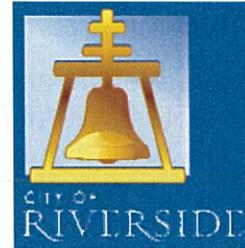

ANNUAL REPORT

HOUSING AUTHORITY OF THE CITY OF RIVERSIDE

FY 2013-14



City of Arts & Innovation



Prepared for

Housing Authority of the
City of Riverside
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INTRODUCTION

About This Annual Report

SUMMARY

California Health and Safety Code (HSC) Section 34328 states that “at least once a year, an authority shall file with the clerk of the respective city or county and with the Department of Housing and Community Development (HCD) a report (Annual Report) of activities for the preceding year”. This Annual Report for the Housing Authority of the City of Riverside (Authority) covers all the activities that have occurred during fiscal year 2013-14, including housing unit compliance with affordability requirements, activities concerning existing debt obligations, as well as land transactions and development.

LEGAL AUTHORITY

It is the intent of the State legislature that housing authorities function as local entities with the primary responsibilities of providing housing for very low to moderate income households. As such, housing authorities are distinct, autonomous, legal entities that derive their powers from State statute. California Health and Safety Code (HSC), beginning with 34200, provides for the functioning of a local housing authority through a resolution of the local governing body. In the case of the City of Riverside, the City Council of the City of Riverside (City Council) resolved that the Authority could exercise its powers. The resolution adopted by the City Council must be accompanied by a finding that either of the following is true: (1) unsanitary or unsafe housing exists and that persons of low income are forced to reside in such accommodations in the city or (2) there is a shortage of safe or sanitary housing available at rents which persons of low income can afford and that such persons are forced to occupy overcrowded and congested housing units.

On November 7, 2006, the City Council adopted Resolution No. 21275 confirming that both aforementioned findings have been met to establish a housing authority in accordance with the California Housing Authorities Law. On January 12, 2012, the City Council adopted Resolution No. 22323 confirming that the City of Riverside is electing

Benefits of Housing Authorities:

- Local jurisdictions are afforded the opportunity to participate in one or more of the Public Housing Programs offered by the U.S. Department of Housing & Urban Development (HUD).
- Housing Authorities can own and operate developments, alleviating the need to find owners or operators for units created.
- State law provides Housing Authorities with the ability to exercise eminent domain to assemble land for housing projects without the need to document blight.
- A city housing authority's area of operation includes the entire city and the area within 5 miles of its territorial boundaries.

not to retain the responsibility to perform housing functions previously performed by the Redevelopment Agency of the City of Riverside and designating the Authority as the entity to retain the responsibility to perform housing functions previously performed by the Redevelopment Agency of the City of Riverside (RDA) pursuant to Assembly Bill 1X 26 (The Redevelopment Agency Dissolution Act).

OBJECTIVES OF THE HOUSING AUTHORITY

For many housing authorities, their primary role is to interact with the Department of Housing and Urban Development (HUD) on behalf of their communities, and to function as the administrator of "Section 8" funds, as defined by Section 8 of the United States Housing Act of 1937. This entails determining applicants' eligibility to receive Section 8 assistance, maintaining a waiting list of eligible participants, contracting with owners, and ensuring that contracted rent prices are reasonable. The Authority does not interact with HUD or administer a Section 8 Program since the Housing Authority of the County of Riverside fills this role.

The Authority is able to acquire, construct, finance, operate, rehabilitate, refinance, or develop dwelling accommodations for person of low or moderate income. Unlike the prior RDA, the Authority is able to own and operate housing developments, which alleviates the need to find prospective owners or operators for the units created. If political support allows, the Authority is also able to utilize eminent domain as a tool by which to assemble land for housing developments without the need to document blighting conditions.

The Authority's future goals and objectives are to:

- 1) Preserve existing affordable housing units, through property acquisition and rehabilitation;
- 2) Increase the supply of affordable housing units through new construction or rehabilitation of existing units; and
- 3) Provide homeownership opportunities through new construction or acquisition and rehabilitation of existing units.

