

**COVINA HOUSING AUTHORITY SB 341 COMPLIANCE REPORT
(ADDENDUM TO COVINA ANNUAL PROGRESS REPORT SUBMITTED TO HCD)**

**Housing Successor Agency
Low and Moderate Income Housing Assets Fund
Specified Activity Information Pursuant to
California Health and Safety Code Section 34176
Year Ended June 30, 2014**

The Covina Housing Authority was activated by the City of Covina on January 25, 2011 by Resolution 11-6926. On January 30, 2012, by Resolution 12-7045, the Covina City Council elected not to retain the housing assets and functions previously performed by the Covina Redevelopment Agency, which was dissolved pursuant to Part 1.85 of Division 24 of the California Health and Safety Code. All rights, powers, duties and obligations were transferred to the Covina Housing Authority. The Covina Housing Authority is the housing successor agency of the Covina Redevelopment Agency.

On January 1, 2014, Senate Bill 341 (SB 341) became effective, requiring each housing successor agency that assumed the housing functions of a former redevelopment agency to post a report on its website containing information regarding the Low- and Moderate-Income Housing Assets Fund (Fund) of the former redevelopment agency for the previous fiscal year.

In addition, the housing successor agency is required to conduct and provide an independent financial audit of the Fund within six months of the end of the fiscal year. The audit may be included as part of the City's independent financial audit.

An independent financial audit of the Low and Moderate Income Housing Asset Fund was provided to the governing body of the Covina Housing Authority on December 17, 2014, and again at the joint City Council/Covina Housing Authority meeting on January 20, 2015. The independent audit of the Housing Authority's Low and Moderate Income Housing Assets Fund is included as part of the Comprehensive Audited Financial Report (CAFR) and is on the City's website at www.covinaca.gov.

Following are SB 341 annual report requirements described in H&SC section 34176.1 beginning with subsection (f) [note: reference to Section 33080.1 relates to former RDA reporting requirements]:

(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

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of the following information for the previous fiscal year (see 1 through 12 below):

1. The amount deposited to the Low and Moderate Income Housing Asset Fund, distinguishing any amounts deposited for items listed on the Recognized Obligation Payment Schedule from other amounts deposited. [Health & Safety Code 34176.1(f)(1)]

Recognized Obligation Payment Schedule amount	\$0.00
Other amounts	\$726,513
TOTAL	\$726,513

2. 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. [Health & Safety Code 34176.1(f)(2)]

Recognized Obligation Payment Schedule amount	\$0.00
Other amounts	\$739,049
TOTAL	\$739,049

3. 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 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). [Health & Safety Code 34176.1(f)(3)]

(A) Monitoring/preserving long-term affordability	\$8,571
(B) Homeless prevention/rapid rehousing	\$0
(C) Housing development	\$0
TOTAL	\$8,571

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4. 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. [Health & Safety Code 34176.1(f)(4)]

Real Property	\$425,610
Assets held for resale	\$0
Loans receivable	\$4,860,565
TOTAL	\$5,286,175

5. 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. [Health & Safety Code 34176.1(f)(5)]

Not applicable. No Housing Successor Asset Fund monies were transferred to other housing successors in this fiscal year. The Housing Authority also did not receive any such transfers during this time period.

6. 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. [Health & Safety Code 34176.1(f)(6)]

Not Applicable. The Housing Successor Asset Fund did not receive or hold property tax revenues pursuant to the Recognized Obligation Payment Schedule during the fiscal year.

7. 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. [Health & Safety Code 34176.1(f)(7)]

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Property Received From the Former Redevelopment Agency Prior to February 1, 2012:

APN	Date Acquired	DOF Transfer Approval	Original Cost	Status
8434-002-904	July 27, 2004	Feb. 21, 2013	\$425,610	In use as transitional housing
8445-001-918	May 20, 2005. Time extension obtained May 18, 2010	Feb. 21, 2013	\$730,200	March 1, 2011 entered into DDA to sell property. Sale completed March 3, 2014

Property Acquired On or After February 1, 2012:

Not Applicable. The Housing Successor has not acquired any properties after February 1, 2012.

8. 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. [Health & Safety Code 34176.1(f)(8)]

Outstanding obligations pursuant to Section 33413 that remain to transfer to the Housing Successor on February 1, 2012	None
Unmet obligations	None

The table below identifies a surplus of 314.1 restricted units, and a surplus of 81.3 units restricted for very-low income households. The housing successor has met and exceeded its required housing production.

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Inclusionary Housing Status Table

