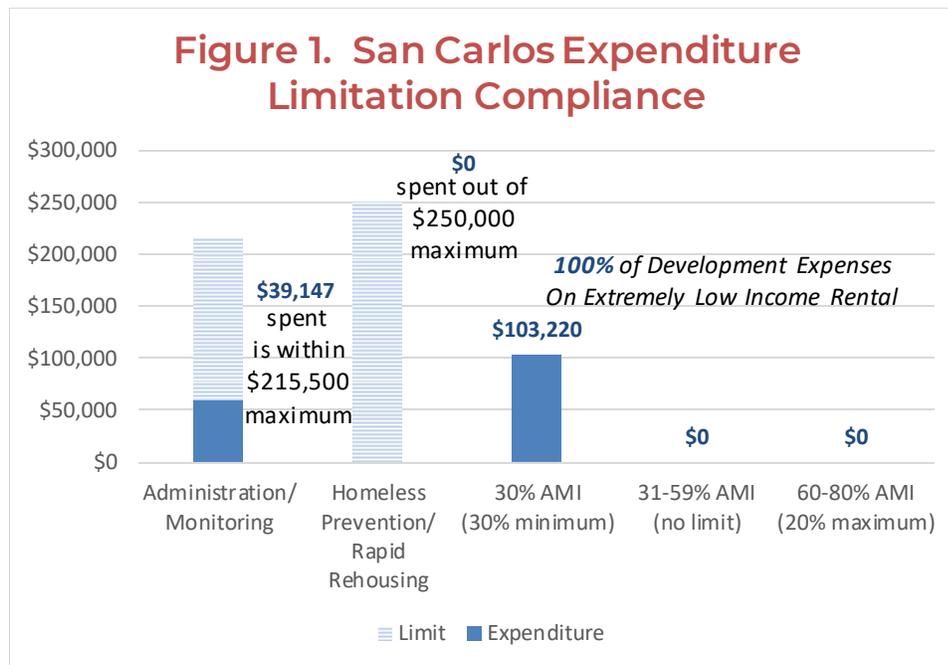
Appendix 3 describes Housing Asset Fund expenditure requirements in more detail, including the types of costs eligible in each category.

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:³

- Administrative costs of \$39,147 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.
- The Housing Successor spent \$103,220 toward the construction of 11 extremely low-income rental units at 817 Walnut in the first five-year compliance period of January 1, 2014 through June 30, 2019 (of which \$60,347 was spent in FY 2018-19 and the remainder in FYs 2016-17 and 2017-18). The City has committed \$7.3 million total toward the project pursuant to a Disposition, Development and Loan Agreement (“DDLA”) with Walnut Street LP. The majority of the \$7.3 million will be paid from the Housing Asset Fund’s available cash balance. Any remaining balance will be paid from City inclusionary housing in-lieu fees.

³ 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 Housing Successor’s annual audit is complete.



All development related expenditures in the first five-year compliance period were spent on the construction of extremely low income rental units. Therefore, the five-year compliance period income targets were met. The Housing Successor will ensure it continues to meet all expenditure requirements going forward, including the next five-year compliance period of July 1, 2019 through June 30, 2024.