CONTENTS OF THE AUTHORITY'S ANNUAL REPORT

This Annual Report has been developed to accomplish the following goals:

- Provide a complete report of activities during FY 2013-14, including any loans or finance agreements that the Authority has entered into
- Show compliance with requirements of HSC Section 34312.3:
 - Provide the minimum amount of housing units affordable to lower income households in housing projects assisted by the Authority
 - Establish base rents pursuant to Federal requirements for lower income households

- Establish maximum rental payments for lower income households pursuant to State and Federal requirements
- Document any domestic violence tenancy terminations or Section 8 voucher terminations as required by HSC Section 3428.1

HOUSING AUTHORITY DEBT OBLIGATIONS

Pursuant to HSC Section 34312.3, the Authority must provide a complete report of its activities undertaken during the prior fiscal year, which includes bonds, loans, and financing agreements for multi-family rental housing projects.

During FY 2011-12, the Authority assumed a loan from the City of Riverside Successor Agency in the amount of \$458,151.31 for the acquisition of 3836-3844 Second Street. The interest rate is the City pool rate and the term is 5 years. During FY 2013-14, the Housing Authority paid the City \$4,627.33 in interest.

On September 25, 2012, the Housing Authority borrowed \$170,727 from the City to fund a comprehensive strategic plan for the revitalization of the Chicago/Linden neighborhood. The plan will provide guidance in addressing a multi-property neighborhood that has units in varying conditions of repair and maintenance. Such factors have created a focused area of high crime, large volume of police calls, deferred maintenance and overall blight. The loan must be repaid by September 25, 2017. No payments were made on this loan during FY 2013-14.

LAND TRANSACTIONS AND DEVELOPMENT

HSC Section 34312.3 requires that all prior year activities be recorded, which include not only debt obligations but activities related to the development, rehabilitation, or finance of housing projects; purchase, sale, lease, ownership, operation, or management of housing projects assisted by the Authority; conveyance of surplus lands to a developer for permitted purposes; and establishment of a special trust fund or account funded with bond issuance proceeds or developer.

During FY 2013-14, the Housing Authority owned the following residential real estate:

Property Address	Property Type	Purchased/ Transferred to HA Date
3236 Washington Avenue	Single-family House	3/11/2011
4078 Ottawa, 1887 11 th and 1879 11 th Street	Vacant Land	3/11/2011
APN 142-480-005	Vacant Land	3/11/2011
10568 Hole Avenue	Parking Lot	3/17/2011
5731 Picker Street	Vacant Land	2/28/2011
5741 Picker Street	Vacant Land	2/28/2011
5761 Picker Street	Vacant Land	2/28/2011
APN 151-123-007	Vacant Land	2/28/2011

2550 14 th Street	Vacant Land	01/20/2010
1971 N. Orange Street	Vacant Land	12/15/2009
10820 Sunnyslope	Vacant Land	12/30/2010
2825 Mulberry Street	Vacant Land	3/6/2012
2792 Woodbine Street	Vacant Land	2/3/2011
2841 Mulberry Street	Vacant Land	3/7/2012
3490 Lime Street	Vacant Land	1/20/2010
3478 Lime Street	Vacant Land	1/20/2010
3343 4 th Street	Vacant Duplex	1/20/2010
3344 4 th Street	Vacant Land	1/20/2010
2719 11 th Street	Vacant Land	01/20/2010
2743 11 th Street	Vacant Land	01/20/2010
3943 10 th Street	Vacant 6-unit Apartment Complex	6/16/2011
1705 7 th Street	12-unit Apartment Complex	04/05/2010
1725 7 th Street	8-unit Apartment Complex	1/20/2010
1733 7 th Street	21-unit Apartment Complex	4/5/2010
1833 7 th Street	Triplex	4/3/2009
1740 Loma Vista	21-unit Apartment Complex	8/7/2011
3552 Lou Ella Lane	16-unit Apartment Complex	05/25/2012
3553 Lou Ella Lane	28-unit Apartment Complex	06/15/2012
11502 Anacapa	Vacant Land	08/21/2009
4578 Sunnyside Dive	Single-family House	2/25/2011
10723 Kearsarge Place	Single-family House	02/10/2011
3105 Redwood Drive	Single-family House	05/15/2013

During FY 2013-14, the Housing Authority disposed of the following properties:

- Sold 3349 Arapahoe Street to Habitat for Humanity, a nonprofit affordable housing developer, for the development of a single-family house to be sold to a low income first-time homebuyer
- Sold *10820 Sunnyslope* to Riverside Housing Development Corporation, a nonprofit affordable housing developer, for the development of a single-family house to be sold to a low income first-time homebuyer

- Sold 4078 Ottawa, 1887 11th, 1879 11th Street and 2792 Woodbine Street to Habitat for Humanity, a nonprofit affordable housing developer, for the development of four single-family houses to be sold to a low income first-time homebuyer

During FY 2013-14, the Housing Authority undertook the following activities:

- Adopted the Chicago-Linden Strategic Plan that provides guidance in addressing a 44 acre multi-property neighborhood that has an assortment of older apartment complexes impacted by deferred maintenance and overall blight; impacted by high crime; and generates a large volume of police calls.

