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# **HOUSING SUCCESSOR ANNUAL REPORT**

## **City of Pinole**

### **Fiscal Year 2022-23**

Final Report for Pinole City Council Review/Filing

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## TABLE OF CONTENTS

TABLE OF CONTENTS .....	1
INTRODUCTION .....	1
CITY OF PINOLE AS HOUSING SUCCESSOR.....	1
SCOPE OF THIS HOUSING SUCCESSOR ANNUAL REPORT .....	1
ASSETS TRANSFERRED TO THE HOUSING SUCCESSOR.....	1
BACKGROUND .....	2
LEGAL REQUIREMENTS PERTAINING TO HOUSING SUCCESSORS .....	2
PERMITTED USES OF HOUSING ASSET FUNDS.....	3
LIMITS ON THE ACCUMULATION OF HOUSING FUNDS (EXCESS SURPLUS).....	5
HOUSING ASSET FUND ACTIVITY .....	6
DEPOSITS AND FUND BALANCE .....	6
EXPENDITURES .....	6
ENDING CASH AND FUND BALANCE .....	7
HOUSING SUCCESSOR PORTFOLIO .....	7
COMPLIANCE WITH EXPENDITURE & PRODUCTION LIMITS .....	10
PROPORTIONALITY REQUIREMENTS .....	10
SENIOR RENTAL HOUSING LIMIT COMPLIANCE .....	11
EXCESS SURPLUS .....	12
OTHER INFORMATION .....	13
HOMEOWNERSHIP UNIT INVENTORY .....	13
TRANSFERS TO OTHER HOUSING SUCCESSORS.....	13
APPENDIX 1 – HOUSING ASSET TRANSFER FORM .....	14
APPENDIX 2 - HOUSING SUCCESSOR ANNUAL REPORT REQUIREMENTS.....	23
APPENDIX 3 – HOUSING ASSET FUND EXPENDITURE REQUIREMENTS .....	24
APPENDIX 4 – FIRST-TIME HOMEBUYER AND RESIDENTIAL REHABILITATION LOAN INVENTORY .....	26
APPENDIX 5 – PINOLE AFFORDABLE HOUSING INVENTORY .....	27

## INTRODUCTION

This Housing Successor Agency Annual Report (“Annual Report”) presents information on Fiscal Year (“FY”) 2022-23 expenditures and activities as required by Health and Safety Code (“HSC”) Section 34176.1(f), including but not limited to a housing successor’s compliance with certain expenditure requirements over the year as well as a five-year planning period. This Annual Report is required of any housing successor to a former redevelopment agency.

## CITY OF PINOLE AS HOUSING SUCCESSOR

The City of Pinole (“City”) is the housing successor (the “Housing Successor”) to the former Redevelopment Agency of the City of Pinole (the “Agency”), which was dissolved statewide in 2012. At the time of dissolution, a housing successor was to be selected to accept the transfer of and be responsible for the remaining assets and liabilities of a former redevelopment agency.

This Annual Report is an addendum to the City’s Housing Element Annual Progress Report. Both are due to the California Department of Housing and Community Development (“HCD”) by April 1 annually. The Housing Successor’s FY 2022-23 audited financial statements have been posted on the City website and are incorporated herein by reference.

## SCOPE OF THIS HOUSING SUCCESSOR ANNUAL REPORT

This Annual Report is limited to the City’s activities as it relates to its role as a housing successor. This may include, but is not limited to, financial activities, property disposition, loan administration, monitoring of covenants, and affordable housing development. This Annual Report describes compliance with various annual, five-year, and ten-year housing expenditure and production requirements. FY 2022-23 is the fourth year of the current five-year compliance period for income proportionality, which begins July 1, 2019 and ends June 30, 2024.

## ASSETS TRANSFERRED TO THE HOUSING SUCCESSOR

Upon the statewide dissolution of redevelopment in 2012, all rights, powers, committed assets, liabilities, duties, and obligations associated with the affordable housing activities of the former Agency were transferred to the Housing Successor. As one of its first duties as a housing successor, the Housing Successor prepared and submitted to the California Department of Finance (“DOF”) an inventory of housing assets to be transferred from the former Agency. The inventory was enumerated on a Housing Asset Transfer Form (“HAT”) which included:

1. Real properties;
2. Personal property;
3. Low and Moderate Income Housing Fund encumbrances;
4. Loans/Grants Receivable;
5. Rents/Operations; and
6. Deferrals.

All items on the HAT were reviewed and ultimately approved by DOF on February 15, 2013. A copy of the HAT is provided as Appendix 1 in Attachment 2. The City, acting as Housing Successor, transferred these assets to the Low and Moderate Income Housing Asset Fund (“Housing Asset Fund”, Fund 285). Approval of the HAT set in motion a series of obligations by the City as a housing successor, as described in the following section.

## BACKGROUND

This Section summarizes the legal requirements for use of housing successor assets that are addressed in this Annual Report.

### LEGAL REQUIREMENTS PERTAINING TO HOUSING SUCCESSORS

A year after the dissolution of redevelopment began, the California State Legislature recognized the need to regulate and provide transparency on the use of the housing activities transferred from a former redevelopment agency. Senate Bill 341 (DeSaulnier, 2013) and subsequent legislation enacted several requirements for housing successor agencies contained in HSC Sections 34176-34176.1.

In general, housing successors must comply with three major requirements pursuant to HSC Section 34176.1:

1. Housing Successor expenditures and housing production are subject to income and age targets.
2. Housing successors may not accumulate an “excess surplus,” or a high balance based on certain thresholds.
3. Properties must be developed with affordable housing or sold within five to ten years of being approved for transfer from the former redevelopment agency to the housing successor.

Appendix 2 in Attachment 2 provides a detailed summary of the reporting requirements that are addressed in this Annual Report.

