

Loma Linda Housing Authority as
Housing Successor to the
Loma Linda Redevelopment Agency

Annual Report
Fiscal Year 2019-20

January 20, 2021

Prepared for:
the Loma Linda Housing Authority by:

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Long Beach, CA

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Loma Linda Housing Authority

Introduction

This document represents the annual report for 2019-20 of the Loma Linda Housing Authority ("Authority"), acting as housing successor to the former Loma Linda Redevelopment Agency ("Former Agency"), as required pursuant to Section 34328 and Section 34176.1 of the Health and Safety Code. Section 34328 requires housing authorities to generally report on its activities for the preceding year and has been a requirement for many years. Additional reporting requirements for housing successors were added by SB 341, which amended Section 34176 and added Section 34176.1. Changes to the reporting requirements in Section 34176.1 were included in SB 107, which was enacted in September 2015 and became effective immediately. As currently written, Sections 34176 and 34176.1 require housing successors to cause the preparation of annual audited financial statements and report on specific additional activities of the housing successor.

Redevelopment Dissolution Act

In December 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al., v. Matosantos, et al.* The Court upheld the right of the state to dissolve redevelopment agencies pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, enacted by AB x1 26, and as amended on June 27, 2012 by AB 1484 (the "Dissolution Act"). Based on modified time lines approved by the Court, all redevelopment agencies, including the Former Agency, were dissolved effective February 1, 2012. The City of Loma Linda elected to form a Housing Authority to serve as the governing body for the Former Agency's low and moderate income housing assets. Under the Dissolution Act, successor agencies are charged with winding down the affairs of the former redevelopment agencies and paying their obligations. Housing successor entities are different legal entities and have different duties under the Dissolution Act. Housing successors received the non-cash housing assets¹ of former redevelopment agencies and are charged with monitoring and maintaining existing low-and moderate income housing assets and meeting outstanding requirements for former redevelopment agencies.

Under the Dissolution Act, housing successors have no ongoing revenue source except for program income (revenue generated by non-cash housing assets) and 20 percent of loan repayments, if any, made by successor agencies to cities as repayment of loans the cities made to the former redevelopment agencies under the special repayment provisions of the Health and Safety Code (Section 34191.4). In the City of Loma Linda, there were no loans from the Housing Fund made by the Former Agency or the City. Neither are there any loans from the City to the Former Agency that are subject to the provisions of Section 34191.4.

Section 34328

Section 34328 requires that housing authorities prepare annual reports that contain information adequate for the City and the Department of Housing and Community Development (HCD) to determine that its activities meet the requirements of the laws governing housing authorities' powers, specifically Section 34312.

¹ In addition to non-cash housing assets, the Authority/City was able to retain any cash that was encumbered for specific housing obligations.

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Section 34312.3 allows housing authorities to:

1. Issue bonds
2. Make or undertake construction or mortgage loans.
3. Purchase construction or mortgage loans.
4. Develop, rehabilitate or finance housing projects.
5. Purchase, sell, lease, own, operate or manage housing projects.
6. Convey surplus land it acquires from another public agency to a private entity for the development of single-family homes.

Section 34328 does not contain specifics as to what is to be included in the annual report nor are there other statutes that provide additional guidance or requirements. When contacted in connection with preparing previous annual reports, HCD provided little additional guidance except to suggest that housing authorities should report on their activities. They further noted that the annual reports from housing authorities that have been submitted to HCD are not being analyzed or summarized because of a lack of resources at HCD. In accordance with this limited guidance and the requirements of Section 34328, the activities of the Authority for the 2019-20 fiscal year are summarized below and quantified in the attached tables.

Housing Authority Activities 2019-20

The Authority's only ongoing source of revenues are funds received from loans and other assistance provided in previous years by either the Former Agency or the Authority. The Authority's revenues for the last few years approximated \$200,000 per year, some of which is spent on general administration and reporting as well as the costs of maintaining, monitoring and preserving the Authority's assets. As such, the Authority's current and future efforts are focused on preserving and monitoring previously assisted low and moderate income housing units. In addition, the Authority has devised creative ways to transfer ownership of properties currently owned for low and moderate income housing projects with its current financial resources and is working with a non-profit developer to rehab and bring to the restricted affordable housing market a 4-unit apartment building. Projects on which the Authority spent time during the 2019-20 fiscal year include the following.