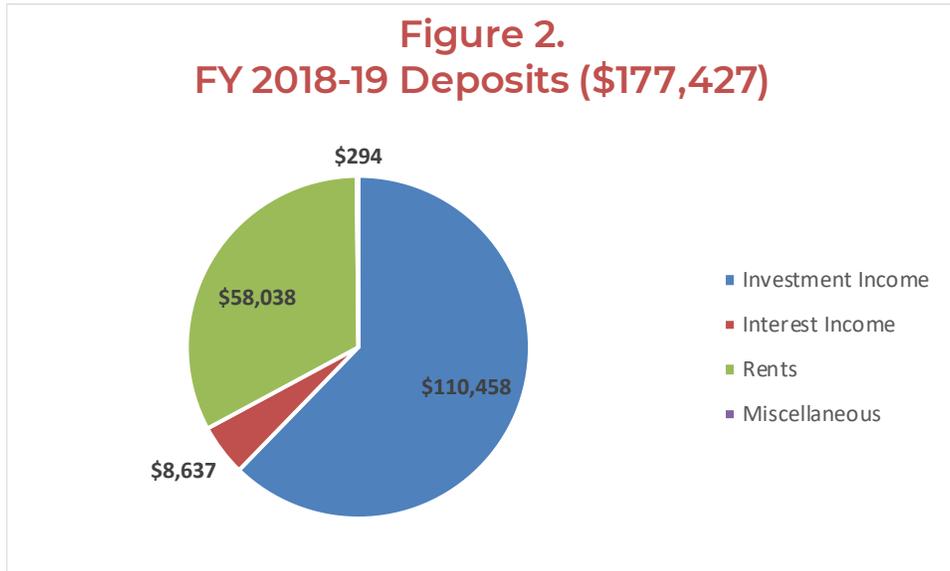
Failure to comply with the extremely low income requirement in any five-year compliance period will result in the Housing Successor having to ensure that 50 percent of remaining funds be spent on extremely low income rental units until in compliance. Exceeding the expenditure limit for low income households earning between 60-80% AMI in any five-year reporting period will result in the Housing Successor not being able to expend any funds on these income categories until in compliance.

SENIOR HOUSING LIMIT COMPLIANCE

The Housing Successor complies with a limit allowing no more than 50 percent of the total aggregate number of rental units produced within the preceding ten years to be restricted to seniors. The Housing Successor, City, and former Agency have only assisted one affordable housing project in the prior ten years, which is the 817 Walnut street project assisted in FY 2018-19. None of the 11 extremely low income units assisted by the Housing Successor at 817 Walnut are restricted to seniors.

DEPOSITS AND FUND BALANCE

The Housing Successor deposited \$177,427 into the Housing Asset Fund during FY 2018-19. Revenues were from investment income, interest income, rents and miscellaneous sources as shown in Figure 2.



The Housing Asset Fund balance as of June 30, 2019 was \$7,306,738 as summarized in Table 1. Of this amount, the cash balance was \$5,730,058.

Table 1
Housing Asset Fund Ending Balance FY 2018-19

Balance Type	Amount
Cash	\$ 5,730,058
Notes Receivable	1,464,225
Accounts Receivable	731,122
Accounts Payable	(20,939)
Land Held for Resale ¹	972,829
Deferred Revenue	(1,567,928)
Deposits due from Tenants	(2,629)
Ending Balance	\$ 7,306,738

¹Excludes the value of 817 Walnut reported in Table 3 that is accounted for outside of Fund 31.

Source: City of San Carlos, Fund 31 accounting records

EXCESS SURPLUS

The Housing Asset Fund may not accumulate an “excess surplus”, or an unencumbered cash balance that exceeds the greater of either \$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.

As shown in Table 2, The Housing Successor does not have an excess surplus. The 817 Walnut DDLA has committed \$7.3 million in City funds toward assisting 11 extremely low income rental units. The City will use the available Housing Asset Fund cash balance on 817 Walnut, leaving zero unencumbered Housing Asset Funds.

Table 2		
Excess Surplus Calculation		
Fiscal Year	2017-18	2018-19
Deposits	\$ 234,998	\$ 177,427
Beginning Cash Balance	\$ 5,683,007	\$ 5,622,064
Less: Encumbered Funds	\$ -	\$ (5,045,290)
Less: Prior Year Excess Surplus	\$ -	\$ (576,774)
Unencumbered Amount	\$ 5,683,007	\$ -
Step 1		
\$1 Million, or	\$ 1,000,000	\$ 1,000,000
Last 4 Deposits	\$ 5,106,233	\$ 4,923,043
Result: Larger Number	\$ 5,106,233	\$ 4,923,043
Step 2		
Unencumbered Cash Balance	\$ 5,683,007	\$ -
Larger Number From Step 1	\$ 5,106,233	\$ 4,923,043
Excess Surplus	\$ 576,774	\$ -

In the FY 2017-18 Annual Report, the Housing Successor reported an excess surplus of \$515,831 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 \$576,774.

