
SENATE BILL 341 ANNUAL REPORT

Victorville Housing Successor
Report for Fiscal Year 2022-2023



TABLE OF CONTENTS

INTRODUCTION.....	1
REPORTING REQUIREMENTS OF SENATE BILL 341.....	1
ASSETS TRANSFERED TO THE HOUSING SUCCESSOR	3
EXPENDITURE REQUIREMENTS OF SENATE BILL 341	3
LOW AND MODERATE INCOME HOUSING ASSET FUND.....	4
HOUSING ASSET FUND DEPOSITS	5
HOUSING ASSET FUND ENDING BALANCE.....	5
OTHER ASSET BALANCES.....	6
HOUSING ASSET EXPENDITURES.....	7
MONEY TRANSFERS BETWEEN HOUSING SUCCESSORS	8
PROPERTY AND PROJECT DESCRIPTIONS	9
PROPERTY TAX REVENUE RECEIVED	9
STATUS UPDATES ON DISPOSITIONS AND DEVELOPMENTS	9
OUTSTANDING OBLIGATIONS.....	11
PROPORTIONALITY REQUIREMENTS FOR INCOME GROUPS	12
SENIOR HOUSING	12
EXCESS SURPLUS	12
INVENTORY OF HOMEOWNERSHIP UNITS.....	13



INTRODUCTION

The dissolution of California redevelopment agencies in 2012 resulted in a dramatic change to property tax finance. It eliminated the major source of local publicly generated dollars earmarked for affordable housing. Housing authorities have been left in a challenging position – the need for affordable housing is greater than ever, yet a key funding source no longer exists.

On November 10, 2012, the City of Victorville (“City”) elected to become the Victorville Housing Trust (“Successor”) to the former Victorville Redevelopment Agency (“RDA”) and assumed its housing functions. The Successor’s assets were transferred from the former RDA, when it dissolved pursuant to the Dissolution Act (enacted by Assembly Bills x1 26 and 1484). All “rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency, excluding any amounts in the Low- and Moderate-Income Housing Fund” were transferred from the former RDA to the Successor. Although, the Successor inherited the RDA’s housing assets and functions, it does not have an ongoing financing mechanism to maintain them. The former RDA primarily funded projects with redevelopment tax increment, which was abolished with the dissolution of redevelopment.

The Successor prepared a Housing Asset Transfer Form, which provided an inventory of all assets received in the mandatory transfers of assets following the dissolution of redevelopment. All items on the Housing Asset Transfer Form were approved by the California Department of Finance (“DOF”) on August 23, 2014. On the Housing Asset Transfer Form 46 real properties were originally listed; however, only 36 properties were transferred to the Housing Asset Fund. The properties that were not transferred were acquired using federal funds, more specifically Neighborhood Stabilization Program (“NSP”) funds.

In addition, the Successor is the beneficiary of two loans made to the former Victor Valley Economic Development Authority Redevelopment Agency (“VVEDA RDA”). The VVEDA RDA was formed with Joint Powers Authority Agreements between the City and several other jurisdictions. More detail on these loans is provided later in this report.

On June 21, 2016, the City Council, performing the housing functions of the former RDA, adopted Resolution No. R-HF-16-001 repealing Resolution R-HF-12-002 to abolish the Victorville Housing Trust, amending all subsequent resolutions of the Victorville Housing Trust, and confirming that the “City of Victorville” (“CHAS”) is the lawfully-designated housing successor entity and authorized the taking of certain actions thereof.

REPORTING REQUIREMENTS OF SENATE BILL 341

Senate Bill (“SB”) 341, Assembly Bill (“AB”) 1793, SB 107, and AB 346 amended certain sections of the Health & Safety Code (“HSC”) in 2014, 2015, and 2017 pertaining largely to entities that accepted the housing assets and liabilities of former redevelopment agencies. SB 341 clarified that all former redevelopment agency housing assets, regardless of their originating

redevelopment agency, must be maintained in a separate fund called the Low- and Moderate-Income Housing Asset Fund (“Housing Asset Fund”). SB 341 outlined a series of reporting requirements that must be adhered to in annual reports. This annual report is due to the California State Department of Housing and Community Development (“HCD”) by April 1st of each year. The report must be accompanied by an independent financial audit, which is due by December 31st every year.