- **Scattered Site Housing:** The Authority's real property assets included 12 single family residential lots, which, together, are referred to as Scattered Site Housing because the location and dimensions of the vacant properties will not realistically accommodate consolidation or individual multi-unit residential projects. These properties were purchased by the former redevelopment agency before dissolution with a plan to acquire additional properties which would have allowed for lot consolidation for a multi-family project. Given the post-dissolution environment, development of the lots as affordable single family homes was determined to be the best option.

In 2016, an agreement was reached with a non-profit housing developer, Mary Erickson Community Housing, Inc., or MECH, to use the proceeds from the market-rate sale of some of the lots to build affordable single-family homes on the remaining lots (the Agreement). The newly constructed detached, single-family dwelling units are required to be sold to households with incomes no greater than 80 percent of Median (Low Income Households). The Authority's costs involved in this project include the transfer of the lots to the developer at less than the Former Authority's prior year acquisition costs and the incurrence of relatively minor fees and charges incurred in the land transfer process. Since the Agreement was negotiated in June 2016, certain feasibility issues have come to light that required some amendments to the original Agreement, including eliminating scheduled development for some of the lots. In the final analysis, four lots were able to be developed as low income housing. All four have been transferred to the developer; construction commenced in 2018-19 and was completed in 2020-21.

MECH Fourplex: During 2019-20, the Authority began working with Mary Erickson Community Housing (MECH) to identify a small housing project where the Authority's limited financial resources could enable a low income project to become feasible. The result is an existing 4-unit apartment in poor repair that will be rehabilitated and then made affordable to very low and low income households. An affordable housing agreement was reached with the developer in 2020-21.

- **Poplar Senior Housing Phase 2:** The majority of the balance of the property owned by the Authority is subject to approved entitlements for a second phase of the senior housing project completed in 2013. The Former Agency assisted with the private development of 49 affordable senior housing units on Poplar Street adjacent to the vacant site using land that had been assembled by the Former Agency and a variety of funding sources. The developer which holds the entitlements for the Phase 2 Site is continuing to look for additional financial assistance in order to make the planned affordable project feasible, as the Authority's financial assistance will of necessity be limited by its financial situation and is likely to involve only the transfer of the vacant site.
- **Owner Occupancy Program:** Prior to its dissolution, the Former Agency made available to low income households the single-family residential units it owned. From time to time, the Former Agency purchased such units for resale at affordable housing costs, providing the financing to qualifying buyers through Housing Disposition Agreements. Subsequent to the dissolution of the Former Agency, the Authority became the owner of these assets and continues the program. Each of the units incorporates long-term affordability covenants. Under this program, 48 dwelling units have been developed which are restricted by long-term affordability covenants to low income households at affordable housing costs. The Authority actively manages the loans and/or the properties.

Current Reporting Requirements

SB 341 was enacted in 2013 and imposed different housing requirements on entities acting as housing successors to former redevelopment agencies beginning January 1, 2014. Specifically, SB 341 amended Section 34176 and added Section 34176.1 to the Health and Safety Code. It applies to unencumbered funds held by housing successors and provides that these funds must be used as was previously required for monies in former redevelopment agencies' low and moderate income housing funds. In addition, SB 341 restricts expenditures from housing funds to assist moderate income households and provides new targets as to which income levels housing successors must spend their funds to assist. The statutes were amended in 2015 by SB 107, which provided for some changes to the law, including allowing more money for administrative costs (5 percent of assets), and added additional reporting requirements.

Specific Reporting per Section 34176.1

The current Section 34176.1 reporting requirements include 13 separate items on which the Authority must report. Many of the requirements involve simply reporting a number or numbers included in the Authority's latest audited financial statements, which are included in the City's Comprehensive Annual Financial Report (CAFR). The City's most recent CAFR is for the 2019-20 fiscal year and includes specific reporting for the Housing Authority. For the convenience of the reader, responses to all 13 items are included in Table 1. Those items which require additional calculations to document are included in Tables 2 through 6.2. A brief description of each of the 13 reporting requirements as they apply to Loma Linda is also included below.

