

ATTACHMENT 1

HOUSING SUCCESSOR TO THE REDEVELOPMENT AGENCY ANNUAL REPORT

REGARDING THE

LOW AND MODERATE INCOME HOUSING ASSET FUND

FOR FISCAL YEAR [2013-14]

PURSUANT TO

CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)

FOR THE

CITY OF FRESNO

This Housing Successor Annual Report (Report) regarding the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1(f) and is dated as of MAY 12, 2015. This Report sets forth certain details of the housing activities of the City of Fresno, successor to the former Redevelopment Agency of the City of Fresno during Fiscal Year 2013-14. The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information prepared by Housing Successor staff and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund CITY OF FRESNO COMPREHENSIVE ANNUAL FINANCIAL AUDIT for Fiscal Year 2013-14 as prepared by MACIAS GINI & O'CONNELL LLP, which Audit is separate from this annual summary Report; further, this Report conforms with and is organized into sections I. through XI., inclusive, pursuant to Section 34176.1(f) of the Dissolution Law:

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

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

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

IV. Statutory Value of Assets Owned by Housing Successor: This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

V. Description of Transfers: This section describes transfers, if any, to another housing successor agency made in previous Fiscal Year(s), including whether the funds are unencumbered and the status of

projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfers must be for the development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.

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

VII. Status of Compliance with Section 33334.16: This section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, provide a status update on the project.

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

IX. Income Test: This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.

X. Senior Housing Test: This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former Redevelopment Agency and its host jurisdiction within the same time period. For this Report the ten-year period reviewed is January 1, 2004 to January 1, 2014.

XI. Excess Surplus Test: This section provides the amount of excess surplus in the LMIHAF, if any, and the length of time that the Housing Successor has had excess surplus, and the Housing Successor's plan for eliminating the excess surplus.

This Report is to be provided to the Housing Successor's governing body. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the former redevelopment agency's website at <http://www.fresnorda.com/>.

I. AMOUNT DEPOSITED INTO LMIHAF

A total of \$240,006.36 of program income from loan repayments was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, \$168,534 was deposited as a reimbursement from the County Auditor Controller for funds which the Department of Finance incorrectly required the Housing Successor to pay to the County Auditor Controller for funds that were encumbered by enforceable obligations pursuant to Health & Safety Code Section 34176(e)(2), and zero dollars were deposited for items listed on the ROPS.

II. ENDING BALANCE OF LMIHAF

At the close of the Fiscal Year, the ending balance in the LMIHAF was \$14,623,873.96, of which \$13,884,436.26 was held for expenditures from funds encumbered by enforceable obligations that

transferred to the Housing Successor on February 1, 2012 in accordance with Health & Safety Code Section 34176(e)(2) (the transfer of which was affirmed by the Superior Court, County of Sacramento, pursuant to a Ruling on a Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief filed/endorsed on February 11, 2014), and zero dollars were held for items listed on the ROPS.

III. DESCRIPTION OF EXPENDITURES FROM LMIHAF

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

LMIHAF EXPENDITURES FOR THE FISCAL YEAR 2013-14	
Monitoring and Administration Expenditures	\$ 71,388.88
Homeless Prevention and Rapid Rehousing Services Expenditures	
Housing Development Expenditures:	
For Low Income Units	
For Very Low Income Units	
For Extremely Low Income Units	
Expenditures From Funds Encumbered by Enforceable Obligations which Transferred to the Housing Successor on February 1, 2012 in accordance with Health & Safety Code Section 34176(e)(2) and Affirmed by the Superior Court, County of Sacramento, Pursuant to a Ruling on a Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief Filed/Endorsed on February 11, 2014.	\$ 1,374,543.94
Total LMIHAF Expenditures in Fiscal Year 2013-14	\$ 1,445,932.82

Senate Bill 341 allows for 2% of the total \$25,533,764.98 value of Housing Successor assets, or \$510,675.30, to be used on monitoring and administrative expenditures. The Housing Successor continues to monitor and manage \$25,533,764.98 in LMIHAF assets.

IV. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF

Under the Dissolution Law and for purposes of this Report, the “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer schedule approved by the Department of Finance as listed in such schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section

34181(f), and the purchase price of property (i.e.) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

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

STATUTORY VALUE OF HOUSING SUCCESSOR ASSETS AT END OF FISCAL YEAR 2013-14	
Statutory Value of Real Property Owned by Housing Successor	\$10,758,050.59
Value of Loans and Grants Receivable	\$14,775,714.39
Total Value of Housing Successor Assets	\$25,533,764.98

V. DESCRIPTION OF TRANSFERS

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

VI. PROJECT DESCRIPTIONS

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

VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; however, this report presents a status update on the projects related to such real property.

With respect to interests in real property acquired by the former redevelopment agency prior to February 1, 2012, the time period described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset. For the City of Fresno, the date of DOF's approval was August 31, 2012.