In accordance with HSC Section 34176.1(f), certain data must now be reported annually for the Housing Asset Fund. These requirements are presented in Figure 1.

Figure 1. Reporting Requirements of HSC Section 34176.1(f)

Revenues & Expenditures	Assets and Active Projects	Obligations & Proportionality
Total amount deposited in the Housing Asset Fund for the fiscal year	Description of any project(s) still funded through the Recognized Obligation Payment Schedule (“ROPS”)	Description of any outstanding production obligations of the former RDA that are inherited by the Housing Successor
Statement of balance at the close of the fiscal year	Update on property disposition for any property owned more than five years or plans for property owned less than five years	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"> • Rapid rehousing for homelessness prevention (up to \$250,000 per year); • Administrative expenses (\$200,000 or 5% of “portfolio” per year); • Monitoring expenses (included as an administrative expense); • All other expenditures must be reported as spent for each income group (extremely low-, very low-, and low-income) 	Other “portfolio” balances, including: <ul style="list-style-type: none"> • Statutory value of any real property either transferred from the former RDA or purchased by the Housing Asset Fund (note that the Successor may only hold property for five years); • Value of loans and grants receivable 	Percentage of deed-restricted rental housing restricted to seniors and assisted by the entity assuming housing functions, the former RDA, or the County 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 Successor that are subject to covenants or restrictions or to an adopted program that protects the former RDA’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

ASSETS TRANSFERRED TO THE HOUSING SUCCESSOR

According to HSC Section 34176(e), housing assets may include the following:

- Real property;
- Restrictions on the use of property;
- Personal property in a residence;
- Housing-related files;
- Office supplies and software programs acquired for low-and moderate-income purposes;
- Funds encumbered by an enforceable obligation;
- Loan or grant receivables funded from the former Low- and Moderate-Income Housing Fund (“LMIHF”);
- Funds derived from rents or operation of properties acquired for low-and moderate-income housing purposes;
- Rents or payments from housing tenants or operators of low-and moderate-income housing; and
- Repayment of Supplemental Educational Revenue Augmentation Fund (“SERAF”) loans.

The assets transferred from the RDA to the Successor included real properties, loan receivables, repayment of SERAF loan, and residual receipt payments.

EXPENDITURE REQUIREMENTS OF SENATE BILL 341

In the months following redevelopment dissolution, the California legislature passed several legislative bills, including SB 341, to clarify issues concerning the activities and assets of former redevelopment agencies. SB 341 reinstated several affordable housing requirements formerly completed by redevelopment agencies. Specifically, SB 341 directs expenditures from the Successor’s Housing Asset Fund as follows:

- **Administrative Expenditures:** Administrative expenditures, which include housing monitoring, are capped at either \$200,000 or 5% of the Housing Asset Fund’s annual portfolio, whichever is greater. The portfolio includes outstanding loans or other receivables and the statutory value of any real property owned by the Successor.
- **Homelessness Prevention:** A housing successor is authorized to spend up to \$250,000 each year on rapid rehousing solutions for homelessness prevention if all obligations pursuant to HSC Sections 33413 and 33418 have been fulfilled.
- **Income Proportionality Limits:** Remaining allowable expenditures must be spent to expand housing options for low-income households, defined as households earning 80%

or less of the area median income (“AMI”). At least 30% of expenditures must be allocated to extremely-low rental households, or those households earning 30% or less of the AMI. A maximum of 20% may go towards households earning between 60% and 80% of the AMI. No funding may be spent on moderate-income households, defined as households earning 81 to 120% of the AMI.