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1. **34191.4 Loan Repayments:** Amount received from successor agencies equal to 20 percent of certain loan repayments between cities and successor agencies that are subject to Health and Safety Code Section 34191.4. This requirement is not applicable for Loma Linda. The loan between the City and the Former Agency was finally approved by the State Department of Finance in 2015 as being an enforceable obligation (pursuant to Section 34178(a)), as it existed under AB X1 26 prior to the enactment of AB 1484), and is therefore not subject to the repayment requirements of Section 34191.4.
2. **Housing Fund Deposits:** Amount deposited into the Low and Moderate Income Housing Asset Fund.² See Table 1.
3. **Housing Fund Balance:** Balance in the fund as of the close of the fiscal year. The value associated with the Authority's outstanding housing loans and land owned by the Agency are not included in this balance as they do not represent cash available to the Authority. See Table 1.
4. **Annual Expenditures:** A description of expenditures from the Housing Fund by category. See "Housing Authority Activities 2019-20" above and Table 1.
5. **Non-Cash Assets:** The statutory value of real property owned by the Authority and the amount of loans and grants receivable. The Authority continues to own properties under several multi-family housing projects that were completed a number of years ago, as well as properties held for resale. The statutory value, as defined in Section 34176.1, is to equal the value reported to the state Department of Finance in 2012 for properties owned at that time. For properties acquired after 2012, the statutory value is to equal the purchase price paid by the Housing Successor. The value for both on these assets is included in Table 1 in addition to the current amount of loans receivable.
6. **Transit Housing:** A description of transferred funds, if any, made pursuant to a provision of Section 34176 that allows two housing successors to develop transit housing under certain circumstances. The Authority has not participated in a transit housing project.
7. **ROPS Funding for Housing:** A description of any project(s) for which the housing successor receives or holds property tax revenue pursuant to the ROPS and a status update of that project. The Authority does not have any housing projects it is funding through the ROPS process. The proceeds of the Former Agency's 2008 Tax Allocation Housing Bonds were spent long before dissolution and the required debt service is included as an obligation of the Successor Agency not the Authority.
8. **Duration of Land Held:** A status update of the Authority's compliance with restrictions on the length of time land purchased for housing purposes can be held by the Authority without being developed for housing (Land Held for Resale). Specifically, activities consistent with the development of the properties for low and moderate income housing have to be initiated within 5 years of the acquisition date, unless certain findings are made. Redevelopment dissolution has changed the effective acquisition date of these properties from the dates the properties were originally purchased by a given redevelopment agency to the date the properties were approved as housing assets by the state Department of Finance.

The Land Held for Resale that is owned by Loma Linda Housing Authority includes the second phase of the Poplar Street Senior Housing Project and a number of small scattered site lots. Most of the small lots were included in the Authority's Scattered Site Housing project or the MECH Fourplex project, neither of which was completed until after the close of the 2019-20 fiscal

² Amounts listed on the ROPS are to be differentiated from other amounts deposited.

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year. When those project are complete, the Authority will only own the Poplar Senior Housing Phase 2 site and one small lot that has certain features that make it a challenge to develop. Details on property currently held by the Authority and disposition plans are included in Table 2.

For the Loma Linda Housing Authority, the effective acquisition date for all of the land held for resale that it owns is November 9, 2012, meaning that development activities should have commenced by November 9, 2017. While either the Former Agency or the Authority has initiated activities related to the development of all properties for housing purposes, lack of funding and/or feasibility issues will likely result in the Poplar Street Phase 2 Senior Housing site and one small lot remaining vacant and in the Authority's ownership for some time. As a result, in December 2017 the City Council granted the Authority's request to extend the time it can hold the property to November 9, 2022, as allowed by Section 33334.16.

9. **Housing Production and Housing Replacement:** A description of any progress that has been made on meeting any of the outstanding replacement housing obligations and/or housing production requirements. The Former Agency had no replacement housing obligations when it dissolved in 2012. Although the Authority does not accept as its responsibility any outstanding housing production requirements of the Former Agency, it is estimated that any deficit would be more than eliminated if and when the phase two site for the senior project is developed. Sufficient funds are not available to the Authority or the City to affect the development of that property without the developer receiving additional financial assistance from another entity outside of the City's control.
10. **Expenditure Targeting by Income Level:** Section 34176.1(a)(3)(B) involves targeting expenditures of unencumbered funds from the Housing Fund mainly towards households with extremely low and low incomes. Compliance with the specific targeting requirements included in the statute is required to be demonstrated every 5 years, starting last year and then again in 2024. See Table 3 for a summary of annual expenditures from the Housing Fund.

