HOUSING SUCCESSOR ANNUAL REPORT
REGARDING THE
LOW AND MODERATE INCOME HOUSING ASSET FUND
FOR FISCAL YEAR 2021-2022
PURSUANT TO
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)
FOR THE CITY OF PASADENA

This Housing Successor Annual Report (Report) regarding the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to Section 34176.1(f) of the California Health and Safety Code and is dated December 30, 2022. This Report sets forth certain details of the City of Pasadena's (Housing Successor) activities during Fiscal Year 2020-2021 (Fiscal Year). 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 City Housing Successor and Finance Department staff; further, this Report conforms with and is organized into sections I through XII, 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.

A total of $344,581.52 was deposited into the LMIHAF during the Fiscal Year.

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.

At the close of the Fiscal Year, the ending balance in the LMIHAF was $1,892,827.

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.

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

The Housing Successor received property tax revenue pursuant to the ROPS in the amount of $0.

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

Section 33334.16 requires that real property acquired using the LMIHAF must initiate activities consistent with the development of the property for the purpose for which it was acquired within five years from the date it first acquired the property.

The properties described in the table below were originally acquired by the former Redevelopment Agency, transferred to the Housing Successor on February 1, 2012, and confirmed by the State Department of Finance on 2/26/13 as Housing Assets.

Property	Property Address	Development Description	Status
Heritage Square "B"	19-25 E. Orange Grove Blvd, 710-738 N. Fair Oaks Ave	Mixed-use project with 70 units of permanent supportive housing for extremely low income, chronically homeless seniors (30% AMI).	Tax credit and other construction financing successfully closed and project construction was underway as of the end of FY 2022.
Howard and Navarro	136-138 W. Howard St.	Construction of two affordable homeownership units for low income families (80% AMI).	Escrow successfully closed in February 2022, on the acquisition of the property by San Gabriel Valley Habitat for Humanity and project construction commenced.

The Housing Successor does not have interests in any real property acquired with funds from the LMIHAF on or after February 1, 2012.

VIII. Description of Outstanding Obligations Pursuant to Section 33413: This section provides a description of any outstanding inclusionary and replacement housing obligations pursuant to Section 33413 that remained to transfer to the Housing Successor on February 1, 2012; the Housing Successor's progress in meeting those obligations; and of the Housing Successor's plans to meet unmet obligations.

Corrective action for excess of expenditures on 60% - 80% AMI housing: Total expenditures for this income category did not exceed the 20% maximum limit over the five-year period FY 2018 through FY 2022. THEREFORE, NO CORRECTIVE ACTION IS NECESSARY.

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.

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 to assist additional senior housing units until the Housing Successor or City assists and construction has commenced a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10-year period of Fiscal Year 2011-2012 through Fiscal Year 2021-2022:

Senior Housing Test	FY 2012 through FY 2022
# of Assisted Senior Rental Units	401
# of Total Assisted Rental Units	1,696
Senior Housing Percentage	23.64%

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

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.

	# of Units
Restricted homeownership units as June 30, 2021	128
Add: Restricted homeownership units added by Housing Successor during FY 2021 (July 1, 2021 through June 30, 2022)	0
(Less): Restricted homeownership units removed from portfolio during FY 2021 (July 1, 2021 through June 30, 2022)	3
Housing Successor Homeownership Portfolio as of June 30, 2022	**125**

- *During FY 2022, three (3) units with homebuyer assistance loans with the Former redevelopment agency as beneficiary were resold at market value or repaid in full as permitted under the former redevelopment agency's resale restrictions and, therefore, removed from the Housing Successor homeownership portfolio. These transactions resulted in $138,603.86 in outstanding loan principal, interest, and shared appreciation being returned to the Housing Successor as the result of the restrictions adopted to protect the former redevelopment agency's investment of LMIHAF monies. See Exhibit "B" for a list of the units.*

- *The Housing Successor has not contracted with an outside entity for the management of the homeownership portfolio.*

EXHIBIT "A": CITY OF PASADENA HOUSING SUCCESSOR - INCOME TARGETING TEST FY 2022

PERIOD	LMIHAF Expended on Households between 0% AMI to 30% AMI (Extremely-Low Income)	LMIHAF Expended on Households between 30% AMI to 60% AMI (NO TESTING)*	LMIHAF Expended on Households between 60% AMI to 80% AMI	LMIHAF Expended on Households between 80% AMI to 120% AMI (NO TESTING)*	Total LMIHAF Expenditures
1/1/14 - 6/30/14	$0	$0	$0	$0	$0
FY 2014-15	$0	$0	$0	$0	$0
FY 2015-16	$0	$0	$128,983	$0	$128,983
FY 2016-17	$0	$0	$0	$0	$0
FY 2017-18	$278,924	$322,457	$0	$0	$601,381
FY 2018-19	$0	$409,103	$204,552	$0	$613,655
FY 2019-20	$49,503	$35,420	$140,663	$0	$225,586
FY 2020-21	$289,181	$0	$0	$0	$289,181
FY 2021-22	$5,162,019	$0	$0	$0	$5,162,019
Totals	**$5,779,627**	**$766,980**	**$345,215**	**$0**	**$6,891,822**

** These two income categories are not subject to income targeting testing.*

TEST RESULTS:

Income Target Test	Requirement	Expenditures as % of Total LMIHAF Expenditures	Test Result
Extremely-Low Income	At least 30% Total Expenditures	83.86%	**Min. 30% target was exceeded for 5-year period FY 2018 through FY 2022**
60% AMI to 80% AMI Income	Not to exceed 20% Total Expenditures	5.01%	**Max. 20% limit was not exceeded for 5-year period FY 2018 through FY 2022**

EXHIBIT "B" - LOAN-ASSISTED HOMEOWNERSHIP UNITS RESOLD OR REPAID IN FY 2022						
Loan Number	**Borrower**	**Address**	**Resold or Repaid**	**Date Resold or Repaid**	**Loan Repayment Amount**	**Comments**
1000000027	Blue	884 Sunset Ave, Pasadena	Repaid	8/30/2021	$25,000.00	First of two City loans
1000000028	Blue	884 Sunset Ave, Pasadena	Repaid	8/30/2021	$25,477.44	Second of two City loans
1000000052	Jenkins/May	540 N Marengo, #3, Pasadena	Repaid	9/21/2021	$37,500.00	
1000000078	Zaporta/Begay	888 Sunset Ave, Pasadena	Repaid	10/29/2021	$25,000.00	First of two City loans
1000000079	Zaporta/Begay	888 Sunset Ave, Pasadena	Repaid	10/29/2021	$25,626.42	Second of two City loans
					$138,603.86	