The Housing Authority has acquired 116 apartment units within the Chicago-Linden Neighborhood to further its goal of providing a cohesive, safe neighborhood, and a combination of affordable and market-rate rental opportunities

In FY 2013-14, the Housing Authority completed the substantial rehabilitation of 72 Housing Authority owned apartment units within the Chicago-Linden area; relocated 18 households from substandard apartment units; demolished one substandard apartment building with 21 units; released a request for bids to demolish a second substandard apartment building with demolition to be completed during FY 2014-15; released RFP 14-1 on June 17, 2014 for the development of 30 affordable family apartment units in the Chicago-Linden neighborhood that will serve as a n anchor for private development to replicate.

- Worked with RBF consulting to update the City's Housing Element, which provides an inventory of residential properties that can be developed with affordable housing and an analysis of the exiting housing stock and all affordable housing projects and programs to determine their effectiveness.
- Entered into a Disposition and Development Agreement with Camp Anza, L.P. to develop 30 affordable residential units within seven new one and two-story buildings and the preservation of the Camp Anza Officer's Club building. Of the proposed 30 units, 29 will be restricted to occupancy by income eligible service-disabled Veterans and their families at rents consistent with affordability of the various funding sources.

Residents will have access to one-on-one case management by a full-time, on-site service coordinator who will work not just with veterans but with family members who provide crucial support to their returned loved ones, often at the expense of their own education, job and health. The service coordinator will be responsible for ensuring that each family is provided with the resources they need to improve their quality of life.

HOUSING UNIT COMPLIANCE

As set forth by HSC Sections 34328 and 34328.1, housing authorities are required to:

- Show compliance with requirements of HSC Section 34312.3 such as the minimum amount of housing units affordable to lower income in projects assisted by the Authority, and document established base rents and/or maximum rental payments for lower income households; and
- Document any domestic violence tenancy or Section 8 voucher termination as required by HSC Section 34328.1.

The following subsections provide a summary of the Authority's progress toward requirements listed above.

Housing Affordability Requirement

The Authority must show compliance with the requirements of HSC Section 34312.3, including:

- Provide the minimum amount of housing units affordable to lower income households in housing projects assisted by the housing authority. The table on the next page also includes affordable housing projects assisted by the former Redevelopment Agency that the Housing Authority is responsible for ensuring compliancy with affordable rents and income levels.
- Establish base rents pursuant to Federal requirements for lower income households
- Establish maximum rental payments for lower income households pursuant to State and Federal requirements

Project Name	Location	Project Type	VL	Low	Mod	Market Rate	Total No. Units
Breezewood Apartments	3893 Kirkwood Avenue	Family Rental Units	31	125	0	0	156
Cambridge Gardens	3533 Harrison Street	Senior Rental Units	75	0	0	0	75
Canyon Shadows	8405 Arlington Avenue	Family Rental Units	0	112	0	0	112
Coco Palms Apartments	1740 Loma Vista	Family Rental Units	27	0	0	1	28
Cypress Springs Apartments	7800 Cypress Avenue	Family Rental Units	99	0	0	2	101

Project Name	Location	Project Type	VL	Low	Mod	Market Rate	Total No. Units
Dwight Rentals	3556-3558 Dwight Avenue 3590 Dwight Avenue	Family Rental Units	8	0	0	0	8
Fairmount Duplex	3065-3067 Fairmount Blvd.	Family Rental Units	2	0	0	0	2
Goldware Senior Apartments	6730 Streeter Avenue	Senior Rental Units	79	58	0	25	162
Indiana Avenue Townhomes	8911 Indiana Avenue	Family Rental Units	15	45	19	1	80
La Sierra Manor	10640/10662/10670 Collett Avenue, 10628/10631/10640/ 10652/10680 Burton Street, and 4221 Lively Street	Family Rental Units	0	8	1	27	36
Linden Square	3552-3574 Lou Ella Lane	Family Rental Units	16	0	0	0	16
Lou Ella Apartments	3553 Lou Ella Lane	Family Rental Units	6	21	0	1	28
Mission Pointe	2750 Topaz Drive	Family Rental Units	23	40	0	1	64
Mount Rubidoux Manor	3993 10 th Street	Senior Rental Units	3	182	0	1	186
Ohio Fourplex	1824 Ohio Street	Family Rental Units	4	0	0	0	4
RHDC La Sierra Manor	4171/4205 Lively Street, 10560-10590/10594/10661 Burton Street, and 10680 Collett Avenue	Family Rental Units	5	25	0	6	36
River Glen Apartments	10566 Hole Avenue	Family Rental Units	0	7	20	101	128