As shown in Table 3, the Authority's expenditures for 2019-20 were focused on preserving, monitoring and maintaining existing units although it has been working on affecting affordable housing developments by leveraging its limited resources land held for resale assets. As such, all Housing Fund expenditures of the Agency have been focused on administrative costs. The Agency's financial records do reflect some expenditures for the Scattered Site Housing Project, discussed above, but all of the cash expenditures made by the Authority for the project have been funded by the proceeds of the market rate units. As such, they have not been counted as expenditures for targeting purposes. In future fiscal years, the Authority will incur program related costs for the MECH Fourplex project.

11. **Expenditure Targeting by Age:** Compliance with limitations on the number of assisted units that are restricted for seniors and assisted individually or jointly by the housing successor, its former redevelopment agency and/or the city within the previous 10 years. The Former Agency was very involved in assisting the development of affordable housing over a 5 year period from 2007 to 2013. Affordable housing totaling 235 multi-family units were constructed, with only slightly less than 21 percent, or 49 units, restricted to seniors. Since then, neither the Authority nor the Former Agency have caused the development of any additional multi-family units. As such, the ten year "window" required by the statute skews the Authority's compliance with this section as certain units completed in 2009, and next year 2010, are no longer eligible to be counted. See Table 4 for details on the senior housing requirements.
12. **Excess Surplus:** Compliance with new regulations restricting the amount of money that a housing successor can accumulate in the Housing Fund. As currently defined, excess surplus is the amount in the Housing Fund that exceeds the greater of \$1 million dollars or the total amount

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deposited to the Housing Fund in the previous four years. The available balance in the Housing Fund slightly exceeds both \$1 million and the amount deposited in the previous four years starting in 2017-18. As such, the Authority had an excess surplus as of June 30, 2020 in the amount of \$628,397, portions of which were excess surplus in prior years. Pursuant to the statute, any excess surplus in the Housing Fund must be spent on eligible expenditures within 3 years or be subject to transfer to the state. See Table 5 for a breakdown of the amount of excess surplus in each prior year and the date by which the surplus must be spent.

13. **Homeownership Unit Inventory:** An inventory of deed restricted homeownership units assisted by the Authority or Former Agency, including the number, reason and dollars received by the Authority as a result of the loss of any of those units that has occurred annually. The single family homes the Agency has assisted largely have long term restrictions that run with the land. Sale of the units typically does not result in the loss of the homes as affordable housing. Last year, the Authority reported 48 units, but that number has increased by four units because of the completion of the Scattered Site Housing Project in 2020.

Last year (2018-19), one of the 48 units with private financing was foreclosed upon and has remained in ownership by a private party not approved by the Authority. The Authority continues to pursue the enforcement of the long-term affordability covenants that are related to the unit. For reporting purposes, it is assumed that the Authority will be successful in being able to enforce the affordability covenants for the home.

Table 1
Loma Linda Housing Authority
Annual Report Required by SB 341
Fiscal Year 2019-20

Description	H & S Code	Timeframe	ROPS Related	Other	Total
Low and Moderate Income Asset Fund					
1. Amount Received per Special City Loan (34191.4)	34176.1 (f) (1)				Not Applicable (1)
2. Amount Deposited During:	34176.1 (f) (2)	2019-20		198,134	198,134
3. Cash Balance in the Fund as of Fiscal Year End	34176.1 (f) (3)	6/30/2020		1,628,397	1,628,397 (2)
Bond Proceeds				-	-
Other Funds				1,628,397	1,628,397
4. Expenditures by Category	34176.1 (f) (4)	2019-20			
Administration			-	80,950	80,950
Housing Preservation/Monitoring			-		- (3)
MECH Scattered Site Housing					- (4)
Other Projects					-
Total Expenditures					80,950
Allowable Administrative Costs @ 5.0% of Assets	34176.1 (a) (2)	2019-20			1,053,527
Other Reporting Requirements					
5. Non-Cash Assets - Total	34176.1 (f) (5)	6/30/2020			21,508,667
Statutory Value of Real Property (Land)				5,214,951	(5)
Loans and Grants Receivable				16,293,716	
6. Transferred Funds to Develop Transit Housing	34176.1 (f) (6)	6/30/2020			None
7. Projects with Funding Included on the ROPS	34176.1 (f) (7)	2019-20			None
8. Duration of Property Held	34176.1 (f) (8)	6/30/2020			See Table 2
9. Obligations Outstanding per 33413	34176.1 (f) (9)	6/30/2020			
Housing Production					Not Applicable
Housing Replacement					None (6)
10. Expenditure Targeting Requirements	34176.1 (f) (10)	from 1/1/2014			See Table 3 (7)
11. Rental Housing Units Restricted for Seniors	34176.1 (f) (11)	6/30/2020			See Table 4
12. Excess Surplus Calculation/Reporting	34176.1 (f) (12)	6/30/2020			See Table 5
13. Homeownership Unit Inventory	34176.1 (f) (13)	6/30/2020			Tables 6.1 and 6.2
AUDITED FINANCIAL STATEMENTS	34176.1 (f)	2019-20			See Pages 20 - 24 of CAFR