### PERMITTED USES OF HOUSING ASSET FUNDS

Pursuant to HSC Section 34176.1, Housing Asset Funds may be spent on:

- **Administrative costs** for operation of the housing successor agency. The law allows a housing successor to spend the greater of:
  - \$200,000 per year adjusted for inflation, or
  - 5% of the statutory value of real property owned by that housing successor and the value of loans and grants receivable from the HAT (“Portfolio”).

According to HCD, the \$200,000 limit adjusted for inflation is \$254,500 for FY 2022-23. This is greater than the 5% portfolio value limit of \$236,753, therefore this Annual Report applies the FY 2022-23 HCD limit.

- **Homeless prevention and rapid rehousing services** up to \$250,000 per year if the former redevelopment agency did not have any outstanding inclusionary housing or replacement housing production requirements as of 2012. Pinole is eligible for this expense because the former Agency did not have any outstanding inclusionary or replacement housing requirements upon dissolution.
- **Affordable housing development** assisting households earning up to 80 percent of the Area Median Income ("AMI"), subject to specific income and age targets over a five-year period.

**Five-Year Income Proportionality on Development Expenditures:** Housing Asset Funds may be spent on development of housing projects affordable to low, very low, and extremely low income households. "Development" is defined as "new construction, acquisition and rehabilitation, substantial rehabilitation as defined in HSC Section 33413, the acquisition of long-term affordability covenants on multifamily units as described in HSC Section 33413, or the preservation of an assisted housing development that is eligible for prepayment or termination or for which within the expiration of rental restrictions is scheduled to occur within five years."

Over each five-year compliance period, at least 30 percent of such development expenditures must assist extremely low income households (30% AMI), while no more than 20 percent may assist low income households (between 60-80%). The balance of the funds may be used on households earning between 30% and 60% of AMI.

The first five-year compliance period was January 1, 2014 through June 30, 2019. The Housing Successor was compliant with Housing Asset Fund income proportionality expenditure requirements during the first five-year compliance period. The second, and current, five-year compliance period is July 1, 2019 to June 30, 2024.

Note that housing successors must report expenditures by category each year, but compliance with income proportionality limits is measured every five years. For example, a housing successor could spend all its funds in a single year on households earning between 60-80% AMI, as long as it was 20 percent or less of the total expenditures during the five-year compliance period.

Should a housing successor not spend at least 30% of its development expenditures assisting extremely low income households, or exceed the amount spent on low income households, future expenditures are subject to greater restriction until these proportionality targets are met. Specifically, if a housing successor is unable to spend at least 30% of its development expenditures on extremely low units, it is required to increase this spending to 50% until compliant with the 30% threshold; a housing successor that spends more than 20% of its development expenditures on low income units cannot spend any further funds on low income developments until it is at or below the 20% threshold.

As such, tracking these expenditures and their progress over the corresponding five-year period is an important function of this Annual Report.

**Ten-Year Age Proportionality on Units Assisted:** If more than 50% of the total aggregate number of rental units produced by the city, housing successor, or former redevelopment agency during the past 10 years are restricted to seniors, the housing successor may not spend more Housing Asset Funds on senior rental housing.



Appendix 3 in Attachment 2 describes Housing Asset Fund Expenditure requirements in more detail including the types of costs eligible in each category.

## **LIMITS ON THE ACCUMULATION OF HOUSING FUNDS (EXCESS SURPLUS)**

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State law limits how much cash a housing successor may retain and, if it fails to commit and spend these dollars in a reasonable timeframe, ultimately penalizes the housing successor by requiring unspent funds be transferred to HCD for use on State housing programs.

HSC Section 34176.1(d) establishes a limit, known as an “excess surplus” on the amount of unencumbered Housing Asset Funds based on the greater of the following:

- \$1,000,000, or
- The total amount of deposits made into the Housing Asset Fund over the preceding four years.

Only amounts in excess of this threshold are considered an excess surplus. Once an excess surplus is determined, a housing successor must account for these funds separately and encumber said monies within three years. If after the third year the excess surplus has not been fully encumbered, the remaining balance of the excess surplus is to be transferred to HCD within 90 days. HCD is permitted to use these transferred excess surplus funds anywhere in the State under its Multifamily Housing Program or the Joe Serna, Jr. Farmworker Housing Grant Program.

The concept of excess surpluses carries over from the era prior to dissolution of redevelopment, when redevelopment agencies were often receiving substantial amounts of deposits from the mandatory housing set-aside of 20% of tax increment revenues.

As part of the Annual Report, a housing successor must disclose any excess surplus and describe the housing successor’s plan for eliminating this excess surplus.

## HOUSING ASSET FUND ACTIVITY

The following section describes the Housing Asset Fund activities in FY 2022-23.

### DEPOSITS AND FUND BALANCE

The Housing Successor deposited \$1,230,306 into the Housing Asset Fund in FY 2022-23, as shown in Figure 1. Revenue sources consist of investment earnings from a note repayment by Bridge Housing, repayments on a Supplemental Education Revenue Augmentation Fund ("SERAF") loan, repayment on first-time homebuyer and residential rehabilitation loans issued by the former Agency, the sale of property located at 612 Tennent Avenue, and other miscellaneous revenues related to the execution of property sales.

Table 1 Fiscal Year 2022-23 Housing Asset Fund Deposits	
Source	Amount
Investment Earnings	111,176
SERAF Loan Repayment	862,883
Bridge Housing Note Repayment	5,084
Homeowner Loan Repayments	11,908
Misc. Revenue/ Refunds	10,305
Sale of Property - 612 Tennent	228,950
<b>Total</b>	<b>\$ 1,230,306</b>

Source: City of Pinole

### EXPENDITURES

The Housing Successor expended a total of \$3,422,820 during FY 2022-23. The Housing Successor issued a \$3,200,000 construction loan to Satellite Affordable Housing Associates ("SAHA") for the development of 33 affordable units at 811 San Pablo Avenues. Remaining expenditures were administrative such as fees related to the SAHA transaction, professional services, and utilities. The total administrative costs of \$222,820 are within the HCD limit for FY 2022-23. Spending on affordable housing development is further described in the section "Compliance with Expenditure and Production Limits". The Successor Agency will continue to keep its administrative costs within the limit pursuant to HSC Section 34176.1.