Housing successors must report expenditures by category each year and report income proportionality limits compliance at the end of each five-year compliance period. The first five-year compliance period began in Fiscal Year 2013-2014 and ended in Fiscal Year 2018-2019. For example, a housing successor could spend any amount of its funds during Fiscal Year 2013-2014 on households earning between 60% and 80% AMI, as long as this amount is 20% or less of the total expenditures by the end of Fiscal Year 2018-2019.

The SB 341 allowable administrative expenses limit has increased substantially when compared to the FY 2013-14 limitation due to the passing of SB 107. This bill had a provision that raised the allowable administrative expenses limit from 2% of the Housing Asset Fund’s Portfolio or \$200,000 – whichever is greater – to 5% or \$200,000. The Successor’s Portfolio was \$30,082,260 in FY 22-23, resulting in an allowable administrative expense of \$1,504,113 approximately.

LOW- AND MODERATE-INCOME HOUSING ASSET FUND

The Housing Asset Fund replaced the former Agency’s LMIHF. The Housing Asset Fund contains all the assets that were transferred from the RDA to the Successor via the Housing Asset Transfer (“HAT”) Form. The HAT included:

- 46 real properties;
- 166 First Time Homebuyer loans;
- Three residual receipt payments;
- SERAF; and
- Three loans to non-housing funds.

The HAT included housing assets funded by Neighborhood Stabilization Program (“NSP”) grant funds pursuant to a then existing contract between the City of Victorville and the former RDA. As such, those NSP funded assets did not transfer to the Housing Asset Fund. Of the 46 real properties originally listed on the HAT, 36 real properties were transferred to the Housing Asset Fund. Appendix B lists the Successor’s real property assets as of the end of June 30, 2023 in the amount of \$1,549,837.

Additionally, of the 166 First Time Homebuyer loans listed on the HAT only 6 loans remain open and outstanding with a total loan value of \$103,345. The other First Time Homebuyer loan terms have been satisfied, paid off, or have defaulted by the borrower. Appendix C lists the Successor’s First Time Homebuyer loans as of the end of June 30, 2023.

HOUSING ASSET FUND DEPOSITS

SB 341 requires housing successors to annually report the funds that were deposited into the Housing Asset Fund during the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule (“ROPS”). The Successor only receives ROPS property tax for Northgate Village. Pursuant to a contractual arrangement established before the dissolution of redevelopment agencies, the Housing Successor may provide up to \$250,000 in annual subsidy payments towards the project if the project can demonstrate a negative operational shortfall. During Fiscal Year 2022-2023, \$250,000 was provided as a subsidy. These payments are made directly from ROPS proceeds, and funds do not come into the Housing Asset Fund. Therefore, it is not reported in Table 1.

As shown in Table 1, the Successor deposited \$301,893 during Fiscal Year 2022-2023. This amount includes a principal payment in the amount of \$100,000 towards a Housing Loan, Impressions at Valley Center. As of June 30, 2023, the principal and interest due for the Impressions Housing Loan is \$1,051,869. Additionally, during FY 2022-2023, the CHAS Fund received the payoff of one First Time Homebuyer Mortgage Assistance loan and one Owner Occupied Rehabilitation loan.

Table 1. Fiscal Year 2022-2023 Housing Asset Fund Deposits as of June 30, 2023

City as Housing Assets Successor	
Description	Amount
MAP Payoffs - Interest	\$32,810
CHAS Fund Interest Income	\$116,790
MAP Payoffs - Principal	\$25,538
OOR Payoffs - Principal	\$26,755
Housing Loan - Principal	\$100,000
Total	\$301,893

Source: City of Victorville Trial Balance

HOUSING ASSET FUND ENDING BALANCE

SB 341 requires housing successors to submit a statement showing the Housing Asset Fund’s ending balance at the close of the fiscal year, distinguishing any amounts held for items listed on the ROPS.

As shown in Table 2, the Housing Asset Fund balance as of June 30, 2023, was \$30,082,260.