- (1) The loan between the City and the Successor Agency is not a loan subject to the requirements of H & SC Section 34191.4.
- (2) Excluded from the fund balance shown above are restricted cash, loans receivable, and the value for land held for resale.
- (3) Costs associated with maintaining and preserving the Authority's low and moderate income assets are not separately identified from other administrative costs.
- (4) A 2016 Agreement with MECH provided for the development of most of the Authority's scattered site small vacant lots. Roughly half of the lots were sold for market rate housing to provide funds to build affordable single-family home on the remaining lots. As all expenditures for this project were paid from the proceeds of the market rate units previously sold to provide funding, they have not been included as expenses in this report.
- (5) Includes the statutory value, as defined by Section 334176.1, of both land held for resale and land held for operating leases for two affordable housing developments effected by the Former Agency.
- (6) The Former Agency had no outstanding housing replacement requirement when it was dissolved on February 1, 2012.
- (7) Pertains to requirements to target expenditures towards households earning 80% or less of the median income, as outlined in Health and Safety Code 34176.1(a)(3). See Table 3.

Date Finalized: January 20, 2021
Prepared by: DHA Consulting, LLC

Table 2
Loma Linda Housing Authority
Land Held for Resale ⁽¹⁾
As of June 30, 2020

Address	APN'S	Original Acq. Date	Effective Acq. Date	Status	Future (2) Disposition Plans	CAFR (3) (5) 19-20 Carrying Asset Value	HAT (4) (5) Carrying Asset Value	HAT No.
West Side Poplar St	0293-121-12	5/13/2003	11/9/2012	Vacant	Poplar Street Senior - Ph 2	132,525	132,525	22
West Side Poplar St	0283-121-10	4/30/2003	11/9/2012	Vacant	Poplar Street Senior - Ph 2	32,314	32,314	21
West Side Poplar St	0283-121-35	4/29/2002	11/9/2012	Vacant	Poplar Street Senior - Ph 2	14,899	14,899	20
West Side Poplar St	0283-121-09 40,41,55	1/17/2002	11/9/2012	Vacant	Poplar Street Senior - Ph 2	61,504	61,504	19
Poplar St, 10870	0283-121-48	FY2006	11/9/2012	Vacant	Poplar Street Senior - Ph 2	182,302	182,302	18
Poplar St, 10860	0283-121-18	6/30/2000	11/9/2012	Vacant	Poplar Street Senior - Ph 2	62,542	62,542	17
Poplar St, 10846 - 10848	0283-121-16	2/20/2004	11/9/2012	Vacant	Poplar Street Senior - Ph 2	252,817	252,817	16
Poplar St, 10836-10838	0283-121-15 & 56	10/23/2002	11/9/2012	Vacant	Poplar Street Senior - Ph 2	167,765	167,765	15
Poplar St, 10814	0283-121-39	3/17/2000	11/9/2012	Vacant	Poplar Street Senior - Ph 2	128,872	128,872	14
Poplar Drive, 25178	0283-121-47	8/11/2003	11/9/2012	Vacant	Poplar Street Senior - Ph 2	166,091	166,091	13
Poplar Dr., 25166	0283-121-44	FY2006+07	11/9/2012	Vacant	Poplar Street Senior - Ph 2	284,291	277,490	12
Poplar Drive, 25154	0283-121-17	3/22/2005	11/9/2012	Vacant	Poplar Street Senior - Ph 2	342,497	342,497	11
Poplar Drive, 25138	0283-121-46	5/17/2005	11/9/2012	Vacant	Poplar Street Senior - Ph 2	246,329	246,329	10
Palm Dr., 25139, 49, 59	0283-121-53	9/25/2007	11/9/2012	Vacant	To Be Determined (6)	460,946	459,161	7
Juanita Street 1 Lot in Bryn Mawr	0292-131-75	11/14/2006	11/9/2012	Vacant	Transfer for MECH Fourplex	85,626	85,526	4
Juanita Street 1 Lot in Bryn Mawr	0292-131-74	11/14/2006	11/9/2012	Vacant	Transfer for MECH Fourplex	85,642	85,542	3
Juanita Street 4 Lots in Bryn Mawr	0292-131-71	7/11/1998	11/9/2012	Vacant	Scattered Site Housing Project	-	N/A	2
Poplar St, 10522	0283-114-49	4/28/2003	11/9/2012	Vacant	Scattered Site Housing Project	-	N/A	25
Poplar St, 10582	0283-114-56	FY2006	11/9/2012	Vacant	Scattered Site Housing Project	-	N/A	9
Poplar St, 10535 - 10541	0283-134-02	5/27/2005	11/9/2012	Vacant	Scattered Site Housing Project	-	N/A	8
Mt. View Avenue	0283-192-22	1/31/2011	11/9/2012	Vacant	Scattered Site Housing Project	-	N/A	6
Evans Street, 10933	0284-042-08	3/31/2003	11/9/2012	Vacant	Scattered Site Housing Project	-	N/A	1
Lind Avenue Properties	0283-092-37	5/29/2001	11/9/2012	Vacant	Scattered Site Housing Project	-	N/A	5
Total Land Held for Resale						2,706,962	2,698,177	