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 \$7.3 million in Housing Asset Funds in FY 2018-19 by entering into an DDLA with Walnut Street LP to develop 817 Walnut. Table 3 demonstrates there is no remaining excess surplus from FY 2017-18.

Table 3
FY 17-18 Excess Surplus Elimination

Fiscal Year	2017-18¹
Excess Surplus (Beginning of 2018-19)	\$ 576,774
Elimination of FY 17-18 Excess Surplus	
Expenditures	
<i>FY 18-19 Administrative Costs</i>	\$ 39,147
<i>FY 18-19 Expenditures on 817 Walnut</i>	\$ 60,347
Encumbrances	
<i>817 Walnut²</i>	\$ 7,300,000
Remaining 17-18 Excess Surplus	\$ -

¹ The 2017-18 Annual Report reported a \$576,774 excess surplus as of 6/30/18 based on the ending FY 2017-18 cash balance. The excess surplus calculation was revised to be based on the beginning FY 2017-18 cash balance to mirror the calculation methodology used by HCD prior to redevelopment dissolution.

² Encumbered pursuant to a Disposition, Development, and Loan Agreement approved by City Council in FY 2018-19. Of the total \$7.3 million committed, the majority will be paid from the available Housing Asset Fund balance at the time payments are due. The remaining balance will be paid from City inclusionary housing in-lieu fees.

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

The Housing Successor Portfolio includes four properties and three loans receivable transferred from the former Agency. The Portfolio had a value of \$3,167,920 as of FY 2018-19, as detailed in Table 4.

Table 4
Portfolio Value of Real Properties and Loans Receivable

Asset	Amount
<i>Real Properties</i>	
817 Walnut St	\$ 730,866
633 Elm Street Unit 305	354,999
633 Elm Street Unit 405	377,987
1001 Laurel Street #207	239,843
<i>Subtotal</i>	\$ 1,703,695
<i>Loans Receivable</i>	
Laureola Oaks	\$ 1,070,263
1244 Cherry St	100,000
717 Cedar	293,962
<i>Subtotal</i>	\$ 1,464,225
Total Portfolio Value	\$ 3,167,920

Source: City of San Carlos, Fund 31 and Fund 90 accounting records

The City, as housing successor, owns four properties that had a statutory value of \$1,703,695 as of June 30, 2019. Two of the properties, 817 Walnut Street and 633 Elm Street Unit 305, were transferred from the former Agency. The other two properties, 633 Elm Street Unit 405 and 1001 Laurel Street Unit 207, are Below Market Rate units purchased by the Housing Successor in FYs 2016-17 and 2017-18. The property purchases are not reported as expenditures in Figure 1 because the City owns the units, and the cash value was converted to real property value in the Housing Asset Fund. It is possible that the purchases will be converted to expenditures in the future if the Below Market Rate units are sold to low income buyers and affordability restrictions are recorded.

PROPERTY DISPOSITION STATUS

HSC Section 34176(e) requires that all real properties acquired by the Agency prior to February 1, 2012 and transferred to the Housing Successor be developed for affordable housing purposes or disposed of within five years from the date DOF approved the HAT, or September 5, 2017. The City has met this requirement.

