

## 2016 Change to Annual Report Requirements for Housing Successors to Redevelopment Agencies

Senate Bill 107 (Chapter 325, Statutes of 2015, effective January 2016) amended Health & Safety Code Section 34176.1(f) to add a new reporting item (number 1) and revise reporting item 2.

**HCD Note:** *SB 107 amendments are reflected in red.* When new requirements are imposed that an agency cannot typically meet in the same calendar or fiscal year in which the statutory change took effect (e.g. year 2016 for SB 107) for good cause (e.g. additional time and/or resources are needed to comply with new requirements), HCD's practice is that the agency compliance due date can fall in the next calendar or fiscal year (e.g. year 2017) following the year the statutory change took effect.

### Successor Entity Reporting

Senate Bill 341 (Chapter 796, Statutes of 2013) previously amended Health & Safety Code Section 34176 to address particular provisions and functions relating to former "redevelopment agencies" and new "housing successor" entities allowed to elect and assume particular functions of redevelopment agencies (RDAs) dissolved in 2012. A housing successor entity can include a local Public Housing Authority when a city or county elects not to become the housing successor entity.

SB 341 eliminated the former redevelopment agency annual report requirement due to both the Department of Housing and Community Development (HCD) and State Controller while RDAs were active. All successor housing entities, starting with the FY ending in 2014, are required to comply with different annual report requirements within six months after the end of each fiscal year (FY). One requirement is to provide an independent financial audit to the legislative body. Another requirement is for a city or county housing successor to report housing financial and activity information by:

(1) including specified information with the housing element Annual Progress Report (APR) required to be annually submitted to HCD by April 1 pursuant to State housing law in reporting progress in implementing the housing element. (NOTE: Successor entity reporting data required to included with APR can be a paper report identified as an addendum to the APR. The separate housing fund data report can be attached to the APR or sent separately to HCD) and

(2) posting specified information on the jurisdiction's website.

Following are current annual report requirements last amended in 2015 described in H&SC section 34176.1 beginning with subsection (f) [note: reference to Section 33080.1 relates to former RDAs]:

H&SC 34176.1:

*(f) Section 33080.1 of this code and Section 12463.3 of the Government Code shall not apply. Instead, the housing successor shall conduct, and shall provide to its governing body, an independent financial audit of the Low and Moderate Income Housing Asset Fund within six months after the end of each fiscal year, which may be included in the independent financial audit of the host jurisdiction. If the housing successor is a city or county, it shall also include in its report pursuant to Section 65400 of the Government Code and post on its Internet Web site all of the following information for the previous fiscal year. If the housing successor is not a city or county, it shall also provide to its governing body and post on its Internet Web site all of the following information for the previous fiscal year:*

*(1) The amount the city, county, or city and county received pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 34191.4.*

*(2) The amount deposited to the Low and Moderate Income Housing Asset Fund, distinguishing between amounts deposited pursuant to subparagraphs (B) and (C) of paragraph (3) of subdivision (b) of Section 34191.4, amounts deposited for other items listed on the Recognized Obligation Payment Schedule, and other amounts deposited.*

*(3) A statement of the balance in the fund as of the close of the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule from other amounts.*

*(4) A description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the*

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*activities described in paragraphs (2) and (3) of subdivision (a), (B) for homeless prevention and rapid rehousing services for the development of housing described in paragraph (2) of subdivision (a), and (C) for the development of housing pursuant to paragraph (3) of subdivision (a).*

*(5) As described in paragraph (1) of subdivision (a), the statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.*

*(6) A description of any transfers made pursuant to paragraph (2) of subdivision (c) in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.*

*(7) A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.*

*(8) For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16. For interests in real property acquired on or after February 1, 2012, a status update on the project.*

*(9) A description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.*

*(10) The information required by subparagraph (B) of paragraph (3) of subdivision (a).*

*(11) 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.*

*(12) The amount of any excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor's plan for eliminating the excess surplus.*

*(13) 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. This inventory shall include all of the following information:*

*(A) The number of those units.*

*(B) In the first report pursuant to this subdivision, the number of units lost to the portfolio after February 1, 2012, and the reason or reasons for those losses. For all subsequent reports, the number of the units lost to the portfolio in the last fiscal year and the reason for those losses.*

*(C) 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 Low and Moderate Income Housing Fund.*

*(D) Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.*