

SENATE BILL 341
ANNUAL REPORT

Woodland Housing Successor Agency
Report for Fiscal Year 2021/22
Dated August 1, 2022



Table of Contents

| | |
|--|---|
| Introduction..... | 1 |
| Reporting Requirements of Senate Bill 341 | 1 |
| Assets Transferred to the Housing Successor | 2 |
| Expenditure Requirements of Senate Bill 341..... | 2 |
| Low and Moderate Income Housing Asset Fund | 3 |
| Housing Asset Fund Deposits | 3 |
| Housing Asset Fund Ending Balance..... | 4 |
| Other Asset Balances..... | 4 |
| Housing Asset Expenditures | 6 |
| Money Transfers Between Housing Successors | 6 |
| Property and Project Descriptions | 6 |
| Property Tax Revenue Received..... | 6 |
| Status Updates on Dispositions and Developments..... | 7 |
| Outstanding Obligations..... | 7 |
| Proportionality Requirements for Income Groups | 7 |
| Senior Housing | 7 |
| Excess Surplus | 8 |
| Inventory of Homeownership Units..... | 8 |

Appendices

Appendix A: Housing Asset Transfer Form

Appendix B: Rental Multi-Family and First Time Homebuyer Loans

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 assets, 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: <ul style="list-style-type: none"> ▪ 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: <ul style="list-style-type: none"> ▪ 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 ended 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 was 20% or less of the total expenditures by the end of Fiscal Year 2018/19. The second five-year compliance began in Fiscal Year 2019/20.

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 six loans for rental projects and ten first time homebuyer loans listed on the HAT, five of the rental and seven of the first time homebuyer loans remain open and outstanding with total loan values of \$4,123,722 (principal and interest through June 30, 2022 for rental loans) and \$674,693 (principal and interest through June 30, 2022 for first time homebuyer loans). The Housing Successor Agency received one first time homebuyer loan repayment during Fiscal Year 2021/22. Five of the first time homebuyer loans have principal reduction features. Appendix B lists the Successor’s rental and first time homebuyer loans as of June 30, 2022.

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 deposited a loan repayment of \$51,025 during Fiscal Year 2021/22.

Table 1. FY 2021/22 Housing Asset Fund Deposits as of June 30, 2022

Woodland Housing Trust

| Description | Amount |
|-----------------|-----------------|
| Loan Payoffs | \$51,025 |
| Interest Income | \$0 |
| Total | \$51,025 |

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 2021/22 Housing Asset Fund Balance as of June 30, 2022

Woodland Housing Trust

| Description | Amount |
|------------------------------------|-----------------|
| Cash | \$51,025 |
| Land Held for Resale | \$0 |
| Mortgage Assistance | \$0 |
| Residual Receipts Loans Receivable | \$0 |
| Loans Receivable from Non-Housing | \$0 |
| Accounts Payable | \$0 |
| Total | \$51,025 |

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 not own real property. The statutory values of real property, loans and grants receivable belonging to the Successor on June 30, 2022 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 (principal and interest through June 30, 2022) of the rental multi-family and First Time Homebuyer loans are \$4,123,722 (five loans) and \$674,693 (seven loans), respectively.

Table 3. FY 2021/22 Real Properties and Loan/Grant Receivables as of June 30, 2022
Woodland Housing Trust

| Real Properties | Statutory Value |
|---------------------------------------|--------------------|
| Low Moderate Housing | \$0 |
| Subtotal | \$0 |
| <hr/> | |
| Loans and Grants Receivables | Statutory Value |
| Rental Multi-Family Loans Receivables | \$4,123,722 |
| SERAF | \$0 |
| Loans Receivable from Non-Housing | \$0 |
| First Time Homebuyer Loans | \$674,693 |
| Subtotal | \$4,798,415 |
| <hr/> | |
| Total | \$4,798,415 |

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 2021/22 Housing Asset Fund Expenditures as of June 30, 2022
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 2022/22 is \$4,798,415. 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 2021/22, 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 of deed-restricted rental housing units 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, 2012 through June 30, 2022. 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 had less than one million dollars in unencumbered funds as of June 30, 2022.

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, seven of the loans remain outstanding. The property description, remaining loan term and amount, affordability period and covenant expiration is attached as Appendix B.

APPENDIX A

Housing Asset Transfer Form

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 | 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 | Comny 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
Inventory of 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? | Address | 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 | Current outstanding loan balance |
|------|---|-----------------|-----------------------------|-----------------------------------|---|---|---|---|----------------------------------|
| 1 | Yes, Partially (67,000) | 35 W. Clover St | 1,317,000 | April 4, 2008 | Fair Plaza Sr. Apts, L.P. Comny Hng Opps Corp (CHOC) | Acq/Rehab Proj (Casa Del Sol) | Yes | April 4, 2039 | 1,816,533.38 |
| 2 | No | 709 East Street | 1,000,000 | Dec. 18, 2001 | CHOC | Acq (Woodland Mobile Home Pk) Rehab Proj (Hotel Woodland) | Yes | Jan. 31, 2013 | 1,616,027.40 |
| 3 | Yes, see Note 1 | 709 East Street | 150,000 | Dec. 27, 2000 | CHOC | Rehab Proj (Hotel Woodland) | Yes | Dec. 31, 2023 | 27,000.00 |
| 4 | Yes | 436 Main Street | 245,077 | Jan. 10, 1994 | CHOC | See Item #4 | Yes | Jan. 10, 2024 | 554,884.34 |
| 5 | No | 436 Main Street | 50,000 | Oct. 18, 1995 | CHOC | | Yes | Oct. 18, 2025 | 109,277.04 |
| 6 | Yes, see Note 2 | Hecke Drive | 38,320 | May 9, 2003 | Greenwood | Mortgage Assist | Yes | May 29, 2048 | 93,319.70 |
| 7 | Yes, see Note 2 | Hecke Drive | 40,720 | May 21, 2003 | Greenwood | Mortgage Assist | Yes | May 21, 2048 | 97,549.50 |
| 8 | Yes, see Note 2 | Hecke Drive | 53,920 | June 9, 2003 | Greenwood | Mortgage Assist | Yes | June 9, 2048 | 129,713.42 |
| 9 | Yes, see Note 2 | Hecke Drive | 54,800 | May 20, 2003 | Greenwood | Mortgage Assist | Yes | May 20, 2048 | 133,362.93 |
| 10 | Yes, see Note 2 | Hershey Drive | 38,320 | April 18, 2003 | Greenwood | Mortgage Assist | Yes | April 18, 2048 | 93,508.67 |
| 11 | Yes, See Note 3 | Carnpos Avenue | 45,000 | Oct. 30, 2009 | SLSP | Mortgage Assist | Yes | Oct. 30, 2039 | 62,589.67 |
| 12 | Yes, See Note 3 | Simpson Street | 47,030 | Jan. 14, 2010 | SLSP | Mortgage Assist | Yes | Jan. 14, 2040 | 64,648.86 |
| 13 | | | | | | | | | |
| 14 | | | | | | | | | |

Notes

Loan balances are calculated through June 30, 2022 and include accrued interest.

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 10 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.

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.