**Table 2. Fiscal Year 2022-2023 Housing Asset Fund
Balance as of June 30, 2023**

City as Housing Assets Successor

Description	Amount
Cash	\$2,067,867
Land Held For Resale	\$1,549,837
Mortgage Assistance	\$103,345
Residual Receipts Loans Receivable	\$12,970,806
SERAF	\$6,936,336
Loans Receivable from Non-Housing	\$6,121,402
Total Fund Balance	\$29,749,593

Source: City of Victorville, Trial Balance

OTHER ASSET BALANCES

SB 341 requires housing successors to report on the statutory value of real properties formerly owned by the former redevelopment agency, and loans and grant receivables listed on the Housing Asset Transfer Form. The statutory values of real property, loans and grants receivable belonging to the Housing Successor as of June 30, 2023, are shown in Table 3.

The Housing Successor listed 46 real properties that had a total statutory value of \$15,445,636. Out of these assets, 36 real properties were transferred to the Housing Successor. Of the properties transferred, four are categorized as low moderate housing with commercial space while the remaining 32 are designated specifically for low moderate housing. Pursuant to Governmental Accounting Standards Board (GASB), at the end of FY 2022-2023, the Housing Successor updated the valuation of each real property asset as required by law. The valuation for prior reporting years was \$2,003,616 but is now valued at \$1,549,837. The reduction of \$453,779 is a result to current market values recorded as “Loss on Impairment”. The current balance of land held for resale is \$1,549,837.

The Successor has three Residual Receipts Loans totaling \$12,970,806. These loans were issued to support the development of various multi-family affordable housing projects more specifically known as Impressions at Valley Center, Northgate Village Apartments and Rodeo Drive Meadows. As of today, no residual receipts have been made and the outstanding balances for these loans are \$1,051,868.82, \$6,575,177 and \$5,343,760, respectively. As a part of the dissolution act, the Housing Successor continues to conduct annual monitoring visits to ensure the apartments remain affordable.

To make the required SERAF payment for fiscal year 2009-10, the Victorville Redevelopment Agency (“RDA”) borrowed \$5,000,000 from its Low- and Moderate-Income Housing Fund

("LMIHF") as allowed by the Health and Safety Code ("HSC") section 33690(c)(1). The RDA did not make a payment before the dissolution of Redevelopment with ABx1 26 in legislative year 2010-2011. Per HSC section 34191.4(3) of the Health and Safety Code, all loans stemming from redevelopment agencies are to be charged a simple interest rate of 3% on a quarterly basis beginning at the date of origination of the loan by the redevelopment agency. These calculations resulted in an increase of the SERAF to \$6,936,336.

The Housing Successor's loans receivable from non-housing currently hold a balance of \$13,057,738. This amount includes principal and interest on the SERAF Loan, a Non-Housing Loan in the amount of \$5,605,402, and a loan between the RDA's LMIHF to the Old Town/Midtown Project Area in the amount of \$516,000. The Non-Housing Loan was necessary to fund redevelopment efforts within the RDA's project area, and the LMIHF Loan was made to undertake redevelopment activities in the Old Town/Midtown Project Area, which was not generating tax increment. As of the end of FY 2022-2023, no payments have been made toward these loans.

The Housing Successor also listed 166 First Time Homebuyer loans on the HAT which had an outstanding loan balance of \$2,251,159. Since the compilation of the HAT, many First Time Homebuyer notes have been satisfied, repaid or defaulted. The current balance of the First Time Homebuyer loans is \$103,345 as of June 30, 2023, as depicted on Table 3.

Table 3. Fiscal Year 2022-2023 Real Properties and Loan / Grant Receivables as of June 30, 2023

City as Housing Assets Successor

Real Properties	Statutory Value
Low Moderate Housing	\$1,549,837
Subtotal	\$1,549,837
<hr/>	
Loans and Grants Receivables	Statutory Value
Residual Receipts Loans Receivable	\$12,970,806
SERAF	\$6,936,336
Loans Receivable from Non-Housing	\$6,121,402
First Time Homebuyer Loans	\$103,345
Subtotal	\$26,131,889
Total	\$27,681,726

Source: City of Victorville Trial Balance

HOUSING ASSET EXPENDITURES

SB 341 requires housing successors to provide a description of expenditures from the Housing Asset Fund by category, including expenditures for (A) 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, (B) administering such activities, (C) homeless prevention and rapid rehousing services and (D) the development of affordable housing units for various income groups. Table 4 presents expenditures for the Housing Asset Fund.

