

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**Division of Housing Policy Development**

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May 15, 2009

**MEMORANDUM FOR:** Local Redevelopment Agency Officials  
Interested Parties

*Cathy E. Creswell*

**FROM:** Cathy E. Creswell, Deputy Director  
Division of Housing Policy Development

**SUBJECT:** **Annual Redevelopment Financial Report on Housing Activities during Fiscal Years 2006-07 and 2007-08**

Health and Safety Code (H&SC) Section 33080 et seq., requires redevelopment agencies to annually report specific information to the Department of Housing and Community Development (Department) on use of the Low and Moderate Income Housing Fund (Low-Mod Fund) to increase, improve, and preserve the supply of affordable housing. The Department is statutorily mandated to annually compile and publish statewide information on redevelopment agencies' housing funds and activities.

The Department has met this reporting obligation through publication of its annual *Housing Activities of California Redevelopment Agencies Report* which included analyses of activities statewide and highlights of program and project achievements. However, due to budgetary and staffing constraints, data for Fiscal Years (FY) 2006-07 and 2007-08 will be provided through on-line access to the Exhibits generated from each agency's annual report.

Data, including links of all required Exhibits, detailing both financial and housing activities for FYs 2006-07 and 2007-08, is available on the Department's website (a complete listing of Exhibits is included as Attachment A).

- FY 2006-07 -- [http://www.hcd.ca.gov/hpd/rda/06\\_07](http://www.hcd.ca.gov/hpd/rda/06_07)
- FY 2007-08 -- [http://www.hcd.ca.gov/hpd/rda/07\\_08](http://www.hcd.ca.gov/hpd/rda/07_08)

To identify complete data for a particular agency, information must be reviewed from each separate Exhibit. Please note, if an agency is not listed in a particular schedule, no information was reported from the agency during that specific fiscal year.

Selected highlights of the statewide totals from the FYs 2006-07 and 2007-08 reports submitted to the Department are listed on the next page; statewide data is reported on the last page of each Exhibit A-M.

## **FY 2006-07:**

### ▪ Financial Activity Highlights

- ▶ Agencies deposited \$1.36 billion to the housing fund, an increase of \$30 million compared to FY 2005-06.
- ▶ Housing Fund expenditures totaled \$1.31 billion, representing a 23 percent increase from last year.
- ▶ Total Housing Fund Equity increased by \$575 million, exceeding \$4 billion at the end of FY 2006-07.

### ▪ Housing Activity Highlights

- ▶ Households benefiting from agency assistance totaled 21,666. Of this total, approximately 7,123 elderly households were assisted. Low-Mod Funds were used to assist the following households, by income level: 10,608 very low (49 percent); 6,835 low (32 percent), and 3,585 moderate (17 percent) -- see *Exhibit F-1, page 77*.
- ▶ Agencies reported assisting 9,009 units with affordability restrictions for at least 45 years to fulfill the "inclusionary" requirement. Total units consisted of 6,903 newly constructed, 1,790 substantially rehabilitated, and 316 multifamily units from the purchase of long-term affordability covenants -- see *Exhibit F-3, page 1*.

## **FY 2007-08:**

### ▪ Financial Activity Highlights

- ▶ Agencies deposited \$1.82 billion to the housing fund, an increase of \$460 million compared to FY 2006-07.
- ▶ Housing Fund expenditures totaled \$1.52 billion, representing a 16 percent increase from last year.
- ▶ Total Housing Fund Equity increased by \$663 million, exceeding \$4.7 billion at the end of FY 2007-08.
- ▶ The Lynwood Redevelopment Agency was a defendant to a lawsuit that was settled out of court concerning issues such as the amount of excess surplus that was reported by the agency from 1997-98 through 2007-08 and non-payment of relocation assistance to residents. A settlement with the Lynwood Redevelopment Agency was agreed to by all parties on March 23, 2009. For further information please see the comment under "Lynwood" in Exhibit "D" in FY0708.

### ▪ Housing Activity Highlights

- ▶ Households benefiting from agency assistance totaled 19,594. Of this total, approximately 6,989 elderly households were assisted. Low-Mod Funds were used to assist the following households, by income level: 9,872 very low (49 percent); 6,062 low (31 percent), and 2,490 moderate (17 percent) -- see *Exhibit F-1, page 74*.

