

**Appendix A:**  
**City of Sunnyvale Housing Successor Agency**  
**Annual Report on the**  
**Low-Moderate Income Housing Asset Fund (LMIHAF)**  
**FY 2014-15**

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), covering the fiscal year that ended on June 30, 2015. This Report sets forth certain details of the City of Sunnyvale Housing Successor Agency's activities during Fiscal Year 2014-15 (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 Housing Successor staff and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund, which is a part of the City of Sunnyvale Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2014-15, prepared by Grace Leung, Finance Director, which includes the Independent Auditor's Report (Audit) prepared by MGO Certified Public Accountants, which Audit is separate from this annual summary Report. 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.

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- 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 annually to the Housing Successor's governing body within six months of the end of each fiscal year, and to the State Department of Housing and Community Development no later than April 1 of the year following the close of the fiscal year. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are made available to the public on the City's website: [Sunnyvale.ca.gov](http://Sunnyvale.ca.gov).

### **I. AMOUNT DEPOSITED INTO LMIHAF**

In FY 14/15, \$438,657 was deposited into the LMIHAF during the Fiscal Year, which was listed on the ROPS 14-15B.

### **II. ENDING BALANCE OF LMIHAF**

At the close of the FY 14/15, the ending balance in the LMIHAF was \$440,070.02, which includes \$1,413.02 in interest, of which \$440,070.02 is held for items listed on the ROPS.

### **III. DESCRIPTION OF EXPENDITURES FROM LMIHAF**

Although funds were deposited to the LMIHAF in FY 14/15, there were no expenditures from the fund that fiscal year, as no expenditures had been budgeted for FY 14/15 due to uncertainty about if and when any deposits might be made to the LMIHAF, and the prior year's fund balance of zero. However, the City's Adopted Projects Budget for FY 15/16 (the current fiscal year) included an allocation of \$250,000 in LMIHAF for a new Homeless Prevention and Rapid Re-housing (HPRR) Program, using funds deposited into the fund in FY 14/15. Expenditures for that new program will be reported in next year's annual report, which will cover FY 15/16.

### **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(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The Housing Successor Agency has no assets according to the above definition. For details, please see the due diligence [report](#) available on the Successor Agency website.

### **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. The Housing Successor Agency has no assets according to the above definition. For details, please see the due diligence [report](#) available on the Successor Agency website.

### **VI. PROJECT DESCRIPTIONS**

The Housing Successor had no projects in FY 14/15.

### **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 project 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 periods 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, if any 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.

The Housing Successor does not own any real property.

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### VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

Replacement Housing: The former RDA did not incur any Section 33413(a) replacement housing obligations nor transfer any such obligations to the Housing Successor. Various plans and reports of the former Redevelopment Agency are posted on the Redevelopment Successor Agency Oversight Board's website at [Sunnyvale.ca.gov](http://Sunnyvale.ca.gov).

Inclusionary/Production Housing. The former RDA did not incur any Section 33413(a) inclusionary/production housing obligations nor transfer any such obligations to the Housing Successor. Various plans and reports of the former Redevelopment Agency are posted on the Redevelopment Successor Agency Oversight Board's website at [Sunnyvale.ca.gov](http://Sunnyvale.ca.gov).

The Housing Successor has no outstanding or unmet obligations pursuant to Section 33413.

### IX. EXTREMELY LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor spend at least 30% of the LMIHAF to assist in development of rental housing affordable to and occupied by extremely low income (ELI) households, which are households with incomes that do not exceed 30% of the AMI. If the Housing Successor fails to comply with this ELI requirement in any five-year reporting period, then it must annually spend at least 50% of the funds remaining in the LMIHAF following that reporting period on rental housing affordable to ELI households, until it demonstrates compliance with the ELI requirement. This information is not required to be reported until 2019 for the 2014 – 2019 period.

The Housing Successor did not spend any LMIHAF in FY 14/15, however it will prioritize and encourage development and preservation of ELI rental units in any projects assisted by the Housing Successor in the future.

### 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 LMIHAF funds 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 following provides the Housing Successor's Senior Housing Test for the 10 year period of 2005-2014:

<b>City-Assisted Rental Units, 2005-2014 (Calendar Years)</b>	
Total Assisted Senior Units	273
Total Assisted Units	695
<b>Senior Housing Percentage</b>	<b>39.2%</b>

**Note:** "Total assisted units" counts deed-restricted, standard rental dwelling units only; does not count single-family homes assisted with rehabilitation loans or grants, inclusionary housing units that did not receive City subsidies, or City-assisted shelters or transitional housing units, pursuant to guidance of Successor Agency legal counsel.

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**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 Housing Successor had a balance of \$440,070.02 at the end of FY 14/15, which did not constitute an excess surplus according to the above definition.