Table 4. Fiscal Year 2022-2023 Housing Asset Fund Expenditures as of June 30, 2023

City as Housing Assets Successor

Description	Amount
Monitoring and Preserving Affordability Covenants	\$11,383
Administrative Costs	\$332
Affordable Housing Development	\$85,547
Total	\$97,262

Source: City of Victorville

Senate Bill 341 states a Housing Successor may expend, on administrative costs, the greater of 5% of the statutory value of real property and loans and the administrative limit of \$200,000. The Successor’s statutory value for FY 2022-2023 is \$28,014,393, resulting in an allowable administrative expense of \$1,400,720. With a total Administrative expense of \$97,262, the Successor Agency has complied with administrative costs maximum expenditure requirements.

The City of Victorville owns various vacant parcels within its Old Town/Mid Town Project Area. These properties were purchased by the former Victorville Redevelopment Agency as the first phase of a redevelopment project in the City’s Old Town/Mid Town Project Area. The land assembly phase involved the acquisition and demolition of properties that were dilapidated and unsafe. The properties were acquired for the purposes of developing affordable housing and eliminate economic blight by raising depreciated and stagnant properties, fill business vacancies, and increase the Old Town/Mid Town Project Area’s affordable housing supply.

The City’s Economic Development Department is marketing the availability of these properties for the ultimate development of a mixed-use multifamily project.

MONEY TRANSFERS BETWEEN HOUSING SUCCESSORS

SB 341 requires that when two or more contiguous housing successors enter into a joint venture to provide (A) a description of any transfers made in the previous fiscal year and in earlier fiscal years and (B) a description of and status update on any project for which transferred funds have been or will be expended.

The Successor has not entered in a joint venture with another housing successor. Therefore, the Successor is in compliance with this legal requirement.

PROPERTY AND PROJECT DESCRIPTIONS

PROPERTY TAX REVENUE RECEIVED

SB 341 requires housing successors to provide a 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.

Each year, National CORE receives \$250,000 through the ROPS process for the Northgate Village Apartments (Item #4 on the ROPS). The Development Agreement between the former RDA and National CORE provides for a fixed annual agency subsidy payment to be paid to National CORE to help subsidize the Project's negative operating cash flow. The \$250,000 listed as a Recognized Obligation Payment of the former RDA and was listed as ROPS Item #4, Northgate Village Apartments, during Fiscal Year 2022-2023. This payment is made directly from the ROPS and funds do not come into the Housing Asset Fund.

STATUS UPDATES ON DISPOSITIONS AND DEVELOPMENTS

SB 341 requires that all real properties acquired by the RDA prior to February 1, 2012 and transferred to the Successor developed pursuant to the requirements detailed in HSC Section 33334.16. Thus, all property that falls within in these parameters must be developed for affordable housing purposes within five years from the date DOF approved the Housing Asset Transfer Form. If the Successor is unable to develop or dispose of these properties within the five-year period, the law allows for a five-year extension via adoption of a resolution. In addition, housing successors are to provide a status update on any projects for real property acquired on or after February 1, 2012.

The Successor adopted a resolution for a five-year extension, August 27, 2022, due to the difficulty of initiating development on the remaining properties, caused by the financial market conditions and the loss of funds resulting from the dissolution of redevelopment agencies in California.

At the time of dissolution, the RDA listed 46 real estate properties on the Housing Asset Transfer Form, but only transferred 36 properties to the Successor. These properties and their disposition status are listed as Appendix B. The Successor is working with an affordable housing developer for the development of multiple properties, no properties were sold or developed in the Fiscal Year of 2022-2023.

In addition to the above properties, five affordability covenants were also assumed by the Successor. A description of the projects is subsequently listed.