### ENDING CASH AND FUND BALANCE

The Housing Asset Fund balance as of June 30, 2023 was \$8,206,566, as summarized in Table 2. Of this amount, \$3,444,325 was cash.

Table 2 Housing Asset Fund Ending Balance FY 2022-23	
Balance Type	Gross Balance
Cash	3,444,325
Miscellaneous Receivable	27,179
Notes Receivable	8,444,638
Allowance for Uncollectable Notes	(4,064,638)
Loans Receivable	266,635
Allowance for Uncollectable Loans	(266,635)
Land Held for Resale	355,062
Due from RDA Successor Agency	-
<b>Ending Balance</b>	<b>\$ 8,206,566</b>

Source: City of Pinole

## HOUSING SUCCESSOR PORTFOLIO

The Housing Successor Portfolio includes real properties and notes and loans receivable transferred from the former Agency. The Portfolio had a value of \$4,735,062 as of FY 2022-23, as detailed in Table 3.



Table 3 Portfolio Value of Real Properties and Loans Receivable	
Asset	Amount
<b>Land Held for Resale</b>	
Grove Land (Samuel Street)	62
Faria House Land (2100 San Pablo Ave)	355,000
<i>Subtotal</i>	<i>\$ 355,062</i>
<b>Notes Receivable</b>	
Bridge Housing Note	1,066,904
Alvarez Court Note	1,852,018
East Bluff Note	1,145,717
SAHA Note (811 San Pablo)	4,380,000
Allowance for uncollectable notes	(4,064,638)
<i>Subtotal</i>	<i>\$ 4,380,000</i>
<b>Loans Receivable</b>	
First-Time Homebuyer Loans	236,706
Housing Rehab Loans	29,929
SERAF Loan	-
Allowance for uncollectable loans	(266,635)
<i>Subtotal</i>	<i>\$ 0</i>
<b>Total Portfolio Value</b>	<b>\$ 4,735,062</b>
<i>Source: City of Pinole</i>	

Note: Allowance for uncollectable notes to account for residual receipt loans that are only payable if there is enough net cash flow after paying other expenses and debts for each property.

## REAL PROPERTIES AND DISPOSITION STATUS

The former Agency transferred the following properties to the Housing Successor as approved on the HAT:

- Pinole Grove Senior Housing Vacant Land (Samuel Street) – Pursuant to a Development and Disposition Agreement (“DDA”), this property is required to remain vacant as open space for the adjacent Pinole Grove Senior Housing development. The property has a steep slope and cannot be developed, therefore there are no plans for its disposition.
- Faria House Vacant Land (2100 San Pablo Avenue) – This is a 2.3-acre parcel in which the Faria House resides. The property, including the Faria House, is in the process of being disposed of through the Surplus Land Act requirements. As of the date of this report, the time period of qualified entities to express interest in response to the City’s notice of availability has not ended.
- Collins House (612 Tennent Avenue) – The Housing Successor sold this property in May 2023 and all sale proceeds were deposited into the Housing Asset Fund as required by law. The property is being rehabilitated into a fourplex and will include one affordable unit to meet the City’s inclusionary housing requirements.
- Vacant Land (811 San Pablo Avenue) – The Housing Successor entered into a DDA with SAHA dated July 6, 2021, subsequently amended on February 21, 2023, to develop this property with

33 units of housing affordable to extremely low income to low income households. The majority of units will be restricted for veterans by State and Federal funding sources proposed to finance the project. SAHA closed escrow on the property in fiscal year 2022-23. SAHA estimates construction will be complete by Summer 2024.

HSC Section 34176.1(e) requires all real properties acquired by a redevelopment agency prior to February 1, 2012 and transferred to the housing successor be development as affordable housing or sold within five to ten years of DOF's approval of the HAT. The City extended the deadline from February 15, 2018 to February 15, 2023, by action of the City Council on November 21, 2017 as permitted by law. The City has complied with this timeline for 612 Tennent Avenue and 811 San Pablo Avenue as both properties have been sold or are to be developed as affordable housing. The Grove Vacant Land and Faria House vacant land are exempt from this requirement due to their contractual land use restrictions.

### **LOANS RECEIVABLE**

The Housing Asset Fund has \$4,380,000 in collectable notes and loans receivable as described below:

- SERAF Loan paid off: Prior to redevelopment dissolution, the former Agency deferred \$4,291,575 in Low and Moderate Income Housing Fund set-aside deposits in order to make State-mandated payments into SERAF, a State education fund. The Successor Agency has since been responsible for making SERAF loan repayments from Redevelopment Property Tax Trust Funds ("RPTTF"), which are deposited into the Housing Asset Fund. The final payment was made in FY 2022-23.
- Outstanding Developer Notes in the amount of \$8,444,638: The Housing Successor administers four loans made to affordable housing developers by the former Agency or Housing Successor. The fourth loan was added in FY 2022-23 to assist units being developed at 811 San Pablo Ave for a principal value of \$4,380,000 (a \$3,200,000 construction loan and \$1,180,000 acquisition loan). Table 3 reflects an allowance for uncollectable notes, which equals the amount of three of the four loans, to write off the value of these loans in case they are not repaid. The loans are repaid from residual receipts if the properties have sufficient cash remaining at the end of each operating year. The fourth loan, for 811 San Pablo, is also payable from residual receipts.
- Outstanding First-Time Homebuyer Loans and Housing Rehabilitation Loans in the amount of \$266,635: These loans have different maturity dates ranging from 2022 through 2099. Appendix 4 in Attachment 2 provides an inventory of outstanding loans. Table 3 reflects an allowance for uncollectable loans to write off the value of these loans in case they are not repaid.

