SB 341 COMPLIANCE REPORT

CITY OF REDWOOD CITY

LOW AND MODERATE INCOME HOUSING ASSET FUND

FISCAL YEAR ENDED JUNE 30, 2017

H&SC section 34176.1 (f) Section 33080.1 of this code and Section 12463.3 of the Government Code shall not apply. Instead, the housing successor shall conduct, and shall provide to its governing body, an independent financial audit of the Low and Moderate Income Housing Asset Fund within six months after the end of each fiscal year, which may be included in the independent financial audit of the host jurisdiction. If the housing successor is a city or county, it shall also include in its report pursuant to Section 65400 of the Government Code and post on its Internet Web site all of the following information for the previous fiscal year. If the housing successor is not a city or county, it shall also provide to its governing body and post on its Internet Web site all of the following information for the previous fiscal year:

RESPONSE:
The Housing Successor Agency financial information is part of the annual financial audit report prepared for the City of Redwood City and therefore it meets the requirement by being included “in the independent financial audit of the host jurisdiction”. Below is a link to the City’s website where the CAFR for Fiscal Year Ended June 30, 2017 is posted:


ITEM #1 – The amount the city, county, or city and county received pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 34191.4.

RESPONSE: The city did not receive any funds that were loan repayments provided for in the recognized obligation payment schedules during the Fiscal Year ended June 30, 2017.

ITEM #2 - The amount deposited to the Low and Moderate Income Housing Asset Fund, distinguishing any amounts deposited pursuant to subparagraphs (B) and (C) of paragraph (3) of subdivision (b) of Section 34191.4, amounts deposited for other items listed on the Recognized Obligation Payment Schedule, and other amounts deposited.

RESPONSE: See attached Cash Flow Statement

ITEM #3 - A statement of the balance in the fund as of the close of the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule from other amounts.

RESPONSE: See attached Cash Flow Statement

ITEM #4 - A description of expenditures from the fund by category, including, but not limited to, expenditures (A) for 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 and administering the activities
described in paragraphs (2) and (3) of subdivision (a), (B) for homeless prevention and rapid rehousing services for the development of housing described in paragraph (2) of subdivision (a), and (C) for the development of housing pursuant to paragraph (3) of subdivision (a).

RESPONSE: See attached Cash Flow Statement

ITEM #5 - As described in paragraph (1) of subdivision (a), the statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.

RESPONSE: See attached listing of Real Property and Receivables

ITEM #6 – A description of any transfers made pursuant to paragraph (2) of subdivision (c) in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not been placed in service.

RESPONSE: No transfers have been made pursuant to paragraph (2) of subdivision (c) in the previous fiscal year.

ITEM #7 – A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.

RESPONSE: Redwood City as the housing successor does not receive or hold property tax revenue pursuant to the Recognized Obligation Payment Schedule.

ITEM #8 – For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16. For interests in real property acquired on or after February 1, 2012, a status update on the project.

RESPONSE:

<table>
<thead>
<tr>
<th>ADDRESS OF REAL PROPERTY</th>
<th>DATE OF ACQUISITION</th>
<th>DEADLINE TO INITIATE DEVELOPMENT ACTIVITY</th>
<th>STATUS OF HOUSING SUCCESSOR ACTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>611 Heller Street</td>
<td>12/19/2007</td>
<td>12/19/2017</td>
<td>Site development was initiated in 2008. A Request for Proposals for development of the site will be issued in April 2018. Affordable housing will be built on the site.</td>
</tr>
</tbody>
</table>
ITEM #9 – A description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor’s progress in meeting those obligations, and of the housing successor’s plans to meet unmet obligations. In addition, the housing successor shall include in the report posited on its Internet Web site the implementation plans of the former redevelopment agency.

RESPONSE: Redwood City as housing successor had no outstanding replacement housing or production requirements, therefor no action was taken.

ITEM #10 – The information required by subparagraph (B) of paragraph (3) pf subdivision (a).

RESPONSE: Redwood City as the housing successor expended funds on administrative costs, direct staff time to provide support for deed restricted affordable housing assets and directly related professional services.

ITEM #11 – The percentage of units of deed restricted rental housing 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.

RESPONSE: The aggregate number of units shown in the table below is for units that were initially assisted on or after the period beginning July 1, 2007 and ending June 30, 2017.

<table>
<thead>
<tr>
<th>UNIT CATEGORY</th>
<th>AGGREGATE NUMBER AND PERCENT OF DEED RESTRICTED UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assisted Senior Rental Units</td>
<td>0</td>
</tr>
<tr>
<td>Total Assisted Rental Units</td>
<td>36</td>
</tr>
<tr>
<td>Senior Housing Rental Units as a Percentage</td>
<td>0%</td>
</tr>
</tbody>
</table>

ITEM #12 – The amount of any excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor’s plan for eliminating the excess surplus.

RESPONSE: Please see attached Excess Surplus Calculation
**ITEM #13** – An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund pursuant to subdivision (f) of Section 33334.3. This inventory shall include all of the following information:

(A) The number of those units.

**RESPONSE:** There were 66 homeownership units that were subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency’s investment of moneys from the Low and Moderate Income Housing Funds as of February 1, 2012.

(B) In the first report pursuant to this subdivision, the number of units lost to the portfolio after February 1, 2012, and the reason or reasons for those losses. For all subsequent reports, the number of units lost to the portfolio in the last fiscal year and the reason for those losses.

**RESPONSE:** No units were lost to the portfolio during fiscal year beginning July 1, 2016 and ending June 30, 2017.

(C) Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency’s investment of moneys from the Low and Moderate Income Housing Fund.

**RESPONSE:** Redwood City housing successor has received $24,430.48 in loan repayments from assisted homeownership loans for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

(D) Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

**RESPONSE:** Redwood City as housing successor does not contract with any outside entity for the management of the units.