Northgate Village Apartments

On July 15, 2005, the RDA entered into an affordable housing agreement with National CORE, formerly known as The Southern California Housing Development Corporation, a California nonprofit public benefit corporation, regarding the Northgate Village Apartment community. The housing community has 140 units, and is 100% affordable, serving residents who are 50% AMI and 80% AMI for San Bernardino County established and adjusted by the U.S. Department of Housing and Urban Development.

The residential units are subject to a regulatory agreement that will restrict rents and limit occupancy to income-eligible tenants for a period of at least 55 years.

Impressions

On September 2, 2002, the RDA entered into an affordable housing agreement with the Victorville Housing Partnership, L.P., a California limited partnership, to develop the Impressions Project. The Impressions Project includes 100 units, of which there are 46 2-bedroom units restricted to households earning 45% AMI and 53 3-bedroom units restricted to households earning 50% AMI. One unit is reserved as a manager unit and is not income restricted.

The residential units are subject to a regulatory agreement that will restrict rents and limit occupancy to income-eligible tenants for a period of at least 90 years.

Casa Bella

On September 16, 2008, the RDA entered into an agreement for the acquisition of affordability covenants with AMCAL Casa Bella Fund, L.P., a California limited partnership, for development of the Casa Bella Project. The Project includes a total of 288 units, of which 274 units must remain affordable for 55 years. It features both 2 and 3-bedroom units that must be affordable to households earning 60% AMI.

Rodeo Drive Meadows

On August 5, 2008, the RDA entered into an agreement with Pacific West Communities, Inc. to build a 49-unit project referred to as Rodeo Drive Meadows. The Project features 16 2-bedroom units, 24 3-bedroom units, and 8 4-bedroom units restricted to households earning 60% AMI that must remain affordable for 90 years.

Hillcrest Apartments

Hillcrest Court Apartments is a 67-unit multifamily complex (less one unit reserved for management) acquired by the former Victorville Redevelopment using Neighborhood Stabilization Program ("NSP") funds. On November 16, 2010, the former Victorville Redevelopment Agency entered into an Affordable Housing Agreement ("AHA") with Hillcrest Court for the rehabilitation of the apartment complex. The physical rehab work was completed in

December 2011, and pursuant to the AHA, title to the property was transferred to AMCAL within 60 days of completion of the rehabilitation of the complex. In exchange for the property, AMCAL agreed to assume all debt associated with the property and maintain the project affordable for a period of 55 years.

February 2018 the County Board of Supervisors approved an Assignment and Assumption Agreement (“AAA”) between the County of San Bernardino, AMCAL Hillcrest Court Funds, LP, and the Hillcrest Court Apartments, LLC (Hillcrest Court Apartments, LLC is the non-profit the San Bernardino County Housing Authority formed to acquire the apartment complex) and the City of Victorville acting as the Successor for the acquisition of the Hillcrest Court Apartments by the Housing Authority. The Hillcrest Court Apartments, LLC assumed all debt associated with the complex and repaid the RDA loan in the amount of \$689,891.74.

Desert Haven Apartments

On June 1, 2020, the City provided \$1,509,505 of its Neighborhood Stabilization Program funds to help fund the development of an affordable housing project owned by the Housing Authority of the County of San Bernardino (“HACSB”) non-profit partner Housing Partners, I. The complex, known as Desert Haven, provides permanent housing for individuals and families without preconditions and barriers to entry, such as sobriety, treatment, or service participation. The Term of note is for fifty-five (55) years, terminating October 1, 2074. The City recorded a Regulatory Agreement for the life of the loan which enforces the maximum allowable rent that may be charged by Desert Haven as well as establishes who may occupy the 31 units based on income eligibility. Desert Haven also gives priority preference in rental of units to eligible households displaced who are residents or are employed in the City of Victorville. All 31 units will be used to reduce and prevent homelessness by housing extremely low-income households and increase the City’s affordable housing units. The project opened in the fall of 2021.