(1) Includes properties held by the Authority for transfer to public or private parties for future low and moderate income housing purposes only.

(2) Represents current disposition plans for the properties. See "Duration of Land Held" in the preceding report for a discussion of the timing of the Authority's disposition plans.

(3) Values shown are the same as those included in the Authority's Comprehensive Annual Financial Report (CAFR), which vary slightly from the amounts reported to the state in 2012. See Note 4 below.

(4) Values shown are the same as those included in the Housing Asset Transfer (HAT) forms that the Former Agency was required to send to the state for approval before property transfers to the Housing Authority could be finalized.

(5) The Carrying Asset Values shown above may not be reflective of the current market values for the properties.

(6) The size and configuration of this property will make it difficult to develop.

Table 3
Loma Linda Housing Authority
Expenditure Targeting Requirements
by Income Group

Description	Years 0 - 5 Carryover (1)	Year 6 2019-20	Year 7 2020-21	Year 8 2021-22	Year 9 2022-23	Year 10 2023-24	5-Year Total	Cumulative Total
DOLLARS EXPENDED BY PROGRAM								
Administration / Preservation	742,832	80,950					80,950	823,782
Scattered Site SFR (MECH) (1) Very Low (30% or Below) Very Low (30% to 60%) Low (60% to 80%)							- - -	- - -
TOTAL SCATTERED SITE SFR (MECH) (2)		-	-	-	-	-	-	-
Poplar Street Senior Project - Phase 2 Very Low (30% or Below) Very Low (30% to 60%) Low (60% to 80%)							- - -	- - -
TOTAL POPLAR STREET SENIOR PROJECT		-	-	-	-	-	-	-
Future Project #1 Very Low (30% or Below) Very Low (30% to 60%) Low (60% to 80%)							- - -	- - -
TOTAL FUTURE PROJECT #1		-	-	-	-	-	-	-
MEMO - GRAND TOTAL		80,950	-	-	-	-	80,950	823,782

- (1) Includes cumulative expenses from 2013-14 through 2018-19. The targeting requirements were effective as of January 1, 2014. For simplicity purposes, expenditures for the entire 2013-14 fiscal year have been included.
- (2) A 2016 Agreement with MECH provided for the development of most of the Authority's scattered site small lots. Some of the lots were sold for market rate housing to provide funding to build affordable housing on the remaining lots. Commencing in 2016-17, certain closing costs and other minor expenditures incurred were paid by the Authority from the proceeds of the market rate units and therefore have not been included as expenses in this report. Also not included as expenditures are gains and/or losses on the lots sold, which are reflected in the Agency's accounting records but do not involve actual expenditures. In certain prior year Housing Reports, these items were erroneously included as expenditures.

