

**ANNUAL REPORT REGARDING THE
LOW AND MODERATE INCOME HOUSING ASSET FUND
FOR FISCAL YEAR (FY) 2022-23
PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION
34176.1(f) FOR SUCCESSOR HOUSING AGENCY- CITY OF SIMI VALLEY**

This SHA Annual Report (Report) regarding the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1(f). This Report sets forth certain details of the City of Simi Valley Successor Housing Agency (SHA) activities during the subject reporting year (fiscal year). The purpose of this report is to provide the governing body of the SHA an annual report on the housing assets and activities of the SHA under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 (Dissolution Law).

This report conforms with and is organized into sections 1 through 13 inclusive, pursuant to Section 34176.1(f) of the Dissolution Law:

- 1. Amount the City received from City-Agency loans** - This section provides the total amount of funds received from repayment of City-Agency loans during the Fiscal Year pursuant to Section 34191.4(b)(3)(A).

The SHA did not receive any funds pursuant to Section 34191.4(b)(3)(A).

- 2. Amounts Deposited into LMIHAF** - This section provides the total amount of funds deposited into the LMIHAF during the Fiscal Year, distinguishing between amounts deposited pursuant to 34191.4(b)(3)(B) and 34191.4(b)(3)(C), amounts deposited for other items listed on the Recognized Obligation Payment Schedule (ROPS), and other amounts deposited.

Description	Amount
Recognized Obligation Payment Schedule (ROPS) funding (3B)	\$0
20% Set-Aside Funds (3C)	\$0
Other - Program Income (loans/interest/service charges)	\$487,854
Total Deposits	\$487,854

- 3. Ending Balance of LMIHAF** - This section provides 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 (ROPS) Schedule from other amounts.

At the close of the fiscal year, the ending fund balance in the LMIHAF was \$5,130,854 of which \$0 was held for items listed on the ROPS.

- 4. Description of Expenditures from LMIHAF** - 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 SHA and administering the 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).

This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year. The expenditures are listed below by category:

a. Monitoring & preserving long term affordability of units	\$483,251
b. Homeless prevention	\$1,477
c. Housing development	\$0
Total	\$484,728

5. **Statutory Value of Assets Owned by SHA** - As described in paragraph (1) of subdivision (a), the statutory value of real property owned by the SHA, the value of the loans and grants receivable, and the sum of these two amounts.

Description	Amount
Real Property	\$0
Loans Receivable	\$15,164,170
Total	\$15,164,170

6. **Description of Transfers** - This section describes 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. 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.

N/A – The City has not entered into an agreement with another Housing Successor to develop a joint project.

7. **Project Descriptions** - This section describes any project for which the SHA receives or holds property tax revenue pursuant to the ROPS and the status of that project.

N/A – The SHA does not receive or hold property tax revenue pursuant to the ROPS.

8. **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, a status update on the project.

N/A – No properties were purchased using the LMIHAF prior to February 1, 2012 or after February 1, 2012.

9. **Description of Outstanding Obligations under 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 SHA's progress in meeting those prior obligations, if any, of the former redevelopment agency and how the SHA plans to meet unmet obligations, if any.

N/A – There are no outstanding inclusionary or replacement housing obligations pursuant to Section 33413.

- 10. Income Test** - This section provides the information required by Section 34176.1 subparagraph (B) of paragraph (3) of subdivision (a): *Section 34176.1(a)(3)(A) – (C) requires that the SHA use all moneys remaining in its LMIHAF, after paying for administrative expenses; homeless prevention and rapid rehousing services (Remaining Funds) for the development of affordable housing. The SHA is required to target the Remaining Funds as follows: (i) at least 30% of the funds must be spent for the development of rental housing affordable to and occupied by extremely low income households earning 30% or less of AMI; (ii) no more than 20% of the funds may be spent for the development of housing affordable to and occupied by households earning between 60% and 80% of the AMI, and (iii) the balance of the funds may be spent for the development of housing affordable to and occupied by households earning 60% or less of the AMI.*

N/A – Income Test reporting is every five years. The next report will be in FY 2023-24, covering the period from FY 2019-20 to FY 2023-24.