The Agency transferred four real properties to the City on the HAT:

- 817 Walnut Street: This multi-family apartment complex continues to be operated as affordable housing. The property was formally transferred to the City via a grant deed dated January 5, 2015. The City entered into a DDLA with Walnut Street L.P. to redevelop the site from a 6-unit to a 24-unit apartment complex, of which 11 units will be affordable to extremely low income households.
- 633 Elm Street, Unit 305: This condominium unit continues to be operated as affordable housing and is leased to a low income tenant.
- 657 Walnut Street: This 7-unit multi-family apartment complex was transferred from the Housing Successor to a developer in January 2017 for the Wheeler Plaza development project. The sales proceeds were deposited to the Housing Asset Fund.
- 1245-1265 San Carlos Avenue: This is a commercial property that was included on the HAT in error. It was subsequently included in the Successor Agency's Long Range Property Management Plan and sold pursuant to a compensation agreement approved by DOF and affected taxing entities.

HOMEOWNERSHIP UNIT INVENTORY

Table 5 presents an inventory of homeownership units assisted by the Housing Successor that require restrictions, covenants, or an adopted program that protects Housing Asset Fund monies.

**Table 5
Homeownership Unit Inventory**

Address	# Units	Covenant Recorded	Covenant Expires
3327 Brittan #7	1	1/13/2007	1/13/2052
641 Cedar Street #101	1	8/5/2006	8/5/2051
641 Cedar Street #202	1	6/14/2006	6/14/2051
Pacific Hacienda			
633 Elm #106	1	3/20/2002	
633 Elm #107	1	2/12/2000	
633 Elm #206	1	???	
633 Elm #207	1	1/21/2000	
633 Elm #215	1	4/27/2000	
633 Elm #216	1	1/14/2000	In perpetuity w/ Resale Purchase Option
633 Elm #305	1		
633 Elm #306	1	1/21/2000	
633 Elm #307	1	4/2/2005	
633 Elm #316	1	1/28/2000	
633 Elm #405	1	12/21/2002	
618 Walnut #303	1	11/18/2004	
618 Walnut #305	1	8/17/2001	
1001 Laurel Street			
#102	1	5/27/2006	6/10/2051
#105	1	6/16/2006	6/29/2051
#106	1	8/18/2006	8/30/2051
#107	1	9/21/2006	9/29/2051
#109	1	1/2/2007	1/12/2052
#203	1	6/20/2006	6/29/2051
#204	1	6/20/2006	6/29/2051
#205	1	6/20/2006	6/29/2051
#207	1	11/16/2005	12/3/2050
#209	1	8/2/2006	8/22/2051
#213	1	11/27/2007	1/12/2053
#218	1	11/27/2007	12/12/2052
#222	1	3/29/2007	4/13/2052
#225	1	1/8/2008	1/22/2053
#322	1	6/20/2006	6/28/2051
#325	1	6/20/2006	6/29/2051
Total Restricted Units	32		

Source: City of San Carlos

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: San Carlos Redevelopment Agency

Successor Agency to the Former Redevelopment Agency: City of San Carlos, Acting as Successor to the San Carlos Redevelopment Agency

Entity Assuming the Housing Functions of the former Redevelopment Agency: City of San Carlos

Entity Assuming the Housing Functions Contact Name: Mark Sawicki Title Economic Development & Housing Manager Phone 650-802-4220 E-Mail Address msawicki@cityofsancarlos.org

Entity Assuming the Housing Functions Contact Name: Rebecca Mendenhall Title Administrative Services Director Phone 650-402-4221 E-Mail Address rmendenhall@cityofsancarlos.org

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

Prepared By: **Mark Sawicki**

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

City San Carlos
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	1 Condominium unit	633 Elm St #305	\$354,696	approx. 700	approx. 700	Yes	local ordinance; CRL	2/1/2012	\$348,046	\$0	\$0	10/7/2009	fee title
2	apartment building with 7 units	657 Walnut	\$600,865	5,500	5,500	No	n/a	2/1/2012	\$720,156	\$0	\$0	1/9/2001	fee title
3	apartment building with 6 units	817 Walnut	\$1,163,127	6,500	6,500	No	n/a	2/1/2012	\$1,385,000	\$0	\$0	3/29/2002	fee title
4	commercial building with 5 tenants	1245-1265 San Carlos Ave	\$919,518	8,360	8,360	No	n/a	c/	\$1,070,815	\$0	\$0	3/1/2003	fee title
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34176(e)(1) Any real property, interest in, or restriction on the use of real property, whether improved or not, any personal property provided in residences, including furniture and appliances, all housing-related files and loans and 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.