Table 4
Loma Linda Housing Authority
Senior Housing Targeting Requirements
As of June 30, 2020

#	Address	Type	Approval Date	Yr. Built	Affordable Unit Total (1)	10 Year Total 2010 - 2020 (2)
10-Year Period for Test Required by 34176.1(b): (3)						
Housing Production/City/Other						
	None	None			None	
Housing Production / Authority and Former RDA						
<u>No Age Restrictions (4)</u>						
	10777 Poplar Street	MFA	2008	2009	43	0
	10799 Poplar Street	MFA	2009	2010	119	119
	25421 Cole Street (Rehabilitated Units) (5)	MFA	2008	2009	24	0
Total Families / Non-Age Restricted					186	119
<u>Senior Projects</u>						
	10846 Poplar Street	MFA	2012	2013	49	49
Total Senior Units					49	49
Total Assisted Rental Units					235	168
Percentage Restricted for Seniors					20.9%	29.2%
Maximum Percentage Allowable:					50.0%	50.0%

- (1) Excludes units that are occupied by on-site managers and are not age restricted.
- (2) The targeting requirement applies to units constructed in the last 10 years. As the Authority has not assisted in the construction of any multi-family units since redevelopment dissolution, over time the percent of senior to total units will become skewed.
- (3) The targeting requirement only applies to multi-family rental housing not for-sale units. As a result, the single family residential units with which the Former Agency and/or Authority assisted are not included in the above calculation.
- (4) "No Age Restrictions" means units which are available to rent to all persons regardless of age.
- (5) The units were built in 1967, but were rehabilitated and income restricted approximately a year after the agreement was executed.

Table 5
Loma Linda Housing Authority
Excess Surplus Calculation
As of June 30, 2020

Description	Amount	Entity	Source
Fund Balance as of 6/30/2020	20,660,773	Authority	CAFR 2019-20
Less: Land Held for Resale (1)	(2,706,962)	Authority	CAFR 2019-20
Less: Land Held for Leasehold (2)	N/A (2)	Authority	CAFR 2019-20
Less: Restricted Cash	-	Authority	CAFR 2019-20
Less: Loans Receivable	(16,293,716)	Authority	CAFR 2019-20
Less: Prepaid Items	(236)	Authority	CAFR 2019-20
Less: Accounts and Deposits Payable	(31,462)	Authority	CAFR 2019-20
Adjusted Fund Balance 6/30/2020	1,628,397	Authority	CAFR 2019-20
Threshold Amount for Excess Surplus (3)	1,000,000		
Total Excess Surplus (4) (5)	628,397		

Excess Surplus by Year (5)	Total Amount	Current Yr Amt	Due Date for Expenditure
2017-18	118,966	118,966	6/30/2021
2018-19	348,817	229,851	6/30/2022
2019-20	628,397	279,580	6/30/2023
2020-21	N/A	N/A	6/30/2024

Memo: Amounts Deposited in Prior Four Years

2015-16	202,081	CAFR / All Income
2016-17	264,644	CAFR / All Income
2017-18	265,110	CAFR / All Income
2018-19	198,134	CAFR / All Income
Four Year Total	929,969	Various

- (1) Value shown for land held for resale is the statutory value and may not be indicative of market value.
- (2) The statutory value of property owned by the Authority and leased for long-term affordable housing, is not included in the Authority's fund balance so should not be deducted.
- (3) Per Section 34176.1(d), the amount to be deducted from the fund balance is the greater of \$1 million or the prior four years of deposits into the Housing Fund. Since four years of deposits total less than \$1 million, the amount to be subtracted to determine the excess surplus is \$1 million.
- (4) This amount must be expended on eligible projects within 1 to 3 years, as per statutory guidelines.
- (5) The amount of excess surplus is actually an accumulation of excess surplus amounts over the last few years. The Authority first became subject to excess surplus in fiscal year 2017-18. The amount of excess surplus for each year is shown above.

Table 6.1
Loma Linda Housing Authority
Homeownership Inventory Reporting per 34176.1(f)(13)
As of June 30, 2020

34716.1(f) (13), subsection:

A. An inventory of homeownership units assisted by the Former Agency (See Table 6.2)	<u>52 Units (1)</u>
B.1 Number of units lost during the fiscal year	<u>No Units Lost</u>
B.2 Reasons for the Losses	<u>Not Applicable</u>
C. Any funds returned to the Housing Successor	<u>Not Applicable</u>
D. Management of Single-Family Housing Units:	<u>Authority Staff</u>

- (1) Includes 4 units completed by 2020 through the Scattered Site Housing Program and 48 units where the Former Agency provided mortgage and/or down payment assistance. See Table 6.2.

