

Housing Successor Annual Report FY 2022-2023



APRIL 1, 2024

**Prepared by:
Economic Development & Housing Division
Community Development Department
City of Emeryville**



This Housing Successor Annual Report (Report) regarding the Low- and Moderate-Income Housing Asset Fund (LMIHAF) was prepared as of February 1, 2024, pursuant to California Health and Safety Code Section 34176.1(f). This Report sets forth certain details of the City of Emeryville (Housing Successor) activities during Fiscal Year 2022/23 (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. This Report conforms with and is organized into Sections I through XIII inclusive, pursuant to Section 34176.1(f) of the Dissolution Law:

- I.** Amount the City received from loans
- II.** Amount Deposited into LMIHAF
- III.** Ending Balance of LMIHAF
- IV.** Description of Expenditures from LMIHAF
- V.** Statutory Value of Assets Owned by Housing Successor
- VI.** Description of Transfers
- VII.** Project Descriptions
- VIII.** Status of Compliance with Section 33334.16
- IX.** Description of Outstanding Obligations under Section 33413
- X.** Income Test
- XI.** Senior Housing Test
- XII.** Excess Surplus Test
- XIII.** Homeownership Inventory

This Report is to be provided to the Housing Successor's governing body by April 1, 2024. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the City's website <http://emeryville.org/913/Dissolution-of-Redevelopment>.

I. AMOUNT THE CITY RECEIVED FROM LOANS

This section provides the total amount of funds received from loans pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 34191.4.

The City did not receive any loan repayments under Section 34191.4(b)(3)(A) from the Successor Agency for funds borrowed from the City by the former redevelopment agency. Because no payments were made, no deposits were required to be made into the City's LMIHAF that were associated with sponsoring community loan repayments under Health and Safety Code Section 34191.4(b)(3)(A).

II. 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 \$930,065.60 was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, a total of \$0 was held for items listed on the ROPS.

III. 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 pursuant to HSC Section 34191.4(b)(3)(B) & (C) and, 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 \$ 23,079,292.01, of which \$0 is held for items listed on the ROPS.

IV. 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 including, but not limited to, expenditures for monitoring and preserving the long-term affordability of units subject to affordability restrictions and administering the activities; for homeless prevention and rapid rehousing services; and for the development of housing.

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

ELIGIBLE EXPENDITUE CATEGORY	AS OF END OF FISCAL YEAR
Monitoring & Administration Expenditures	\$0.00
Homeless Prevention and Rapid Rehousing Services	\$0.00
Housing Development Expenditures	\$4,420,760.00
• <i>Extremely Low</i>	\$2,235,215.73
• <i>Very Low</i>	\$397,371.69
• <i>Low</i>	\$1,788,172.58

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

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.

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

ASSETS	AS OF END OF FISCAL YEAR
Statutory Value of Real Property Owned by Housing Successor	\$17,943,394.66
Value of Loans and Grants Receivable	\$20,316,081.10
Total Value of Housing Successor Assets	\$38,259,475.76

VI. 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.

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

VII. 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.

The following is a description of a project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS as well as the status of the Project.

PROJECT NAME	PROJECT STATUS
EMME (64 th and Christie)	Completed

VIII. 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.

The following provides a status update on the real property or properties housing asset(s) that were acquired on or after February 1, 2012:

ADDRESS OF PROPERTY	DATE OF ACQUISITION	INITATE DEVELOPMENT DEADLINE	PROJECT STATUS
3706 San Pablo/ 1025 MacArthur	August 31,2012	September 1, 2022 *	Complete
3602 Adeline	August 31,2012	September 1, 2022 *	Pre-Development
6150 Christie Avenue	August 31,2012	September 1, 2022 *	Pre-Development
5890-5900 Christie Avenue	August 31,2012	September 1, 2022 *	Pre-Development

**Deadline extended by City Council to September 1, 2022 as per Resolution No. 17-130*

XIV. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO 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.

Replacement Housing: According to the 2010 Implementation Plan for the former redevelopment agency, no Section 33413(a) replacement housing obligations were transferred to the Housing Successor. The former redevelopment agency's Implementation Plans are posted on the City's website at <http://emeryville.org/913/Dissolution-of-Redevelopment>.

Inclusionary/Production Housing. According to the 2010 Implementation Plan for the former redevelopment agency, no Section 33413(b) inclusionary/production housing obligations were transferred to the Housing Successor.

The City of Emeryville Redevelopment Agency contained two redevelopment Areas, the 1976 Area and the Shellmound Area. When the inclusionary/production housing obligations were transferred to the Housing Successor the Agency's housing compliance numbers were as follows:

1976 Area

- A surplus of 45 units affordable to low- or moderate-income households
- A surplus of 37 units affordable to very low-income households

Shellmound Area

- A deficit of 5 units affordable to low- or moderate-income households
- A surplus of 27 units affordable to very low-income households

The Total Redevelopment inclusionary/production obligations are in surplus of the requirement and no obligations were transferred to the Housing Successor.