## **COMPLIANCE WITH EXPENDITURE & PRODUCTION LIMITS**

During FY 2022-23, the City was in compliance with the annual, five-year, and ten-year planning period requirements.

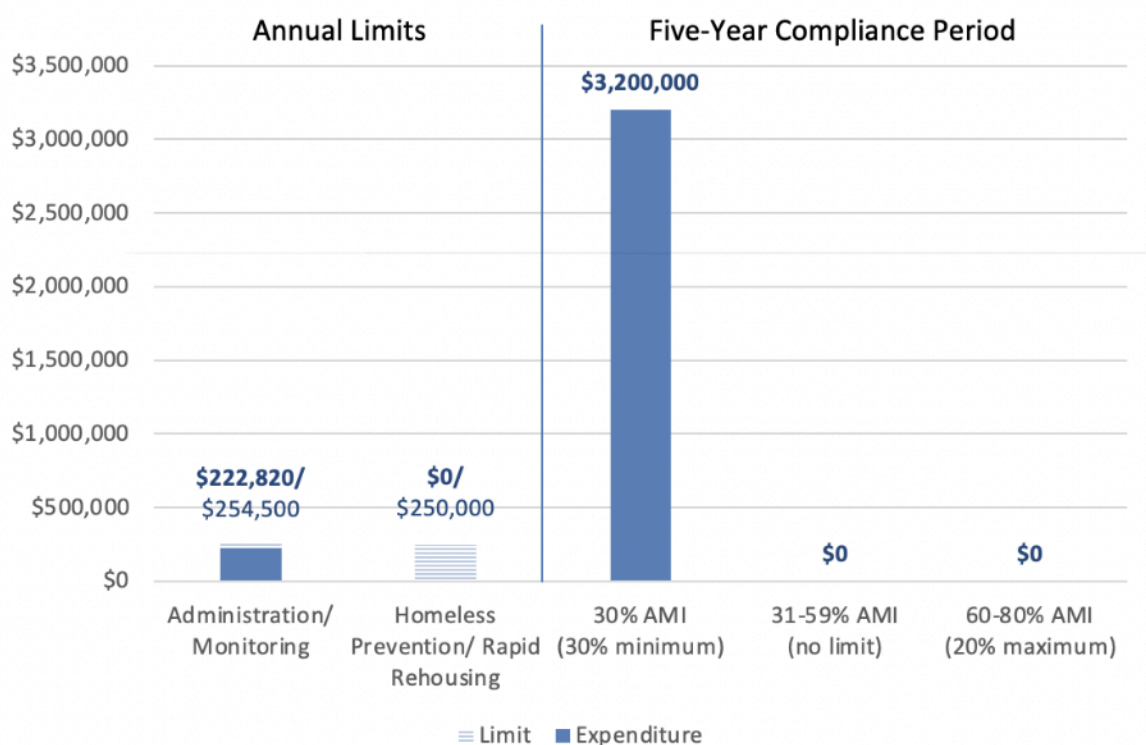
### **PROPORTIONALITY REQUIREMENTS**

As summarized in Figure 1, the Housing Successor complied with all Housing Asset Fund spending restrictions in FY 2022-23:

- The Housing Successor spent \$222,820 on administrative expenses which is under the maximum annual limit for FY 2022-23 of \$254,500.
- The Housing Successor did not use any Housing Asset Funds for homeless prevention or rapid rehousing expenses and was therefore in compliance with the \$250,000 spending limit.
- The Housing Successor issued a construction loan to SAHA to assist with the development of extremely low-income rental units at 811 San Pablo Avenue totaling \$3,200,000. This is the only housing development spending by the Housing Successor in the current five-year period. The Housing Successor is currently in compliance with the requirement to spend at least 30% of housing development expenditures on extremely low income households (30% AMI) and no more than 20% on low-income (80% AMI).

The Housing Successor will ensure that future development-related expenditures comply with spending and income proportionality requirements. The City made a commitment through its Housing Element (Program 7) to develop a policy to provide guidance on the future use of Housing Asset Funds in order to meet affordable housing goals as well as legal requirements.

**Figure 1. Limitation Compliance**



## SENIOR RENTAL HOUSING LIMIT COMPLIANCE

Pursuant to HSC Section 34176 (b), Housing Asset Funds may not assist senior rental housing if more than 50% of deed-restricted rental housing units assisted by the former Agency, Housing Successor, or City in the previous ten years are restricted to seniors. Between FY 2013-14 through 2022-23, the Housing Successor, former Agency, and City assisted a total of 37 deed-restricted rental units, none of

which are restricted to seniors as shown in Table 4. The Housing Successor may assist up to 37 senior units to remain in compliance. The Housing Successor will ensure that it complies with this requirement moving forward.

Table 4 Deed-Restricted Senior Rental Units Assisted Prior Ten Years						
Property	Year Assisted	Senior Units	%	Non-Senior Units	%	Total Units
811 San Pablo Ave (SAHA)	FY 22-23	0	0%	33	100%	33
612 Tennent Ave	FY 22-23	0	0%	4	100%	4
<b>Total</b>		<b>0</b>		<b>37</b>		<b>37</b>
<b>Total Deed-Restricted Senior Units:</b>			<b>0%</b>			

Source: City of Pinole

Appendix 5 in Attachment 2 presents a complete inventory of affordable housing in Pinole that is monitored by the City. Most of the projects were funded by the former Agency over ten years ago or developed to comply with the City's inclusionary housing requirements. Projects currently under construction will be added to the inventory after construction is complete (811 San Pablo, 612 Tennent Avenue, and 600 Roble).

## EXCESS SURPLUS

The Housing Asset Fund may not accumulate an "excess surplus," or an unencumbered amount that exceeds the greater of \$1 million or the sum of deposits in the prior four fiscal years. This requirement ensures that housing successors are actively spending available Housing Asset Funds on affordable housing. Excess surplus must be expended or encumbered within three fiscal years of each year that excess surplus was accrued. If a housing successor fails to comply, it must transfer any excess surplus to HCD within 90 days of the end of the third fiscal year.