OUTSTANDING OBLIGATIONS

SB 341 requires housing successors to describe (A) any outstanding obligations that were supposed to be transfer to the housing successor at the time of dissolution, (B) the housing successor’s progress in meeting those obligations, and (C) the housing successor’s plans to meet unmet obligations.

According to the most recent Affordable Housing Compliance Plan completed by the former Redevelopment Agency, the Successor did not have any outstanding inclusionary or replacement housing obligations at the time of dissolution.

PROPORTIONALITY REQUIREMENTS FOR INCOME GROUPS

SB 341 limits Housing Asset Fund expenditures to lower income households earning 80% or less of the AMI. At least 30% of funds must be spent on rental housing for households earning 30% or less of the AMI and not more than 20% of the expenditures can be spent on households earning between 60% and 80% of the AMI. Failure to comply with the extremely low-income requirement in any five-year reporting period will result in the Successor having to allocate 50% of its remaining funds to extremely low-income rental units until its expenditures comply with proportionality limits. If, at the end of any five-year period, the Successor exceeds its spending limit for households earning between 60% and 80% of the AMI, it will not be able to spend additional funds on these income groups until its expenditures comply with proportionality limits.

As shown in Table 4, the Successor's expenditures in FY 2022-2023 fall within the limits of administrative costs. The \$85,547 was spent towards predevelopment expenses. This amount will be allocated to an income category once the AMI breakdown is determined. Since the dissolution of redevelopment agencies, the Housing Successor's affordable housing activities have been minimal. With no other qualifying expenditures to report, the Housing Successor is, by default, compliant with the proportionality requirements of SB 341.

SENIOR HOUSING

SB 341 requires housing successors to report the percentage units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Successor, its RDA, 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 Housing Successor, its former RDA and its host jurisdiction within the same period. For this report, the ten-year period reviewed is July 1, 2008 through June 30, 2018. Pursuant to HSC 34176.1, the percentage of affordable housing units for seniors shall not exceed 50% of the total number of affordable housing units.

Over the last ten years, no affordable senior rental units were constructed. The percentage of affordable rental units developed for seniors is therefore 0%. By default, the Successor has not exceeded the 50% threshold.

EXCESS SURPLUS

Housing successors are required to report (A) the amount of any excess surplus, (B) the amount of time that the successor agency has had the excess surplus, and (C) the housing successor's plan for eliminating the excess surplus. Excess surplus is defined by HSC Section 34176.1(d) as "an unencumbered amount in the account that exceeds the greater of one million dollars, or the aggregate amount deposited into the account during the housing successor's preceding four fiscal years, whichever is greater."

Excess surplus calculations were once performed by redevelopment agencies on an annual basis and were intended to ensure that funds are expended to benefit low-income households in a timely manner. SB 341 reinstates this calculation for housing successors. Since Fiscal Year 2018-2019 through 2021-2022, the Housing Successor Agency has had an aggregate deposit amount totaling \$2,083,809. Based on a five-year analysis, the Housing Successor Agency appears to have \$2,083,809 deficit (Table 5) with no excess surplus.

Table 5. Deposit Data from Surplus Calculation
City as Housing Assets Successor

Fiscal Year	2018-19	2019-20	2020-21	2021-22	2022-23
Deposits	\$72,740	\$62,162	\$12,429	\$1,936,478	\$301,893
Committed Funds					\$331,243
Unencumbered Amount					\$0.00
\$1 Million, or					\$1,000,000
Last 4 Deposits					\$2,083,809
Result: Larger Number					\$2,083,809
Step 2					
Unencumbered Amount					\$0.00
Larger Number From Step 1					\$2,083,809
Excess Surplus/(Deficit)					\$(1,752,566)

Source: City of Victorville

INVENTORY OF HOMEOWNERSHIP UNITS

Assembly Bill 1793 (“AB 1793”), added requirements to the SB 341 Report, requires the annual reporting of any homeownership units assisted by the Successor that require restrictions, covenants, or an adopted program that protects Housing Asset Fund monies.