The former redevelopment agency's Implementation Plans are posted on the City's website at <http://emeryville.org/913/Dissolution-of-Redevelopment>.

X. EXTREMELY-LOW INCOME TEST

This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for a five-year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met.

Section 34176.1(a)(3)(A) states that all funds remaining after monitoring and administrative as well as homeless housing and rapid rehousing services expenditures are deducted must be used for the development of housing affordable to and occupied by households earning 80% or less of the area median income (AMI), with at least 30% of these remaining funds expended for the development of rental housing affordable to and occupied by households earning 30% or less of the AMI and no more than 20% of these remaining funds expended for the development of housing affordable to and occupied by households earning between 60% and 80% of the AMI. The Housing Successor must demonstrate in the 2019 annual report, and every five years thereafter, that the Housing Successor's expenditures comply with these requirements.

This information is not required to be reported until 2024 for the FY 19/20 – FY23/24 period, however, the following table illustrates that the Housing Successor has expended 51% of the LMIHAF on housing developments affordable to households earning 30% or less of the AMI and 0% of the LMIHAF on housing developments affordable to households earning 60-80% AMI from FY19/20 to FY22/23.

FISCAL YEAR	PROJECT	TOTAL EXPENDED	30% AMI	50% AMI	51-60% AMI	61-80% AMI
2019/2020	3706 San Pablo	13,018.22	3,935.74	6,660.48	2,421.99	0.00
2020/2021	3706 San Pablo	593,244.60	179,973.08	159,976.07	253,296.45	0.00
	3600 San Pablo	7,264.00	2,196.09	3,716.47	1,351.44	0.00
2021/2022	3706 San Pablo	3,712.00	1,113.60	1,893.12	705.28	0.00
	3600 San Pablo	906,755.40	458,471.83	81,506.10	366,777.47	0.00
2022/2023	3600 San Pablo	4,420,760	2,235,215.73	397,371.69	1,788,172.58	0.00
2019-2023	Total	5,944,754.22	2,880,906.08	651,123.93	2,412,724.21	0.00
	% AMI		51%	9%	40%	0%

XI. 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 did not produce any Senior Housing units during the 10-year period of July 1, 2013-June 30, 2023.

Project Name	YR Completed	Total Restricted Units	Senior Restricted Units	Non-Senior Restricted Units
Ambassador Apartments	2013	69	0	69
Emme	2014	29	0	29
Parc on Powell	2014	21	0	21
Artistry Emeryville	2017	1	0	1
3900 Adeline	2018	12	0	12
Estrella Vista	2020	86	0	86
Avalon Public Market (Parcel D)	2020	25	0	25
Avalon Public Market (Parcel C2)	2020	7	0	7
The Intersection	2021	11	0	11
The Emery (Building B1)	2022	11	0	11
The Emery (Building B2)	2022	22	0	22
The Emery (Building C)	2023	21	0	21
The Emery (Building D)	2023	31	0	31
Total Units		334	0	334
% Senior Units			0%	

XII. 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.

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 must expend or encumber any excess surplus within three fiscal years. If the Housing Successor fails to comply, the Housing Successor must transfer excess surplus to HCD within ninety days of the end of the third fiscal year.

The Housing Successor had \$1,554,405 in excess surplus. This excess surplus will be eliminated in next year's Annual Report, as the City encumbered and expended \$4,420,760 on the construction of Nellie Hannon Gateway, a 90-unit, 100% affordable housing project located at 3600 San Pablo Avenue, Emeryville in FY22/23, which is not reflective in the excess surplus calculation.

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

FY22/23 FUND BALANCE	
Opening Balance	\$23,079,292
Land	(\$17,943,395)
Encumbrances	(\$0)
Unencumbered LMIHAF	\$5,131,862

4 YRS OF DEPOSITS	
FY19/20	\$854,122
FY 20/21	\$864,558
FY 21/22	\$932,747
FY22/23	\$930,066
Total Deposits	\$3,581,493

EXCESS SURPLUS TEST	
Base Limitation	\$1,000,000
Aggregate Deposits	\$3,581,493
Is the Base or the Deposits the Greater Allocation?	Deposits
Unencumbered LMIHAF	\$5,131,862
Excess Surplus (Unencumbered LMIHAF > Deposits)	Yes

XIII. INVENTORY OF HOMEOWNERSHIP UNITS ASSISTED

An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of moneys from the Low- and Moderate-Income Housing Fund pursuant to subdivision (f) of Section 33334.3.

Inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of monies from the Low- and Moderate-Income Housing Asset fund pursuant to subdivision (f) of Section 33334.3.

HOMEOWNERSHIP INVENTORY		
Number of assisted units remaining in portfolio		150
# of Units Lost to portfolio in Fiscal Year	Foreclosure	0 units
	Paid-off	9 units
Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the LMIHF		\$0 funds returned
		\$591,528.84
Whether the Housing Successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.		Hello Housing