Project Name	Location	Project Type	VL	Low	Mod	Market Rate	Total No. Units
Riverside Park Apartments	1804-1891 12th Street and 1812-1892 11th Street	Family Rental Units	7	29	43	65	144
Salvation Army	3003 Orange Street	Family Rental Units	74	0	0	1	75
Sandra's Apartments	1789 7th Street	Family Rental Units	2	6	0	17	25
Seventh Street Apartments	1705, 1725, 1733, and 1833 Seventh Street	Family Rental Units	7	4	33	0	44
TELACU El Paseo Senior Apartments	4030 Harrison Street	Senior Rental Units	74	0	0	1	75
TELACU Las Fuentes Senior Apartments	1807 11th Street	Senior Rental Units	74	0	0	1	75
University Duplex	2350 University Avenue	Family Rental Units	0	0	2	0	2
Victoria Manor Apartments	4660 Victoria Avenue	Senior Rental Units	22	89	0	1	112
Vintage at Snowberry	8402 Colorado	Senior Rental Units	64	158	0	2	224
Total			717	909	118	254	1,998

Annually, the Housing Authority inspects 15% of apartment units with 10 or more units. Apartments with 10 units or less are inspected every two years. In fiscal year 2013-14, the Housing Authority performed on-site inspections on 202 affordable housing units to ensure compliance with Housing Quality Standards. The following units were inspected:

Apartment	Address	No. of Inspections	No. of Inspection Findings	No. of File Audit Findings
Breezewood Apartments	1365-1376 Main Street	23	12	0

Apartment	Address	No. of Inspections	No. of Inspection Findings	No. of File Audit Findings
Cambridge Gardens	3533 Harrison Street	11	1	2
Canyon Shadows Apartments	8505 Arlington Avenue	19	9	0
Cypress Springs	7800 Cypress Avenue	15	0	6
Emerald Pointe Apartments (AKA Riverside Park Apartments)	1804-1891 12 th Street and 1812-1892 11 th Street	23	35	18
Goldware Senior Apartments	6730 Streeter Avenue	23	0	9
Indiana Avenue Apartments	8911 Indiana Avenue	10	0	1
Mission Pointe Apartments	2750 Topaz Avenue	5	4	2
Mt. Rubidoux Manor	3993 10 th Street	2	1	0
Riverbrook Apartments (La sierra Manor – RHDC)	10560-94 & 10661 Burton Street, 10680 Collett Avenue, and 4171 & 4205 Lively			
River Glen Apartments	10566 Hole Avenue	4	1	1
Riverside Silvercrest (AKA Salvation Army)	3003 Orange Street	11	3	0
Sandra Apartments	1789 7 th Street	4	5	3
TELACU El Paseo Senior Apartments	4030 Harrison Street	11	0	1
TELACU Las Fuentes Senior Apartments	1807 11 th Street	11	0	1

Apartment	Address	No. of Inspections	No. of Inspection Findings	No. of File Audit Findings
Victoria Manor	4660 Victoria Avenue	17	8	4
Vintage at Snowberry	8426 Colorado	20	4	8
Total Units to be Inspected		213	78	53

Base & Maximum Rents

HSC Section 34312.3 establishes a set of guidelines base and maximum rents that a housing authority can charge for units reserved for lower income households. According to HSC Section 34312.3, "rental payments...shall not exceed the amount derived by multiplying 30 percent times 50 percent of the median adjusted gross income for the area, adjusted for family size, as determined pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f)."

The Authority has adopted the following income, rent, and utility allowance schedules for FY 2013-14.

