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**HOUSING SUCCESSOR ANNUAL REPORT**  
**City of San Carlos**  
**Fiscal Year 2023-24**

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## TABLE OF CONTENTS

INTRODUCTION .....	1
THE CITY AS HOUSING SUCCESSOR .....	1
SCOPE OF THIS HOUSING SUCCESSOR ANNUAL REPORT .....	1
ASSETS TRANSFERRED TO 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
EXPENDITURES .....	6
SENIOR HOUSING LIMIT COMPLIANCE .....	7
DEPOSITS AND FUND BALANCE .....	7
EXCESS SURPLUS .....	8
TRANSFERS TO OTHER HOUSING SUCCESSORS.....	9
HOUSING SUCCESSOR PORTFOLIO.....	9
PROPERTY DISPOSITION STATUS .....	10
HOMEOWNERSHIP UNIT INVENTORY .....	11
APPENDIX 1 – HOUSING ASSET TRANSFER FORM .....	13
APPENDIX 2 - HOUSING SUCCESSOR ANNUAL REPORT REQUIREMENTS.....	14
APPENDIX 3 – HOUSING ASSET FUND EXPENDITURE REQUIREMENTS .....	15

## INTRODUCTION

This Housing Successor Agency Annual Report (“Annual Report”) presents information on Fiscal Year (“FY”) 2023-24 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 activities 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.

## THE CITY AS HOUSING SUCCESSOR

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The City of San Carlos (“City”) is the Housing Successor Agency (“Housing Successor”) to the former San Carlos Redevelopment Agency (“Agency”). The Housing Successor is responsible for maintaining housing assets transferred from the former Agency. Its main goal is to provide affordable housing for City of San Carlos (“City”) residents.

The 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 and must be accompanied by an independent financial audit. The City’s audited financial statements will be posted on the City website when available.

## SCOPE OF THIS HOUSING SUCCESSOR ANNUAL REPORT

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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 2023-24 is the last year of the current five-year compliance period for income proportionality, which began July 1, 2019 and ended June 30, 2024.

## ASSETS TRANSFERRED TO HOUSING SUCCESSOR

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Upon the statewide dissolution of redevelopment in 2012, all rights, powers, committed assets, liabilities, duties, and obligations associated with the housing activities of the Agency were transferred to the 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. Loans Receivables; and
4. Rents/Operations.

All items on the HAT were reviewed and approved by DOF on September 5, 2012. Once approved by DOF and as directed by law, the Housing Successor transferred these assets to the Low and Moderate Income Housing Asset Fund (“Housing Asset Fund”, Fund 31). The Housing Successor inherited four real properties and other assets from the former Agency; over time, these assets will be disposed or retired in accordance with state law and any applicable agreements.

A copy of the HAT is provided as Appendix 1.

## **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**

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

1. Expenditures and housing production are subject to income and age targets.
2. Housing successors may not accumulate an “excess surplus,” or a high cash balance based on certain thresholds.
3. Properties must be developed with affordable housing or sold within five to ten years of the California Department of Finance approving the Housing Asset Transfer Form.

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

## PERMITTED USES OF HOUSING ASSET FUNDS

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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 the housing successor and the value of loans and grants receivable from the HAT ("Portfolio"), whichever is greater.

According to HCD, the \$200,000 limit adjusted for inflation in FY 2023-24 is \$263,100. The Housing Successor's FY 2023-24 Portfolio value was \$23,145,563, 5% of which is \$1,157,278. Therefore, the FY 2023-24 administrative cost limit for the San Carlos Housing Successor is the higher figure of \$1,157,278.

- **Homeless prevention and rapid rehousing services** up to \$250,000 per year if the former Agency did not have any outstanding housing inclusionary or replacement housing production requirements. The Housing Successor qualifies because the former Agency had a surplus of affordable housing production units upon dissolution.
- **Affordable housing development** assisting households up to 80 percent of the Area Median Income ("AMI"), subject to specific income and age targets.

**Five-Year Income Proportionality:** Any Housing Asset Funds may be spent on development of affordable housing projects affordable to low-, very low-, and extremely low-income households. "Development" is defined in HSC Section 33413 as new construction, acquisition, rehabilitation, or the preservation of affordable housing developments.

Over each successive five-year compliance period beginning in 2014, 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% AMI). The balance of the funds may be used on very low-income households (defined as households earning between 30% and 60% of AMI).

The Housing Successor was compliant with Housing Asset Fund income proportionality expenditure requirements during the first five-year compliance period from January 1, 2014, through June 30, 2019. The current (second) 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 for extremely low-income households, or exceeds 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-income 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 Agency during the past 10 years are restricted to seniors, the Housing Successor may not spend more Housing Asset Funds on senior rental housing.