The Former Agency's Single Family Housing Programs resulted in single-family residential units that contained covenants requiring the homes to remain in low and moderate income homeownership even after the units are sold by the original homeowners. Neither the Former Agency or the Authority have equity sharing or similar types of loan agreements with low and moderate income homeowners. As such, while some assisted units have changed ownership since 2012, no units returned to market rate housing during that period. (One of the 48 units was foreclosed during 2018-19 and is private ownership not approved by the Authority, but the Authority is continuing to pursue the enforcement of covenants for this unit and is assumed to be successful in those efforts.) Thus, no revenues that were received by the Authority from any refinancings are revenues received as the result of losses to the portfolio.

Table 6.2
Loma Linda Housing Authority
Inventory of Affordable Homeownership Units (1)
As of June 30, 2020

No. Units	Street Address		Agency Assistance	Loan Status	Down Payment Assistance	Mortgage Loan	Covenant Date (3)
1	Cabrillo Loop	10914	Yes	Open	x		6/6/2002
1		10916	Yes	Open	x		6/4/2002
1		10918	No	Foreclosed (2)		Private	6/7/2002
1		10926	No			Private	5/29/2002
1		10934	Yes	Open		x	5/30/2002
1		10938	Yes	Open		x	7/9/2002
1		10942	Yes	Open		x	7/8/2002
1		10946	Yes	Open		x	6/11/2002
1		10958	Yes	Open	x		8/14/2001
1	Durango Loop	25368	Yes	Open		x	4/29/2002
1		25370	Yes	Paid	x		4/26/2002
1		25372	Yes	Open	x		4/19/2002
1		25384	Yes	Open		x	4/25/2002
1		25388	Yes	Open		x	4/19/2002
1		25392	Yes	Open		x	4/19/2002
1		25396	Yes	Open	x		4/26/2002
1		25400	Yes	Open	x		4/25/2002
1		25408	Yes	Open		x	4/19/2002
1		25412	Yes	Paid 5-5-16	x		4/29/2002
1		25414	Yes	Open	x		4/26/2002
1		25416	Yes	Paid	x		6/6/2002
1	Portola Loop	25502	Yes	Paid 5-01-20		x	3/21/2001
1		25518	Yes	Paid 11-25-15	x		3/8/2001
1		25526	Yes	Open	x		3/21/2001
1		25530	Yes	Open		x	3/8/2001
1		25546	No			Private	6/5/2001
1	Sonora Loop	25430	Yes	Paid	x		4/8/2002
1		25434	Yes	Open	x		4/26/2002
1		25438	Yes	Open		x	4/8/2002
1		25450	Yes	Open		x	3/29/2002
1		25454	Yes	Open		x	3/9/2002
1		25458	Yes	Open		x	3/29/2002
1		25470	Yes	Paid	x		4/8/2002
1		25474	Yes	Open		x	3/29/2002
1		25478	Yes	Open		x	4/8/2002
1	Prospect Avenue	25575	Yes	Open	x		5/30/2001
1		25577	Yes	Open	x		5/9/2001
1		25581	Yes	Open	x		5/9/2001
1		25613	Yes	Open		x	1/31/2002
1		25615	Yes	Open		x	11/30/2001
1		25637	Yes	Open		x	4/8/2002
1		25639	Yes	Open		x	3/12/2002
1	Court Street	24966	Yes	Open		x	1/29/2007
1	Lind Avenue	10599	Yes	Open		x	12/7/2006
1		10605	Yes	Open		x	3/29/2007
1		10655	Yes	Open		x	6/6/2008
1	Van Leuven Street	25256	Yes	Open	x		10/31/2001
1		25564	Yes	Open		x	6/6/2008
4	Juanita St. Scattered Site (4)		Yes	N/A		Other	12/17/2019
52							

"x" shown in above indicates the type of assistance provided by the Housing Authority: Downpayment Assistance or Mortgage Loan.

(1) All properties carry a long-term affordability covenant; covenants for 48 units were in place as of 2/1/2012 and remain in place to date even after property sales. The Scattered Site Project, which was complete in 2019, also have long-term affordability covenants.

(2) The majority of the loans privately financed are active loans. One property, 10918 Cabrillo Loop was foreclosed during 2018-19, but the Authority is continuing efforts to ensure covenants are respected and the unit continues to be available to low income households at affordable costs.

(3) Date shown is the date the property first became subject to affordability covenants.