Income Limits for 2014

State Income Limits for Riverside County

Number of Persons in Household

# of Persons	1	2	3	4	5	6	7	8
120% of Median	\$54,600	\$62,400	\$70,200	\$78,000	\$84,250	\$90,500	\$96,700	\$102,950
100% of Median	\$45,500	\$52,000	\$58,500	\$65,000	\$70,200	\$75,400	\$80,600	\$ 85,800
80% of Median	\$37,550	\$42,900	\$48,250	\$53,600	\$57,900	\$62,200	\$66,500	\$ 70,800
50% of Median	\$23,450	\$26,800	\$30,150	\$33,500	\$36,200	\$38,900	\$41,550	\$44,250
30% of Median	\$14,100	\$16,100	\$18,100	\$20,100	\$21,750	\$23,350	\$24,950	\$26,550

Per State regulations (Section 50053), 80% of CMI rent limits is based off 60% of CMI.

Per State regulations (Section 50053), 120% of CMI rent limits is based off 110% of CMI.

Maximum Rents for 2014

2014 State Rent Limits for Riverside County- Provided owner pays all utilities

Income Limits

Unit Size	30% of Median	50% of Median	60% - 80% of Median	120% of Median
Studio	\$341	\$569	\$683	\$1,251
One-Bedroom	\$390	\$650	\$780	\$1,430
Two-Bedroom	\$439	\$731	\$878	\$1,609
Three-Bedroom	\$488	\$813	\$975	\$1,788
Four-Bedroom	\$527	\$878	\$1,053	\$1,931

Per State regulations (Section 50053), 80% of CMI rent limits is based off 60% of CMI.

Per State regulations (Section 50053), 120% of CMI rent limits is based off 110% of CMI.

UTILITY ALLOWANCE 2014

Utility Allowance* - If owner does not pay Utilities

Utility or Service	Studio	1-BR	2-BR	3-BR	4-BR
Heating					
Gas or Propane	\$ 7	\$ 9	\$10	\$11	\$12
Electric	\$ 9	\$11	\$13	\$15	\$18
Air Conditioning					
	\$ 11	\$13	\$20	\$28	\$35
Cooking					
Gas or Propane	\$ 4	\$ 4	\$ 5	\$ 8	\$ 9
Electric	\$ 7	\$ 8	\$10	\$12	\$14
Other Electric					
Lighting & Refrigeration	\$23	\$27	\$36	\$45	\$55
Water Heating					
Gas or Propane	\$10	\$12	\$16	\$21	\$23
Electric	\$14	\$16	\$24	\$30	\$34
Water Service					
Domestic Use	\$17	\$17	\$20	\$23	\$26
Sewer Service					
	\$29	\$29	\$29	\$29	\$29
Trash Collection					
	\$21	\$21	\$21	\$21	\$21
Refrigerator Tenant-purchased					
	\$13	\$13	\$13	\$13	\$13
Range/Microwave Tenant-purchased					
	\$12	\$12	\$12	\$12	\$12
*If the property owner is not paying the aforementioned utilities, the expense is then subtracted from the maximum rent limits to determine the new maximum rent limit.					
Monthly Electric Fee: \$3.06	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
Riverside Public Utilities Only: Add \$10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
Monthly Gas Fee: \$5.10	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Monthly Electric Fee: \$3.06	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3

Domestic Violence

State law requires that a housing authority annually disclose data related to domestic violence incidents in units owned or operated by the housing authority. Specifically, the data must include:

- Data on termination of tenancies and/or Section 8 vouchers of victims of domestic violence in housing authority units.
- Summary of steps taken by the housing authority to address any termination of tenancies and/or Section 8 vouchers of victims of domestic violence.

During FY 2013-14, the Authority did not terminate tenancies as a result of domestic violence. In the future, information on any termination of this kind will be presented under separate cover to protect the privacy of the parties involved.

FINANCIAL STATEMENT/BUDGET

The table below presents the revenues and expenditures within the Authority's actual budget for FY 2013-14.

Housing Authority of the City of Riverside Statements of Revenue & Expenses	
REVENUE	
Beginning Cash Balance	\$1,826,487.96
EXPENSES	
Salaries, Benefits & Operations	\$1,008,196.74
Property Maintenance	\$ 71,163.61
City Loan Payment - 3836-3844 Second Street Acquisition	\$ 4,627.33
Chicago-Linden Revitalization Strategic Plan	\$ 132,080.35
Chicago-Linden Revitalization Strategic Project	\$ 221,055.33
Home Front at Camp Anza Affordable Veterans Project	\$ 179,481.49
3015 Redwood Drive	\$ 25,479.50
Hulen Place Appraisals	\$ 12,500.00
Total Expenses	\$1,654,584.35
Program Income	\$ 615,037.88
Ending Cash Balance	\$ 786,941.49

Source: City of Riverside, IFAS Expenditure Report (7/1/13 - 6/30/14)