As shown in Table 5, the Housing Successor did not have an excess surplus in FY 2022-23. The unencumbered beginning cash balance (\$2,462,041) was less than the total deposits made in the prior four fiscal years (\$3,812,212).



**Table 5**  
**Excess Surplus**

**Step 1: Determine Unencumbered Cash Balance From Financials**

FY 22-23 Beginning Cash Balance	5,662,041
Less: Encumbered Funds <sup>1</sup>	\$ (3,200,000)
Unencumbered Amount	<b>\$ 2,462,041</b>

**Step 2: Determine Greater of \$1M or Last 4 Deposits**

\$1 Million, or	\$ 1,000,000
Last 4 years' deposits	\$ 3,812,212
	<b>2021-22 \$ 1,676,410</b>
	<b>2020-21 \$ 1,865,429</b>
	<b>2019-20 \$ 107,933</b>
	<b>2018-19 \$ 162,440</b>
Result: Larger Number	<b>\$ 3,812,212</b>

**Step 3: Excess Surplus is Amount Step 1 Exceeds Step 2, if Any**

(1) Unencumbered Amount	\$ 2,462,041
(2) Less: Larger Number From Step 2	\$ 3,812,212

**Excess Surplus** **None**

<sup>1</sup>The Housing Successor executed a DDA with SAHA on July 6, 2021, subsequently amended on February 21, 2023, committing \$3.2 million in Housing Asset Funds for the development of affordable housing at 811 San Pablo Avenue.

Source: City of Pinole

## OTHER INFORMATION

### HOMEOWNERSHIP UNIT INVENTORY

Table 6 presents an inventory of homeownership units assisted by the Housing Successor that require restrictions, covenants, or an adopted program that protects Housing Asset Fund monies.

**Table 6**  
**Homeownership Unit Inventory**

<b>Project Name / Address</b>	<b>No.</b>	<b>Covenant Expiration</b>
<b>Maiden Lane</b>		
620 Maiden Lane	1	10/30/54
609 Maiden Lane	1	9/22/54
<b>Heritage Park</b>		
2051 Buena Vista Drive	1	9/23/56
2061 Buena Vista Drive	1	8/31/56
2071 Buena Vista Drive	1	11/7/56

Source: City of Pinole



## **TRANSFERS TO OTHER HOUSING SUCCESSORS**

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There were no transfers to another housing successor entity for a joint project pursuant to HSC 34176.1(c)(2).

# APPENDIX 1 – HOUSING ASSET TRANSFER FORM

## DEPARTMENT OF FINANCE HOUSING ASSETS LIST ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484 (Health and Safety Code Section 34176)

Former Redevelopment Agency:	<u>Pinole</u>				
Successor Agency to the Former Redevelopment Agency:	<u>City of Pinole</u>				
Entity Assuming the Housing Functions of the former Redevelopment Agency:	<u>City of Pinole</u>				
Entity Assuming the Housing Functions Contact Name:	<u>Belinda Espinosa</u>	<u>Title</u>	<u>City Manager</u>	<u>Phone</u>	<u>510-724-8933</u>
Entity Assuming the Housing Functions Contact Name:	<u>Richard Loomis</u>	<u>Title</u>	<u>Finance Director</u>	<u>Phone</u>	<u>510-724-9823</u>
				<u>E-Mail Address</u>	<u><a href="mailto:bespinosa@ci.pinole.ca.us">bespinosa@ci.pinole.ca.us</a></u>
				<u>E-Mail Address</u>	<u><a href="mailto:rloomis@ci.pinole.ca.us">rloomis@ci.pinole.ca.us</a></u>

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	X
Exhibit B- Personal Property	X
Exhibit C - Low-Mod Encumbrances	X
Exhibit D - Loans/Grants Receivables	X
Exhibit E - Rents/Operations	X
Exhibit F- Rents	DNA
Exhibit G - Deferrals	X

Prepared By:	<u>Richard H. Loomis, Finance Director</u>
Date Prepared:	<u>7/30/2012</u>

City of Pinole  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset a/	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low-mod housing	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Date of transfer to Housing Successor Agency	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	Low-mod Housing Project (88-units)	2850 Estate Avenue, Pinole, CA 94564 / APN 360-010-017-0	\$1,369,323	2.95 Acres	73% of Project Development	YES	RDA 20% Set-Aside Tax Increment	2/24/2011	\$1,369,323	\$-0-	\$-0-	9/20/2000	Fee Interest
2	Low-Mod Housing with Commercial	811 San Pablo Ave., Pinole, CA 94564 / Samuel Street, Pinole, CA 94564 / APN 401-186-031	\$242,008	26.136 sq. ft.	0%	NO	RDA 20% Set-Aside Tax Increment	2/24/2011	\$242,008	\$-0-	\$-0-	3/1/2002	Fee Interest
3	Undevelopable Land (Residual from 70-unit Low-Mod Project)	2100 San Pablo Ave., Pinole, CA 94564	\$411,879	2.32 Acres (101,059 sq. ft.)	0%	NO	RDA 20% Set-Aside Tax Increment	2/24/2011	\$535,000	\$-0-	\$400,000	9/4/1992	Fee Interest
4	Low-mod Housing	612 Tennent Avenue, Pinole, CA 94564 / APN 401-142-011	\$355,000	2.31 Acres (100,824 sq. ft.)	0%	NO	RDA 20% Set-Aside Tax Increment	2/24/2011	\$355,000	\$-0-	\$-0-	3/1/2003	Fee Interest
5	Low-mod Housing		\$625,000	5,000 sq. ft.	0%	NO	RDA 20% Set-Aside Tax Increment	2/25/2011	\$625,000	\$-0-	\$-0-	11/6/2007	Fee Interest
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a/ Asset types may include low-mod housing, mixed-income housing, low-income housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

c/ Fee Interest in Land Only (Improvements owned by Non-profit 501-c3 Housing Corporation)

d/ Title to all Housing Program Properties was transferred to the City prior to enactment of ABx1-28, and were subsequently confirmed by a Superior Court Validation Action