It is important to stress that Housing Successor expenditure and production requirements are measured on different timeframes:

- **One-Year Limits:** Administrative Allowance and Homeless Prevention Allowance. Compliance evaluated annually and resets every year.
- **Five-Year Limit:** Expenditures by Income Level. Compliance evaluated over a fixed five-year period set by law, the current period being July 1, 2019 to June 30, 2024.

- **Ten-Year Limit:** Number of Senior Deed-Restricted Units Assisted. Compliance evaluated based on a rolling ten-year period that is different every year, the current period being FY 2014-15 to 2023-24.

Appendix 3 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)**

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 to 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 Law, when redevelopment agencies often were receiving substantial amounts of deposits from the mandatory housing set-aside of 20% of tax increment revenues. Today, excess surpluses are generally less common because housing successors no longer receive deposits comparable to the pre-dissolution period.

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

This Annual Report describes Housing Successor related activity in the Housing Asset Fund based on audited numbers by an independent auditor.

The Housing Successor entered FY 2023-24 with approximately \$13,588 in Housing Asset Fund cash and expended approximately \$137,486 during the year on administration costs.

### EXPENDITURES

The Housing Successor complied with all Housing Asset Fund expenditure limits in FY 2023-24, as described and shown in Table 1 below.

**Table 1: Housing Asset Fund Expenditures**

**Fiscal Year 2023-24 Housing Asset Fund Expenditures**

**San Carlos Housing Successor**

Compliance Period Expenditures	Admin/ Monitoring	Rapid Rehousing	Ext. Low Rental Units	Other Units	Ext. Low ≤30% AMI	Very Low >30% <60%	Low 60-80% AMI
	Annual Limits <sup>1</sup>		Five-Year Period (2019-20 through 2023-24)				
Total Expenditures	\$137,486	\$0	\$0	\$0	\$4,221,322	\$2,813,492	\$0
SB 341 Limitation <sup>2</sup>	\$1,157,278	\$250,000	>30%	<70%	>30%	N/A	<20%
Compliant (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes

<sup>1</sup> The Admin/Monitoring and Rapid Rehousing amounts are annual Limits. Expenditures by income level are five-year limits

<sup>2</sup> The Successor has complied with the Annual Limits each year of the compliance period

Source: Low and Moderate Income Housing Fund Trial Balance Summary by Fund (6/30/24) and City Response to Data Request

- Administrative costs of \$137,486 did not exceed the maximum amount for FY 2023-24. The annual limit for administration expenditures in FY 2023-24 is \$1,157,278, which represents 5% of the City's current statutory value of real properties and loan receivables.
- No homeless prevention or rapid rehousing expenses were made in FY 2023-24.
- The total amount spent from Housing Asset Funds on the 817 Walnut project in the five-year compliance period from July 1, 2019, through June 30, 2024 is \$7,034,814. Of this amount, \$4,221,322 or 60% is attributed to the construction of extremely low-income rental units. The balance of \$2,813,492 or 40% is attributed to the construction of very low-income units.

All development-related expenditures in the first five-year compliance period were spent on the construction of extremely low-income and very low-income rental units. Therefore, the five-year



compliance period income targets were met. The Housing Successor will ensure it continues to meet all expenditure requirements going forward in the incoming compliance period of July 1, 2024, through June 30, 2029. Failure to comply with the extremely low-income requirement in any five-year compliance period means the Housing Successor will have to ensure that 50 percent of remaining funds be spent on extremely low-income rental units. Exceeding the expenditure limit for low-income households earning between 60-80% AMI in any five-year reporting period means the Housing Successor will not be able to expend any funds on these income categories until in compliance.

**SENIOR HOUSING LIMIT COMPLIANCE**

The Housing Successor complies with a limit allowing no more than 50 percent of the total aggregate number of rental units produced within the preceding ten years to be restricted to seniors. The Housing Successor, City, and former Agency have only assisted one affordable housing project in the prior ten years, which is the 817 Walnut street project. None of the extremely low-income or very low-income units assisted by the Housing Successor at 817 Walnut are restricted to seniors as shown in Table 2.

**Table 2: Deed Restricted Units Assisted in last 10 Years, FY 2023-24**

<b>Property<sup>1,2</sup></b>	<b>Senior Units</b>	<b>%</b>	<b>Non-Senior Units</b>	<b>%</b>	<b>Total Units</b>
817 Walnut Street	0	0%	24	100%	24
<b>Total</b>	<b>0</b>	<b>0%</b>	<b>24</b>	<b>100%</b>	<b>24</b>

**Total Deed-Restricted Senior Units: 0%**

<sup>1</sup> This list only includes units identified as senior-restricted living in the Housing Element.

<sup>2</sup> This list only includes units that had a ground lease executed within the last 10 years.

Source: City of San Carlos

**DEPOSITS AND FUND BALANCE**

The Housing Successor deposited \$38,102 into the Housing Asset Fund during FY 2023-24. Revenues were from interest income and rents as shown in Table 3.