- ▶ Agencies reported assisting 6,839 units with affordability restrictions for at least 45 years to fulfill the “inclusionary” requirement. Total units consisted of 6,007 newly constructed, 520 substantially rehabilitated, and 312 multifamily units from the purchase of long-term affordability covenants -- see *Exhibit F-3, page 1*.

The data contained in Schedules A through M are from 397 of the State’s 425 agencies which were active in either depositing or expending Low-Mod Fund for affordable housing.

Please note the Exhibit data, available on-line, constitutes raw data submitted to the Department by local agencies. The Department has not analyzed the data for accuracy nor corrected any inconsistencies or errors.

Although agency reporting continues to improve as more agencies use the Department’s on-line system, issues concerning accuracy, consistency, and timeliness still exist. Inconsistencies with the data may arise from agencies’ varying interpretations of redevelopment law and/or varying methods of accounting for and reporting housing funds and activities. Examples of problems that may impact the accuracy of the annual report include incomplete agency reporting, differences between reported figures and audited agency financial statements and inconsistencies between the financial data reported to the Department and the State Controller’s office.

If you have questions, comments, or would like assistance in accessing information, please contact Jeff Newbury, of our staff, at (916) 445-7507 or [jnewbury@hcd.ca.gov](mailto:jnewbury@hcd.ca.gov).

Attachment

## Attachment A

### Exhibits and Appendices

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#### Financial Activities

- Exhibit A-1:** Project Area Contributions to the Housing Fund
- Exhibit A-2:** Details of Additional Project Area Income
- Exhibit B-1:** Agency Exemptions of Property Tax Increment from Deposit to the Housing Fund
- Exhibit B-2:** Agency Deferrals of Property Tax Increment from Deposit to the Housing Fund
- Exhibit C-1:** Status of Agencies' Housing Funds
- Exhibit C-2:** Housing Fund Assets
- Exhibit C-3:** Details of Expenditures for Property Acquisition
- Exhibit C-4:** Details of Expenditures for Homebuyer Assistance, Other, Covenants, and Subsidies
- Exhibit C-5:** Details of Expenditures for Debt Service and Other
- Exhibit C-6:** Details of Expenditures for Sites, Structures, Manufactured/Mobilehomes, Preservation, Transfers, and Other
- Exhibit C-7:** Details of Expenditures for Planning and Administration Costs
- Exhibit C-8:** Agency Ranking of Percent of Planning and Administration Costs to Total Expenses
- Exhibit D:** Reporting of Excess Surplus

#### Housing Activities

- Exhibit E-1:** New Construction
- Exhibit E-2:** Substantial Rehabilitation (Inclusionary) Pre-1994
- Exhibit E-3:** Substantial Rehabilitation (Inclusionary) Post-1993
- Exhibit E-4:** Acquisition of Covenants
- Exhibit E-5:** Substantial Rehabilitation (non Inclusionary)
- Exhibit E-6:** Non-Substantial Rehabilitation (non Inclusionary)
- Exhibit E-7:** Acquisition Only
- Exhibit E-8:** Manufactured Home and Mobilehome Owner, Resident
- Exhibit E-9:** Manufactured Home and Mobilehome Park Owner, Resident
- Exhibit E-10:** Preservation
- Exhibit E-11:** Subsidy
- Exhibit E-12:** Other Assistance
- Exhibit F-1:** Activity Summary by Agency and County
- Exhibit F-2:** Activity Summary by Area
- Exhibit F-3:** Activity Summary by Agency and Non-agency
- Exhibit F-4:** Activity Summary by Source of Funds
- Exhibit G:** Increase in Inclusionary Obligation
- Exhibit H-1:** Dwelling Units Destroyed
- Exhibit H-2:** Dwelling Units to Replace
- Exhibit I-1:** Displacements This Year
- Exhibit I-2:** Displacements Projected Next Year
- Exhibit J:** Onsite and Offsite Improvements

Exhibits and Appendices

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- Exhibit K-1:** Affordable Housing Units to be Constructed Over the Next Two Years
- Exhibit K-2:** Construction Over Next Two Years Inside and Outside of Project Areas
- Exhibit K-3:** Agency Permitted Owner Unit Sales Prior to Expiration of Controls
- Exhibit K-4:** Project Area Affordable Housing Unit Aggregations
- Exhibit L:** Summary of Land Holdings for Future Housing
- Exhibit M:** Miscellaneous Information

Appendices

- Appendix 1:** List of California Redevelopment Agencies