Exhibit B - Personal Property

City of Pinole  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset <sup>a/</sup>	Description	Carrying Value of Asset	Date of transfer to Housing Successor Agency	Acquisition cost funded with Low-Mod Housing Fund monies	Acquisition costs funded with other RDA funds	Acquisition costs funded with non-RDA funds	Date of acquisition by the former RDA
1	Equipment	Digital Camera (property tag #2412)	\$-0-	6/30/2012	\$300	\$0	\$0	2/25/2005
2	Equipment	Metal Bookcase	\$0	6/30/2012	\$497	\$0	\$0	7/1/1999
3	Equipment	Office Desk	\$0	6/30/2012	\$2,726	\$0	\$0	4/4/2001
4	Equipment	Office Table (Round)	\$0	6/30/2012	\$380	\$0	\$0	4/1/2001
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a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

City of Pinole  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of housing built or acquired with enforceably obligated funds a/	Date contract for Enforceable Obligation was executed	Contractual counterparty	Total amount currently owed for the Enforceable Obligation	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Current owner of the property	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition of the property
1	Low-mod Housing Project (89-units)	5/20/2003	Pinole Assisted Living Community, Inc. (California Non-profit 501-c3 Corporation)	\$6,922,945 (as of 06/30/2012)	YES	CRL	City of Pinole (Fee Interest in Land Only)	\$-0-	\$-0-	\$7,130,000	9/20/2000
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a/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.



City of Pinole  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance (g)
1	Loan	\$40,000	9/17/2009	██████████	FTHB	a	9/17/2044	0%	\$40,000
2	Loan	\$20,000	10/9/1996	██████████	FTHB	a	DNA	0%	\$20,000
3	Loan	\$114,600	5/29/2003	██████████	FTHB	a	DNA	0%	\$114,600
4	Loan	\$30,000	9/11/2001	██████████	FTHB	a	DNA	0%	\$30,000
5	Loan	\$20,000	9/27/1996	██████████	FTHB	a	DNA	0%	\$20,000
6	Loan	\$30,000	3/24/2010	██████████	FTHB	a	3/24/2045	0%	\$30,000
7	Loan	\$30,000	9/11/2001	██████████	FTHB	a	DNA	0%	\$30,000
8	Loan	\$30,000	7/1/2009	██████████	FTHB	a	7/1/2044	0%	\$30,000
9	Loan	\$30,000	3/1/2010	██████████	FTHB	a	3/1/2045	0%	\$30,000
10	Loan	\$50,000	1/10/2008	██████████	FTHB	a	DNA	0%	\$50,000
11	Loan	\$20,000	8/26/1999	██████████	FTHB	a	DNA	0%	\$20,000
12	Loan	\$50,000	7/28/2003	██████████	FTHB	a	DNA	0%	\$50,000
13	Loan	\$30,000	2/25/2010	██████████	FTHB	a	2/25/2045	0%	\$30,000
14	Loan	\$20,000	11/28/1995	██████████	FTHB	a	DNA	0%	\$20,000
15	Loan	\$50,000	12/30/2003	██████████	FTHB	a	DNA	0%	\$50,000
16	Loan	\$30,000	10/7/2009	██████████	FTHB	a	10/7/2044	0%	\$30,000
17	Loan	\$20,000	11/16/1995	██████████	FTHB	a	DNA	0%	\$20,000
18	Loan	\$54,575	7/31/2010	██████████	FTHB	a	7/31/2050	0%	\$54,575
19	Loan	\$13,292	10/10/2006	██████████	RES-REH	b	11/1/2036	2%	(\$2,683.37)
20	Loan	\$22,000	8/12/2002	██████████	RES-REH	b	DNA	2%	\$22,000.00
21	Loan	\$17,500	10/28/1998	██████████	RES-REH	b	7/1/2037	2%	\$2,342.76
22	Loan	\$69,500	4/13/2006	██████████	RES-REH	b	DNA	2%	\$23,300.00
23	Loan	\$2,649	3/21/2006	██████████	RES-REH	b	5/1/2038	2%	\$1,625.33
24	Loan	\$26,000	8/2/2004	██████████	RES-REH	b	DNA	2%	\$26,000.00
25	Loan	\$87,500	9/25/2000	██████████	RES-REH	b	DNA	2%	\$19,500.00
26	Loan	\$10,429	6/9/2010	██████████	RES-REH	b	DNA	2%	\$10,429.00
27	Loan	\$65,000	7/26/2004	██████████	RES-REH	b	11/1/2020	2%	\$39,110.16
28	Loan	\$18,115	2/2/1999	██████████	RES-REH	b	DNA	2%	\$14,660.00
29	Loan	\$17,916	3/6/2008	██████████	RES-REH	b	5/31/2023	2%	\$13,531.12
30	Loan	\$14,081	4/2/1998	██████████	RES-REH	b	DNA	2%	\$14,081.00
31	Loan	\$10,000	10/12/2004	██████████	RES-REH	b	3/1/2020	2%	\$9,971.46
32	Loan	\$12,000	2/19/2010	██████████	RES-REH	c	4/1/2025	2%	\$10,600.07

33	Loan	\$15,000	8/14/2007			RENTAL-REH	c	YES	5/1/2015	6%	\$4,121.73
34	Loan	\$21,250	6/21/1999			RENTAL-REH	c	YES	7/1/2037	6%	\$4,192.58
35	Loan	\$343,964.82	11/24/2003			MIXED USE	d	YES	10/1/2037	4%	\$266,416.52
36	Loan	\$275,800	8/1/2007			MIXED USE	d	YES	12/1/2015	6%	\$94,266.03