PROPERTY WHERE FEASIBILITY ANALYSES ARE IN PROGRESS			
ADDRESS OF PROPERTY	DATE OF ACQUISITION	DEADLINE TO INITIATE DEVELOPMENT ACTIVITY	STATUS OF HOUSING SUCCESSOR ACTIVITY
473 N Glenn	4/13/09	August 31, 2017	Exploring development options for this site
329 N College	2/24/10	August 31, 2017	Exploring development options for this site
1107 "B" Street	3/17/03	August 31, 2017	Exploring development options for this site

1511 "B" Street	10/7/05	August 31, 2017	Exploring development options for this site
1515 "B" Street	10/7/05	August 31, 2017	Exploring development options for this site
California/Plumas – APN #477-121-05T/06T	5/16/07	August 31, 2017	Exploring development options for this site
130 W Lemon	10/9/07	August 31, 2017	Exploring development options for this site
84 E Geary	10/30/07	August 31, 2017	Exploring development options for this site
33 E Atchison	4/14/09	August 31, 2017	Exploring development options for this site
86 East Geary	11/18/75	August 31, 2017	Exploring development options for this site
66 East Geary	10/23/75	August 31, 2017	Exploring development options for this site
23 E Florence	2/11/08	August 31, 2017	Exploring development options for this site
29 E Florence	2/11/08	August 31, 2017	Exploring development options for this site
146 E Florence	9/15/06	August 31, 2017	Exploring development options for this site
74 E Geary	9/2/77	August 31, 2017	Exploring development options for this site
E Florence – APN #477-144-30T	10/21/03	August 31, 2017	Exploring development options for this site
2304 S Walnut	2/29/08	August 31, 2017	Exploring development options for this site
PROPERTY WHERE DEVELOPMENT ACTIVITY HAS BEEN INITIATED			
887 Fulton Mall	2/28/07	August 31, 2017	Under Executed ENA
835 Fulton Mall	9/26/08	August 31, 2017	Under Executed ENA
829 Fulton Mall	5/26/10	August 31, 2017	Under Executed ENA
Mono & "G" Streets – APN # 467-073-06T	2/24/09	August 31, 2017	Environmental Testing and Remediation in Process
NW corner "G" & Mono Streets APN #467-073-07T	2/24/09	August 31, 2017	Environmental Testing and Remediation in Process
718 "F" Street	2/24/09	August 31, 2017	Environmental Testing

			and Remediation in Process
655 "G" Street	2/24/09	August 31, 2017	Environmental Testing and Remediation in Process
729 "G" Street	7/13/10	August 31, 2017	Environmental Testing and Remediation in Process
761 W Hammond	7/31/06	August 31, 2017	Under Executed PSA
151 Florence	10/22/04	August 31, 2017	Under Executed DDA
122 E Geary	10/22/04	August 31, 2017	Under Executed DDA
221 E Geary	10/22/04	August 31, 2017	Under Executed DDA
106 E Geary	5/10/05	August 31, 2017	Under Executed DDA
146 East Lorena	5/28/76	August 31, 2017	Under Executed DDA
216 East Geary	2/18/76	August 31, 2017	Under Executed DDA
Vacant Lot on E Lorena - APN #477-142-04T	10/31/05	August 31, 2017	Under Executed DDA
138 E Lorena	10/31/05	August 31, 2017	Under Executed DDA
129 E Florence	10/31/05	August 31, 2017	Under Executed DDA
104 E Lorena	12/6/05	August 31, 2017	Under Executed DDA
233 E Geary	2/10/06	August 31, 2017	Under Executed DDA
227 E Geary	1/20/06	August 31, 2017	Under Executed DDA
236 E Geary	4/10/06	August 31, 2017	Under Executed DDA
232 & 234 E Geary	4/14/06	August 31, 2017	Under Executed DDA
145 E Geary	5/24/06	August 31, 2017	Under Executed DDA
155-157 E Geary	5/18/06	August 31, 2017	Under Executed DDA
134 E Geary	5/18/06	August 31, 2017	Under Executed DDA
133 E Geary	6/20/06	August 31, 2017	Under Executed DDA
111 E Geary	10/21/06	August 31, 2017	Under Executed DDA
101 E Geary	10/31/06	August 31, 2017	Under Executed DDA
206 E Geary	6/30/07	August 31, 2017	Under Executed DDA