**Table 3: Housing Asset Fund Deposits, FY 2023-24**

<b>Balance Type</b>	<b>Amount</b>
Investment Income	\$ -
Interest Income	\$ 2,474
Rents	\$ 35,628
Miscellaneous	\$ -
<b>Total</b>	<b>\$ 38,102</b>

*Source: City of San Carlos*

The Housing Asset Fund balance as of June 30, 2024, was approximately \$9.2 million as summarized in Table 4. Of this amount, the cash balance was in a deficit of \$74,308.

**Table 4: Housing Asset Fund – Ending Balance as of June 30, 2024**

<b>Balance Type</b>	<b>Amount</b>
Cash	\$ (74,308)
Notes Receivable	1,895,062
Loans Receivable	8,197,545
Accounts Receivable	360,675
Accounts Payable	-
Miscellaneous	-
Land Held for Resale <sup>1</sup>	972,829
Deferred Revenue	(2,153,099)
Deposits due from Tenants	(1,529)
<b>Ending Balance</b>	<b>\$ 9,197,174</b>

<sup>1</sup>Excludes the value of 817 Walnut reported in Table 6 that is accounted for outside of Fund 31.

*Source: City of San Carlos, Fund 31 accounting records*

## **EXCESS SURPLUS**

The Housing Asset Fund may not accumulate an “excess surplus”, or an unencumbered cash balance that exceeds the greater of either \$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.

As shown in Table 5, the Housing Successor did not have an excess surplus at the end of FY 2023-24.

**Table 5: Excess Surplus Calculation FY 2023-24**

<b>Step 1: Determine Unencumbered Cash Balance From Financials</b>			
FY 23-24 Beginning Cash Balance	\$	13,588	
Less: Encumbered Funds			
Unencumbered Amount			\$ 13,588
<b>Step 2: Determine Greater of \$1M or Last 4 Deposits</b>			
\$1 Million, or	\$	1,000,000	
Last 4 years' deposits	\$	1,522,120	
2022-23	\$	53,130	
2021-22	\$	29,843	
2020-21	\$	234,163	
2019-20	\$	1,258,114	
Result: Larger Number			\$ 1,522,120
<b>Step 3: Excess Surplus is Amount Step 1 Exceeds Step 2, if Any</b>			
(1) Unencumbered Amount	\$	13,588	
(2) Less: Larger Number From Step 2	\$	1,522,120	
Excess Surplus			None

*Source: City of San Carlos*

## **TRANSFERS TO OTHER HOUSING SUCCESSORS**

There were no transfers to another housing successor entity for a joint project pursuant to HSC Section 34176.1.

## **HOUSING SUCCESSOR PORTFOLIO**

The Housing Successor Portfolio includes four properties and four loans receivable transferred from the former Agency. The Portfolio had a value of \$23,145,563 as of June 30, 2024, as detailed in Table 6.

**Table 6: Portfolio Value of Real Properties and Loans Receivable FY 2023-24**

<b>Asset</b>	<b>Amount</b>
<b><i>Real Properties</i></b>	
633 Elm Street Unit #305	\$ 354,999
633 Elm Street Unit #405	377,987
1001 Laurel Street #207	239,843
817 Walnut Street	12,080,126
<i>Subtotal</i>	<i>\$ 13,052,955</i>
<b><i>Loans Receivable</i></b>	
Laureola Oaks	\$ 1,501,100
1244 Cherry Street	100,000
717 Cedar	293,962
817 Walnut Street	8,197,545
<i>Subtotal</i>	<i>\$ 10,092,607</i>
<b>Total Portfolio Value</b>	<b>\$ 23,145,563</b>

*Source: City of San Carlos, Fund 31 and Fund 90 accounting records*

The City, as housing successor, owns four properties that had a book value of \$13,052,955 as of June 30, 2024. The 633 Elm Street Unit #305 was transferred from the former Agency, while two properties, 633 Elm Street Unit #405 and 1001 Laurel Street Unit #207, are Below Market Rate units purchased by the Housing Successor in FY 2016-17 and FY 2017-18. The 817 Walnut real property asset includes the progressive value of donated capital assets.

In FY 2019-20, the City entered into a DDLA with a developer to ground lease the 817 Walnut property to allow for development of new affordable housing. The City treats the value of improvements as a real property asset, which includes accrued depreciation. In addition, the City loaned funds to the developer over several years to complete the development. No additional principal was added to the loan in FY 2023-24, however, additional accrued interest amounted to 315,290. This increased the total loans receivable held by the City to a total of \$10,092,607.

## **PROPERTY DISPOSITION STATUS**

HSC Section 34176(e) requires that all real properties acquired by the Agency prior to February 1, 2012 and transferred to the Housing Successor be developed for affordable housing purposes or disposed of

within five years from the date DOF approved the HAT, or September 5, 2017. The City has met this requirement.

