

CITY OF SAN MATEO
HOUSING SUCCESSOR ANNUAL REPORT
LOW- AND MODERATE-INCOME HOUSING ASSET FUND 31
FISCAL YEAR 2021-2022

This Housing Successor Annual Report (Report) for the Fund 31 Low- and Moderate-Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1(f). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the City of San Mateo acting as the Housing Successor of the former Redevelopment Agency of the City of San Mateo under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 (the Dissolution Law) for the fiscal year July 1, 2021 to June 30, 2022.

An independent financial audit of the Low- and Moderate-Income Housing Asset Fund for Fiscal Year 2021-22 was prepared by The Pun Group as part of the annual audit for the City of San Mateo. The financial audit was submitted and approved by the City Council at its December 5, 2022 meeting and is separate from this annual summary report. The following Report conforms with Sections 1 through 11, of Section 34176.1(f) of the Dissolution Law:

- 1) **Amount Deposited into LMIHAF:** Total amount of funds deposited into the LMIHAF during the Fiscal Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited. Also, loan repayments received to meet former obligations to the Supplemental Educational Revenue Augmentation Fund (SERAF) are listed separately.

Amount Deposited in LMIHAF	
Interest Earnings	-\$96,652
Misc Revenue	\$0
Loan Repayment Principal	\$152,142
Loan Repayment Interest	\$290,938
Sub total Revenues	\$346,455
Deposits Received for the Payment of ROPS Enforceable Obligations	N/A
SERAF Repayments	N/A
Total LMIHAF Deposits 7/1/21 to 6/30/22	\$346,455

- 2) **Ending Balance of LMIHAF:** Statement of the balance in the LMIHAF as of the close of the Fiscal Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.

Fund Balance	
Fund Balance 6/30/22	\$1,281,510
Funds Reserved for ROPS Obligations	N/A
Funds Reserved for Executed Housing Commitments	\$148,664
Unrestricted Fund Balance 6/30/22	\$1,132,846

- 3) **Statutory Value of Assets Owned by Housing Successor:** The statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts. Under the Dissolution Law and for purposes of this Report, the “statutory value of real property” means the value of properties formerly held by the former redevelopment agency prior to 2/1/2012 as listed on the housing asset transfer schedule approved by the Department of Finance (DOF) and the purchase price of properties purchased by the Housing Successor after 2/1/2012.

Assets	
Value of Real Property	87,120
Value of Loans and Grants Receivable	34,807,385
Statutory Value of Housing Assets	34,894,505

- 4) **Description of Expenditures from LMIHAF:** Description of the expenditures made from the LMIHAF during the Fiscal Year by category. Also describe any loan repayments of former RDA to City in accordance with Section 34191.4 (b)(3)9A)

Expenditures	
Monitoring/Preserving Existing Affordable Housing /Administration*	\$84,340
Homeless Prevention/Rapid Rehousing	N/A
Affordable Housing Development	\$2,850,000
Total LMIHAF Expenditures 7/1/2021 to 6/30/2022	\$2,934,340
Cap on Administration Expenditures (2% of Statutory Value of Assets or \$223,400 whichever is greater)	\$697,890

**Administrative expenses are well below the cap of \$697,890.*

- 5) **Description of Transfers:** Description of transfers, if any, to another housing successor agency made in previous fiscal year(s), including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used.

The Housing Successor did not make any LMIHAF transfers to other housing successor(s) under Section 34176.1(c)(2) during the Fiscal Year.

- 6) **Project Descriptions:** Description of any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.

The Housing Successor has no further ROPS obligations or funds held.

- 7) **Description of Outstanding Obligations under Section 33413:** 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 Housing Successor’s progress in

meeting those prior obligations, if any, of the former redevelopment agency and how the Housing Successor plans to meet unmet obligations, if any.

There are no unmet inclusionary or replacement housing obligations from the former redevelopment agency.

- 8) **Properties Acquired:** The following provides a status update on the project(s) for properties that have been acquired by the Housing Successor using LMIHAF on or after February 1, 2012:

No properties have been acquired by the Housing Successor after February 1, 2012.

- 9) **Income Targeting:** Description of LMIHAF expenditures by income restriction for a five-year period, with the time period beginning January 1, 2014. Cumulative thresholds must be met every five years starting in 2019.

Development of housing funded by the LMIHAF must be affordable to and occupied by households earning 80% or less of the Area Median Income (AMI) per 34176.1 (a)(3).

- A minimum of 30% of the funds must be expended on the housing development for households earning 30% or less of AMI.
- A maximum of 20% of the funds may be expended on housing development for households earning between 60-80% of AMI.

Five Year Income Targeting for LMIHAF Expenditures				
Five Year Period	30% AMI	31-60% AMI	61-80% AMI	Total
7/1/19 to 6/30/20	0	0	0	0
7/1/20 to 6/30/21	0	0	0	0
7/1/21 to 6/30/22	35	0	0	35
7/1/22 to 6/30/23				
7/1/23 to 6/30/24				
Total	35	0	0	35
% of Total				100%
Minimum Required %	30%			
Maximum Allowed %			20%	

- **Senior Housing:** Percentage of deed-restricted senior rental housing units 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 all deed-restricted rental housing assisted within the same time period cannot exceed 50%.

Senior Housing Assisted by City of San Mateo RDA or LMIHAF	
No of Senior Rental Units Assisted July 2011 to June 2022	0
No of Total Rental Units Assisted July 2011 to June 2022	237
Senior Housing Percentage	0%

- **Excess Surplus:** This section provides the amount of excess surplus in the LMIHAF, if any, the length of time that the Housing Successor has had excess surplus, and the Housing Successor's plan for eliminating the excess surplus.

Excess Surplus is defined in Section 34176.1(d) as an unencumbered amount in the account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the Housing Successor's preceding four fiscal years, whichever is greater.

Excess Surplus	
LMIHAF Deposits 7/1/2018- 6/30/2019	554,309
LMIHAF Deposits 7/1/2019- 6/30/2020	527,741
LMIHAF Deposits 7/1/2020 - 6/30/2021	545,103
LMIHAF Deposits 7/1/2021 – 6/30/2022	346,455
Total Deposits	1,973,609
Greater of \$1,000,000 or previous four Fiscal Years Deposits	1,973,609
Available Unencumbered Balance 6/30/22	1,132,846
Excess Surplus	0

As of 6/30/22 there is no Excess Surplus.

- **Inventory of Homeownership Units:** Number of ownership units assisted with LMIHAF with covenants, the number of those lost to portfolio and the reason, and the amount of funds returned to fund as a result. Identify if an outside agency is contracted to manage ownership portfolio.

Ownership Units	
Number of Units	76
Number of Units Lost to Portfolio	0
Reason:	
Funds returned to LMIHAF	0

Housing Successor did not contract out management of ownership units to outside entity.