- a/ First Time Home Buyers Program  
 b/ Residential Rehabilitation Program  
 c/ Rental Rehabilitation Program  
 d/ Low-Mod Housing with Commercial Space  
 e/ Upon sale of property (equity sharing in-lieu of interest accrual)  
 f/ Paid upon sale of property  
 g/ Outstanding principle as of 06/30/2012

**City of Pinole**  
**Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of payment a/	Type of property with which they payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent/operation is associated with (if applicable)
1	Ground Lease	Low-Mod Housing (Assisted Living Center)	Pinole Assisted Living Community, Inc. [ CA 501(c3) ]	City of Pinole	City of Pinole	Housing Programs & Activities	YES	CRL	#1
2	Emergency Service Fee	Low-Mod Housing	Pinole Assisted Living Community, Inc. [ CA 501(c3) ]	City of Pinole	City of Pinole	Public Safety Programs	YES	CRL	#1
3	Construction Loans	Low-Mod Housing (Assisted Living Center)	Pinole Assisted Living Community, Inc. [ CA 501(c3) ]	City of Pinole	City of Pinole	Housing Programs & Activities	YES	CRL	#1
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a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

**City of Pinole**  
**Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent is associated with (if applicable)
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a/ May include rents or home loan payments.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit G - Deferrals

City of Pinole  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
1	H&S 33690 (c ) (1)	a	\$3,558,867	0%	\$3,558,867	6/30/2015
2	H&S 33690.5 (c ) (1)	a	\$732,708	0%	\$732,708	6/30/2016
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a/ Supplemental Educational Revenue Augmentation Funding Loan to Redevelopment Agency



## APPENDIX 2 - HOUSING SUCCESSOR ANNUAL REPORT REQUIREMENTS

Housing Successor Reporting Requirements <i>Health and Safety Code Section 34176.1(f)</i>		
<b>Housing Asset Fund Revenues &amp; Expenditures</b>	<b>Other Assets and Active Projects</b>	<b>Obligations &amp; Proportionality</b>
Total amount deposited in the Housing Asset Fund for the fiscal year  Amount of deposits funded by a Recognized Obligation Payment Schedule ("ROPS")	Description of any project(s) funded through the ROPS	Description of any outstanding production obligations of the former Agency that were inherited by the Housing Successor
Statement of balance at the close of the fiscal year	Update on property disposition efforts (note that housing successors may only hold property for up to five years, unless it is already developed with affordable housing)	Compliance with proportionality requirements (income group targets), which must be upheld on a five-year cycle
Description of Expenditures for the fiscal year, broken out as follows: <ul style="list-style-type: none"> <li>• Homeless prevention and rapid rehousing</li> <li>• Administrative and monitoring</li> <li>• Housing development expenses by income level assisted</li> </ul>	Other "portfolio" balances, including: <ul style="list-style-type: none"> <li>• Statutory value of any real property either transferred from the former Agency or purchased by the Housing Asset Fund</li> <li>• Value of loans and grants receivable</li> </ul>	Percentage of deed-restricted rental housing restricted to seniors and assisted by the former Agency, the Housing Successor, or the City within the past ten years compared to the total number of units assisted by any of those three agencies
Description of any transfers to another housing successor for a joint project	Inventory of homeownership units assisted by the former Agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former Agency's investment of monies from the Low and Moderate Income Housing Fund	Amount of any excess surplus, and, if any, the plan for eliminating it

## APPENDIX 3 – HOUSING ASSET FUND EXPENDITURE REQUIREMENTS

Housing Asset Fund Expenditure Requirements <i>Health and Safety Code Section 34176.1</i>		
Expense Category	Limits	Allowable Uses
<b>Administration and Compliance Monitoring</b>	<b>\$254,500 maximum</b> for FY 2022-23 (limit increases each year)	<p>Administrative activities such as:</p> <ul style="list-style-type: none"> <li>Professional services (consultant fees, auditor fees, etc.)</li> <li>Staff salaries, benefits, and overhead for time spent on Housing Successor administration</li> <li>Compliance monitoring to ensure compliance with affordable housing and loan agreements</li> <li>Property maintenance at Housing Successor-owned properties</li> </ul> <p>Capped at \$200,000 adjusted annually for inflation or 5% of the statutory value of real property owned by the housing successor and the value of loans and grants receivable from the HAT ("Portfolio"), whichever is greater.</p>
<b>Homeless Prevention and Rapid Rehousing Solutions</b>	<b>\$250,000 maximum</b> per fiscal year	<p>Services for individuals and families who are homeless or would be homeless but for this assistance, including:</p> <ul style="list-style-type: none"> <li>Contributions toward the construction of local or regional homeless shelters</li> <li>Housing relocation and stabilization services including housing search, mediation, or outreach to property owners</li> <li>Short-term or medium-term rental assistance</li> <li>Security or utility deposits</li> <li>Utility payments</li> <li>Moving cost assistance</li> <li>Credit repair</li> <li>Case management</li> <li>Other appropriate activities for homelessness prevention and rapid rehousing of persons who have become homeless.</li> </ul>
<b>Affordable Housing Development</b>	No spending limit, but must comply with income and age targets	<p>"Development" includes:</p> <ul style="list-style-type: none"> <li>New construction</li> <li>Acquisition and rehabilitation</li> <li>Substantial rehabilitation</li> <li>Acquisition of long-term affordability covenants on multifamily units</li> <li>Preservation of at-risk units whose affordable rent restrictions would otherwise expire over the next five years</li> </ul>