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.

c/ The property currently has an open case with the San Mateo County Environmental Health Department, requiring further testing and a plan for remediation (a dry cleaners is identified as a source of potential soil and water contamination). The City reserves its rights to retain this asset, but only after assurance that the site is clean or that the Successor Agency and/or tenant will be responsible for remediation costs.

Exhibit B - Personal Property

City of San Carlos
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	1 Refrigerator installed at original occupancy is part of sale of Condominium unit	633 Elm St #305	no separate value assigned	2/1/2012	\$0	\$0	\$0	10/7/2009
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34176(e)(1) Any real property, interest in, or restriction on the use of real property, whether improved or not, any any personal property provided in residences, including furniture and appliances, all housing-related files and loans and 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.

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 San Carlos
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
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34176(e)(2) Any funds that are encumbered by an enforceable obligation to build or acquire low- and moderate-income housing, as defined by the Community Redevelopment Law unless required in the bond covenants to be used for repayment purposes of the bond.

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 San Carlos
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	\$ 100,000	5/31/1995	Housing Association for the Needy and Dispossessed	Assist HAND with the acquisition of real property located at 1244 Cherry Street, San Carlos	yes	6/1/2025	No interest	\$ 100,000
2	Yes	\$ 300,000	6/28/1994	Human Investment Project Inc	For construction of the shared housing facility for low income families located at 717 Cedar Street San Carlos	yes	6/27/2024	no interest	293,962
3	Yes	\$ 175,000	12/9/1992	Laureola Oaks Associates	Sale of City's property to develop as affordable rental housing units located at 608 East San Carlos Ave San Carlos	yes	3/9/2049	7%	666,506
4	Yes	\$ 4,048,147	9/16/2002	San Carlos Development Corporation	Assist developer to finance the project, 20% of the completed units are held available to very low income tenants at affordable rents	yes	8/1/2037	9.75%	\$3,800,000 plus accrued interest of \$247,000
5	Yes	\$1,201,582 in aggregate outstanding	Various dates	22 individual first time home buyers	For first time home buyers who qualify as having low and moderate income, loans are used as a down payment on the purchase of a home in the City of San Carlos	yes	Various; each loan term is 15 years	3%	1,211,005
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34176(e)(3) Any loan or grant receivable, funded from the Low and Moderate Income Housing Fund, from homebuyers, homeowners, nonprofit or for-profit developers, and other parties that require occupancy by persons of low or moderate income as defined by the CRL.

Exhibit E - Rents/Operations

City of San Carlos
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	Net rental income after operating expenses	657 Walnut	City of San Carlos	HIP Housing	City of San Carlos	Deposited to LMIHF	No	n/a	2
2	Net rental income after operating expenses	817 Walnut	City of San Carlos	HIP Housing	City of San Carlos	Deposited to LMIHF	No	n/a	3
3	Net rental income after operating expenses	1245-1265 San Carlos Ave	City of San Carlos	Ed Chow & Associates	City of San Carlos	Deposited to LMIHF	No	n/a	4
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34176(e)(4) Any funds derived from rents or operations of properties acquired for low- and moderate-income housing purposes by other parties that were financed with any source of funds, including residual receipt payments from developers, conditional grant repayments, cost savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

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 San Carlos
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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34176(e)(5) A stream of rents or other payments from housing tenants or operators of low- and moderate-income housing financed with any source of funds that are used to maintain, operate, and enforce the affordability of housing or for enforceable obligations associated with low- and moderate-income housing.

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.

Exhibit G - Deferrals

City of San Carlos
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
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34176(e)(6) Repayments of loans or deferrals to the LMIHF from the RDA

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>