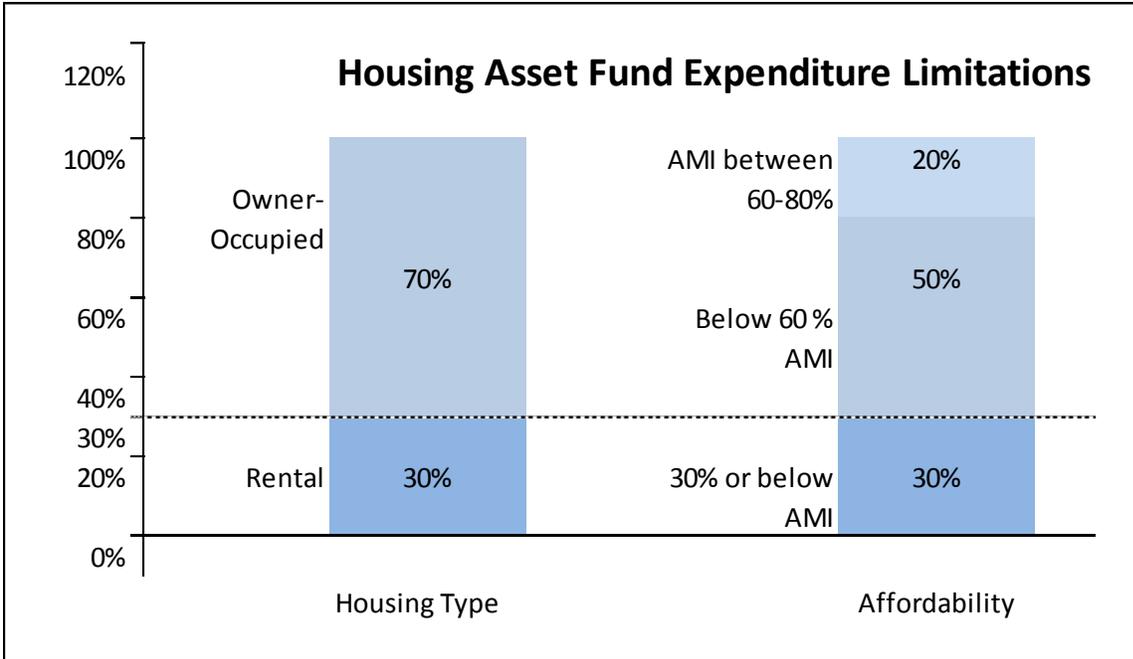
Description	No. Units Required	Surplus Units (Exceeds Requirement)
Total number of restricted units required	76.4	
Total number of restricted units produced	390.5	314.1
Total number of very low income units required	30.7	
Total number of very low income units produced	112.0	81.3

The Implementation Plan is posted on the City Web site.

9. The information required by subparagraph (B) of paragraph (3) of subdivision (a). [Health & Safety Code 34176.1(f)(9)]

The housing successor shall expend all funds remaining in the Low and Moderate Income Housing Asset Fund after the expenditures allowed (Monitoring and homeless services) for the development of housing affordable and occupied by households earning 80 percent or less of the area median income , with at least 30 percent of these remaining funds expended for the development of rental housing affordable to and occupied by households earning 30 percent or less of the area median income and no more than 20 percent of these remaining funds expended for the development of housing affordable to and occupied by households earning between 60 percent and 80 percent of the area median income. A housing successor shall demonstrate in the annual report described in subdivision (f), for 2019, and every five years thereafter, that the housing successor's expenditures from January 1, 2014, through the end of the latest fiscal year covered in the report comply with the requirements of this subparagraph.

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Failure to comply with the extremely low income requirement in any 5-year reporting period will result in the Housing Authority having to ensure that 50% of remaining funds be spent on extremely low income rental units until in compliance. Exceeding the expenditure limit for households earning between 60% and 80% of the AMI in any 5-year reporting period will result in the Housing Authority not being able to expend any funds on these income categories until in compliance.

The Authority had administrative and monitoring expenses in the period from January 1, 2014 to June 30, 2014. Reporting for this period is not required until 2019.

Senior and Non-Senior Units Created	Number of Units by Income Type				Total	
	EL 0-29%	VL 30-49%	L 50-59%	L 60-80%	Units	Funds Spent
Units created FY 17-18						n/a
Units created FY 16-17						n/a
Units created FY 15-16						n/a
Units created this reporting yr (FY 14-15)						n/a
Units created this reporting yr (Jan 1 2014- June 30, 2014)						0
Five Year Total	0	0	0	0		
5 year % On Units By Income Type	0	0	0	0		
Under Limit Yes/No	Yes	Yes	Yes	Yes		

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10. 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. [Health & Safety Code 34176.1(f)(10)]

For this report, the ten-year period reviewed is July 1, 2004 through June 30, 2014.

July 1, 2004 – June 30, 2014	
No. of assisted senior rental units	0
No. of total assisted rental units	7
Senior Housing Percentage	0%

Covina Gardens at 200 W Rowland is a 90-unit rental apartment project, 89 units of which are deed-restricted moderate, low income and very-low income housing. The owner voluntarily provides this housing to seniors only.

11. 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. [Health & Safety Code 34176.1(f)(11)]

When the Covina Redevelopment Agency was dissolved there were no excess surplus funds in its Low and Moderate Income Housing Fund. Remaining funds were distributed to the taxing entities through the Low and Moderate Housing Due Diligence Review. No excess surplus has accrued.

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The following information is provided as required under Assembly Bill 1793 (Chapter 672, Statutes of 2014, effective January 2015) Amendments. AB 1793 amended Health & Safety Code Section 34176.1(f) and added new provisions (f)(12)(A)-(D).

12. 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.

Ownership Units Covenanted to be Affordable as of June 30, 2014	No. of Units
Number of ownership units covenanted to be affordable	18
Total	18

(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.

Ownership Units Lost to the Portfolio	No. of Units
Number of units lost to the portfolio after February 1, 2012 through June 30, 2014	0

(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.

Not applicable.

(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.

The Housing Successor has not contracted with any outside entity for management of the units.