102 East Lorena	10/1/76	August 31, 2017	Under Executed DDA
114 East Lorena	10/23/75	August 31, 2017	Under Executed DDA
153 East Geary	12/3/75	August 31, 2017	Under Executed DDA
123 East Geary	11/26/75	August 31, 2017	Under Executed DDA
144 East Geary	10/16/75	August 31, 2017	Under Executed DDA
2290 South Walnut	7/14/78	August 31, 2017	Under Executed DDA
115 East Florence	10/16/75	August 31, 2017	Under Executed DDA
246 East Geary	7/12/78	August 31, 2017	Under Executed DDA
1505 E Annadale	11/30/07	August 31, 2017	ENA Renewal in Process
1405 E Annadale	11/30/07	August 31, 2017	ENA Renewal in Process
1449 E Annadale	11/30/07	August 31, 2017	ENA Renewal in Process
1525 E Annadale	11/30/07	August 31, 2017	ENA Renewal in Process
1527 E Annadale	11/30/07	August 31, 2017	ENA Renewal in Process
1433 E Annadale	11/30/07	August 31, 2017	ENA Renewal in Process
1411 E Annadale	11/30/07	August 31, 2017	ENA Renewal in Process
1515 E Annadale	12/9/09	August 31, 2017	ENA Renewal in Process
597 East California (Triangle)	10/16/06	August 31, 2017	Under Executed PSA
811 Waterman	5/12/05	August 31, 2017	Under Executed PSA
537 Inyo	12/22/05	August 31, 2017	Under Executed PSA
659 E California	3/1/06	August 31, 2017	Under Executed PSA
847 Waterman	6/30/06	August 31, 2017	Under Executed PSA
813 Waterman	10/6/06	August 31, 2017	Under Executed PSA
854 Klette	10/16/06	August 31, 2017	Under Executed PSA
Klette/Kern – APN #467-262-01T	6/25/08	August 31, 2017	Under Executed PSA
851 Klette	10/16/06	August 31, 2017	Under Executed PSA
California//Klette – APN #467-262-03T	1/23/07	August 31, 2017	Under Executed PSA

842 & 846 Klette	2/15/11	August 31, 2017	Under Executed PSA
864 S Klette	6/25/08	August 31, 2017	Under Executed PSA
Klette – APN #467-245-09T	9/25/09	August 31, 2017	Under Executed PSA
823 Waterman	10/29/10	August 31, 2017	Under Executed PSA
No Address Assigned – APN #467-245-08T	10/25/79	August 31, 2017	Under Executed PSA
3702 E Ventura	9/20/07	August 31, 2017	Exploring development options for this site

VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

Replacement Housing: According to the former redevelopment agency’s 2010-15 REDEVELOPMENT AGENCY OF THE CITY OF FRESNO FIVE YEAR IMPLEMENTATION PLANS for the Merger No. 1; Merger No. 2; Central City Commercial; Freeway 99-Golden State Boulevard; Fresno Air Terminal; South Fresno Industrial; Airport Area; and the Southeast Fresno Redevelopment Project Areas and the 2007-2012 REDEVELOPMENT AGENCY OF THE CITY OF FRESNO FIVE YEAR IMPLEMENTATION PLAN for the Roeding Business Park Redevelopment Project Area , no Section 33413(a) replacement housing obligations were transferred to the Housing Successor. The former redevelopment agency’s Implementation Plans are posted on the former redevelopment agency’s website at <http://www.fresnorda.com/>.

Inclusionary/Production Housing. According to the former redevelopment agency’s 2010-15 REDEVELOPMENT AGENCY OF THE CITY OF FRESNO FIVE YEAR IMPLEMENTATION PLANS for the Merger No. 1; Merger No. 2; Central City Commercial; Freeway 99-Golden State Boulevard; Fresno Air Terminal; South Fresno Industrial; Airport Area; and the Southeast Fresno Redevelopment Project Areas and the 2007-2012 REDEVELOPMENT AGENCY OF THE CITY OF FRESNO FIVE YEAR IMPLEMENTATION PLAN for the Roeding Business Park Redevelopment Project Area , no Section 33413(b) inclusionary/production housing obligations were transferred to the Housing Successor. The former redevelopment agency’s Implementation Plans are posted on the former redevelopment agency’s website at <http://www.fresnorda.com/>.

IX. EXTREMELY-LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI. If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five-year report, then the Housing Successor must ensure that at least 50% of the funds remaining in the LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement. This information is not required to be reported until 2019 for the 2014 – 2019 period.

X. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds in the LMIHAF to assist additional senior housing units until the Housing Successor or City assists and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The Housing Successor does not have any deed restricted rental housing units restricted to seniors.

XI. EXCESS SURPLUS TEST

Excess Surplus is defined in Section 34176.1(d) as an unencumbered amount in the account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the Housing Successor’s preceding four Fiscal Years, whichever is greater.

The following provides the Excess Surplus test for the preceding four Fiscal Years:

	FY 2010/11	FY2011/12	FY 2012/13	FY 2013/14
Beginning Balance	N/A	\$17,880,383.63	\$17,960,951.96	\$15,661,266.42
Add: Program Income Deposits	N/A	181,745.74	482,843.41	240,006.36
Add: Encumbered Funds Deposits	N/A			168,534.00
Less: Program Income Expenditures	N/A	(54,004.98)	(39,763.95)	(71,388.88)
Less: Encumbered Funds Expenditures	N/A	(47,172.43)	(2,742,765.00)	(1,374,543.94)
Less: Encumbrances	N/A	(17,833,211.20)	(15,090,446.20)	(13,884,436.26)
Unencumbered Balance	N/A	\$127,740.76	\$570,820.22	\$739,437.70

The LMIHAF does not have an Excess Surplus. The greater of \$1,000,000 or the aggregate program income, in the amount of \$904,595.51, deposited into the account during the three fiscal years is \$1,000,000. The unencumbered amount of \$739,437.70 does not exceed \$1,000,000.