<b>Housing Asset Fund Expenditure Requirements</b> <i>Health and Safety Code Section 34176.1</i>		
Expense Category	Limits	Allowable Uses
	<b><i>Income Targets</i></b>	<p>Every five years (currently FYE 2020-2024), Housing Asset Funds must meet income targets:</p> <ul style="list-style-type: none"> <li>• At least 30% on extremely low income rental households (up to 30% AMI or “Area Median Income”)</li> <li>• No more than 20% on low income households (60-80% AMI)</li> </ul> <p>Moderate and above moderate income households may not be assisted (above 80% AMI).</p> <p>Failure to comply with the extremely low income requirement in any five-year compliance period will result in having to ensure that 50 percent of remaining funds be spent on extremely low income rental units until in compliance.</p> <p>Exceeding the expenditure limit for low households earning between 60-80% AMI in any five-year reporting period will result in not being able to expend any funds on these income categories until in compliance.</p>
	<b><i>Age Targets</i></b>	<p>For the prior ten years (resets every year), a maximum of 50% of deed-restricted rental housing units assisted by the Housing Successor or its host jurisdiction may be restricted to seniors.</p> <p>If a housing successor fails to comply, Housing Asset Funds may not be spent on deed-restricted rental housing restricted to seniors until in compliance.</p>

## APPENDIX 4 – FIRST-TIME HOMEBUYER AND RESIDENTIAL REHABILITATION LOAN INVENTORY

Appendix 4  
Outstanding First-Time Homebuyer and Housing Rehabilitation Loans

PROJECT NAME	LOAN TYPE	ORIGINAL BALANCE	ORIGINAL TERM (MOS.)	INTEREST RATE	MATURITY	PRINCIPAL BALANCE DUE	LOAN NOTE DATE
FIRST TIME HOME BUYER (11610)	DEF LOAN	\$ 20,000	0	0%	12/31/99	\$ 20,000	10/9/96
FIRST TIME HOME BUYER (11610)	DEF LOAN	\$ 20,000	0	0%	12/31/99	\$ 20,000	11/16/95
FIRST TIME HOME BUYER (11610)	DEF LOAN	\$ 20,000	0	0%	12/31/99	\$ 20,000	9/27/96
FIRST TIME HOME BUYER (11610)	DEF LOAN	\$ 20,000	0	0%	12/31/99	\$ 20,000	8/26/99
FIRST TIME HOME BUYER (11610)	PRIN ONLY	\$ 30,000	420	0%	3/1/45	\$ -	3/1/10
FIRST TIME HOME BUYER (11610)	PRIN ONLY	\$ 54,575	480	0%	7/31/50	\$ 49,117	7/31/10
FIRST TIME HOME BUYER (11610)	PRIN ONLY	\$ 30,000	420	0%	3/24/45	\$ -	3/24/10
FIRST TIME HOME BUYER (11610)	PRIN ONLY	\$ 40,000	420	0%	9/17/44	\$ 27,589	9/17/09
FIRST TIME HOME BUYER (11610)	DEF LOAN	\$ 30,000	0	0%	12/31/99	\$ 30,000	9/11/01
FIRST TIME HOME BUYER (11610)	DEF LOAN	\$ 50,000	0	0%	12/31/99	\$ 50,000	7/28/03
	<b>Subtotal</b>	<b>\$ 314,575</b>			<b>Total</b>	<b>\$ 236,706</b>	
RESIDENTIAL REHAB (11630)	PRIN & INT	\$ 65,000	183	2%	10/1/22	\$ -	7/29/07
RESIDENTIAL REHAB (11630)	DEF LOAN	\$ 10,429	0	2%	12/31/99	\$ 10,429	6/9/10
RESIDENTIAL REHAB (11630)	DEF LOAN	\$ 69,500	0	2%	12/31/99	\$ -	4/13/06
RESIDENTIAL REHAB (11630)	DEF LOAN	\$ 87,500	0	2%	12/31/99	\$ 19,500	6/21/00
	<b>Subtotal</b>	<b>\$ 232,429</b>			<b>Total</b>	<b>\$ 29,929</b>	
<b>Original Balance</b>		<b>\$ 547,004</b>	<b>Total Outstanding Balance 6/30/23</b>		<b>\$ 266,634.97</b>		

Source: City of Pinole

## APPENDIX 5 – PINOLE AFFORDABLE HOUSING INVENTORY

Appendix 5 Pinole Affordable Housing Inventory					
Project	Address	Total # Affordable Units	Type	Senior?	Owner/Operator
Fernandez Corner	2401 San Pablo Avenue Pinole, CA 94564	16	Rental	No	Eclipse Property Management Inc.
647 Tennent Avenue	647 Tennent Ave Pinole, CA 94564	1	Rental	No	Private Homeowner
Alvarez Court Apartments	760 Alvarez Avenue Pinole, CA 94564	19	Rental	No	The John Stewart Company
East Bluff Apartments	1813 Marlesta Road Pinole, CA 94564	144	Rental	No	Eden Housing
Westmont of Pinole	2850 Estates Avenue Pinole, CA 94564	65	Rental	Yes	Westmont Living
Pinole Grove Senior Housing	800 John Street Pinole, CA 94564	69	Rental	Yes	BRIDGE Housing
DeNova Homes - 312 Felice Circle	312 Felice Circle Pinole, CA 94564	1	Rental	No	Private Homeowner
DeNova Homes - 336 Felice Circle	336 Felice Circle Pinole, CA 94564	1	Rental	No	Private Homeowner
DeNova Homes - 360 Felice Circle	360 Felice Circle Pinole, CA 94564	1	Rental	No	Private Homeowner
DeNova Homes - 424 Felice Circle	424 Felice Circle Pinole, CA 94564	1	Rental	No	Private Homeowner
DeNova Homes - 448 Felice Circle	448 Felice Circle Pinole, CA 94564	1	Rental	No	Private Homeowner
DeNova Homes - 460 Felice Circle	460 Felice Circle Pinole, CA 94564	1	Rental	No	Private Homeowner
609 Maiden Lane	609 Maiden Lane Pinole, CA 94564	1	Ownership	No	Private Homeowner
620 Maiden Lane	620 Maiden Lane Pinole, CA 94564	1	Ownership	No	Private Homeowner
<b>TOTAL # AFFORDABLE HOUSING UNITS</b>		<b>322</b>			

*Represents affordable housing units monitored by the City of Pinole. Includes units assisted by the former Agency and units created to comply with the City's inclusionary housing ordinance.*