The Agency transferred four real properties to the City on the HAT:

- 817 Walnut Street: The property was formally transferred to the City via a grant deed dated January 5, 2015. In FY 2019-20 the City entered into a DDLA with Walnut Street L.P. to redevelop the site from a 6-unit to a 24-unit apartment complex, of which 6 units are affordable to extremely low-income households.
- 633 Elm Street, Unit 305: This condominium unit continues to be operated as affordable housing and is leased to a low-income tenant.
- 657 Walnut Street: This 7-unit multi-family apartment complex was transferred from the Housing Successor to a developer in January 2017 for the Wheeler Plaza development project. The sales proceeds were deposited to the Housing Asset Fund.
- 1245-1265 San Carlos Avenue: This is a commercial property that was included on the HAT in error. It was subsequently included in the Successor Agency's Long Range Property Management Plan and sold pursuant to a compensation agreement approved by DOF and affected taxing entities.

## HOMEOWNERSHIP UNIT INVENTORY

Table 7 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 7: Homeownership Unit Inventory

Address	# Units	Covenant Recorded	Covenant Expires
3327 Brittan #7	1	1/13/07	1/13/52
641 Cedar Street #101	1	8/5/06	8/5/51
641 Cedar Street #202	1	6/14/06	6/14/51
<b>Pacific Hacienda</b>			
633 Elm #106	1	3/20/02	
633 Elm #107	1	2/12/00	
633 Elm #206	1		
633 Elm #207	1	1/21/00	
633 Elm #215	1	4/27/00	
633 Elm #216	1	1/14/00	In perpetuity w/
633 Elm #305	1		Resale Purchase
633 Elm #306	1	1/21/00	Option
633 Elm #307	1	4/2/05	
633 Elm #316	1	1/28/00	
633 Elm #405	1	12/21/02	
618 Walnut #303	1	11/18/04	
618 Walnut #305	1	8/17/01	
<b>1001 Laurel Street</b>			
#102	1	7/2/19	7/2/64
#105	1	11/15/18	11/15/63
#106	1	8/18/06	8/30/51
#107	1	9/21/06	9/29/51
#109	1	1/2/07	1/12/52
#203	1	6/20/06	6/29/51
#204	1	6/20/06	6/29/51
#205	1	6/20/06	6/29/51
#207	1	11/16/05	12/3/50
#209	1	8/2/06	8/22/51
#213	1	11/27/07	1/12/53
#218	1	11/27/07	12/12/52
#222	1	3/29/07	4/13/52
#225	1	1/8/08	1/22/53
#322	1	6/20/06	6/28/51
#325	1	6/20/06	6/29/51
<b>777 Walnut Street</b>			
#203	1	9/11/18	9/11/63
#304	1	8/10/18	8/10/63
#306	1	8/13/18	8/13/63

**Total Restricted Units 35**

Source: City of San Carlos

## **APPENDIX 1 – HOUSING ASSET TRANSFER FORM**

The Housing Asset Transfer Form is attached as a separate document.

## APPENDIX 2 - HOUSING SUCCESSOR ANNUAL REPORT REQUIREMENTS

### *Health and Safety Code Section 34176.1(f)*

<b>Housing Asset Fund Revenues &amp; Expenditures</b>	<p>Total amount deposited in the Housing Asset Fund for the fiscal year.</p> <p>Amount of deposits funded by a Recognized Obligation Payment Schedule (“ROPS”).</p> <p>Statement of balance at the close of the fiscal year.</p> <p>Description of Expenditures for the fiscal year, broken out as follows:</p> <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> <p>Description of any transfers to another housing successor for a joint project.</p>
<b>Other Assets and Active Projects</b>	<p>Description of any project(s) funded through the ROPS.</p> <p>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).</p> <p>Other “portfolio” balances, including:</p> <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> <p>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.</p>
<b>Obligations &amp; Proportionality</b>	<p>Description of any outstanding production obligations of the former Agency that were inherited by the Housing Authority.</p> <p>Compliance with proportionality requirements (income group targets), which must be upheld on a five-year cycle.</p> <p>Percentage of deed-restricted rental housing restricted to seniors and assisted by the former Agency, the Housing Authority, or the City within the past ten years compared to the total number of units assisted by any of those three agencies.</p> <p>Amount of any excess surplus, and, if any, the plan for eliminating it.</p>



## APPENDIX 3 – HOUSING ASSET FUND EXPENDITURE REQUIREMENTS

<b>Housing Asset Fund Expenditure Requirements</b> <i>Health and Safety Code Section 34176.1</i>		
Expense Category	Limits	Allowable Uses
<b>Administration and Compliance Monitoring</b>	<b>\$1,157,278 maximum</b> for FY 2023-24 (limit varies 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>