- 11. Senior Housing Test** - This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the SHA, its former Redevelopment Agency, and its host jurisdiction within the previous ten years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the SHA, its former Redevelopment Agency and its host jurisdiction within the same time period.

The following table provides the SHA’s Senior Housing Test for the ten-year period from July 1, 2013 through June 30, 2023.

Description	Amount
Number of Assisted Senior Rental Units	0
Number of Total Assisted Rental Units	184
Senior Housing Percentage	0%

When the percentage of senior rental units exceeds 50%, the SHA cannot expend future funds from the LMIHAF to assist additional senior housing units. No additional assistance may be provided from the LMIHAF, until the SHA or City provides assistance and construction has commenced non-senior rental units that restores the 50% balance during the current ten-year period for the Senior Housing Test.

- 12. Excess Surplus Test** - This section provides the amount of Excess Surplus in the LMIHAF (defined as unencumbered funds exceeding one million or the aggregate amount deposited in the fund over the preceding four fiscal years, whichever is greater), the length of time that the SHA has had excess surplus, and the SHA’s plan for eliminating the excess surplus within three fiscal years.

	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Beginning Balance	\$4,557,412	\$4,846,121	\$5,045,640	\$5,389,645
Add: Deposits	\$867,675	\$802,999	\$1,135,104	\$602,345
Less: Expenditures	(\$578,966)	(\$603,480)	(\$791,099)	(\$861,136)
Less: Encumbrances	\$0	\$0	\$0	\$0
Ending Balance	\$4,846,121	\$5,045,640	\$5,389,645	\$5,130,854
4-Yr Aggregate of Deposits	\$3,408,123			

Excess Surplus Calculation	FY 2022-23
Beginning Balance	\$5,130,857*
Add: Deposits	\$487,854
Less: Expenditures	(\$484,728)
Less: Encumbrances	\$0
Ending Balance	\$5,133,983
Basis (greater of aggregate deposits or \$1,000,000)	\$3,408,123
Excess/(under)	\$1,725,860

* Beginning fund balance differed from the FY 2021-22 audited financial report of the Successor Housing Agency and the final FY 2021-22 Annual Comprehensive Financial Report (ACFR) and has been updated to be consistent with the FY 2021-22 and FY 2022-23 ACFRs.

Aggregate Excess Surplus Summary

Currently, the aggregate excess surplus is \$1,725,860 as depicted in the table below. The FY 2020-21 surplus was \$2,461,945. The FY 2021-22 expenditures in the amount of \$597,057 and the FY 2022-23 expenditures in the amount of \$484,728 reduced that surplus to \$1,380,160. The remaining balance will be expended and/or encumbered during FY 2023-24 in compliance with the statutory requirement. The FY 2021-22 excess surplus is \$141,513 and will be expended and/or encumbered by FY 2024-25 in compliance with the statutory requirement. The FY 2022-23 excess surplus of \$204,187 will be expended and/or encumbered by FY 2025-26. The table below details the excess surplus by year and the expenditures as applied to it.

FY 2020-21 (Expenditure Deadline FY 2023-24)	\$2,461,945
Less: FY 2021-22 Expenditures	(\$597,057)
Less: FY 2022-23 Expenditures	(\$484,728)
FY 2020-21 Surplus Balance	\$1,380,160
FY 2021-22 Surplus (Expenditure Deadline FY 2024-25)	\$141,513
FY 2022-23 Surplus (Expenditure Deadline FY 2025-26)	\$204,187
Aggregate Excess Surplus	\$1,725,860

- 13. Inventory of Homeownership units** - This section provides an inventory of homeownership units assisted by the former redevelopment agency or the SHA 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 and includes any losses of units to the portfolio, funds returned to the SHA, and whether an outside entity has been contracted to manage these units.

Inventory of Homeownership Units	FY 2022-23
Beginning number of units	91
Net number of units lost	5
Reason for loss of units	Repaid/Audit of Funding Source
Funds returned to the SHA as part of an adopted program	\$153,216
Number of units managed by an outside entity	0
Ending number of units	86