Of the 166 units listed on the Successor’s Housing Asset Transfer Form, 6 homeownership units remain as First Time Homebuyer loans. The property description, remaining loan term and amount, affordability period and covenant expiration are attached as Appendix C. The loans not listed have been removed due to the Homeowner satisfying the term, loan payoff, or loan default.

APPENDIX A

Housing Asset Transfer Form

City of Victorville
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	l/m with commercial	VRA/0478-105-08&18	\$1,720,134	42,602	21,301	no	N/A	**no transfer	\$1,720,134	\$0	\$0	1/24/2008	fee simple
2	low mod housing	VRA/0478-105-04	\$151,254	7,100	7,100	no	N/A	**no transfer	\$151,254	\$0	\$0	11/30/2007	fee simple
3	low mod housing	VRA/0478-105-07	\$36,145	7,100	7,100	no	N/A	**no transfer	\$36,145	\$0	\$0	1/28/2008	fee simple
4	low mod housing	VRA/0478-211-25	\$645,016	14,201	14,201	no	N/A	**no transfer	\$645,016	\$0	\$0	2/29/2008	fee simple
5	low mod housing	VRA/0478-211-03 & 04	\$81,063	7,100	7,100	no	N/A	**no transfer	\$81,063	\$0	\$0	4/18/2008	fee simple
6	low mod housing	VRA/0478-044-30	\$161,846	35,118	35,118	no	N/A	**no transfer	\$161,846	\$0	\$0	3/12/2008	fee simple
7	low mod housing	VRA/0478-212-11	\$151,274	7,100	7,100	no	N/A	**no transfer	\$151,274	\$0	\$0	4/25/2008	fee simple
8	low mod housing	VRA/0478-044-37	\$193,988	26,041	26,041	no	N/A	**no transfer	\$193,988	\$0	\$0	4/19/2008	fee simple
9	low mod housing	VRA/0478-105-01	\$231,483	7,100	7,100	no	N/A	**no transfer	\$231,483	\$0	\$0	5/1/2008	fee simple
10	low mod housing	VRA/0478-105-03	\$191,435	7,100	7,100	no	N/A	**no transfer	\$191,435	\$0	\$0	4/30/2008	fee simple
11	low mod housing	VRA/0478-211-02	\$182,865	7,100	7,100	no	N/A	**no transfer	\$182,865	\$0	\$0	4/30/2008	fee simple
12	low mod housing	VRA/0478-211-01	\$197,213	7,100	7,100	no	N/A	**no transfer	\$197,213	\$0	\$0	6/2/2008	fee simple
13	low mod housing	VRA/0478-105-06	\$273,234	7,100	7,100	no	N/A	**no transfer	\$273,234	\$0	\$0	6/2/2008	fee simple
14	low mod housing	VRA/0478-106-02	\$158,518	7,100	7,100	no	N/A	**no transfer	\$158,518	\$0	\$0	6/2/2008	fee simple
15	low mod housing	VRA/0478-106-03	\$273,004	7,100	7,100	no	N/A	**no transfer	\$273,004	\$0	\$0	6/2/2008	fee simple
16	low mod housing	VRA/0478-106-04	\$330,247	7,100	7,100	no	N/A	**no transfer	\$330,247	\$0	\$0	6/2/2008	fee simple
17	low mod housing	VRA/0478-106-07	\$809,205	14,375	14,375	no	N/A	**no transfer	\$809,205	\$0	\$0	6/2/2008	fee simple
18	low mod housing	VRA/0478-212-12	\$191,387	7,100	7,100	no	N/A	**no transfer	\$191,387	\$0	\$0	6/11/2008	fee simple
19	low mod housing	VRA/0478-105-02	\$228,523	7,100	7,100	no	N/A	**no transfer	\$228,523	\$0	\$0	6/12/2008	fee simple
20	low mod housing	VRA/0478-044-35	\$171,524	4,356	4,356	no	N/A	**no transfer	\$171,524	\$0	\$0	6/16/2008	fee simple
21	low mod housing	VRA/0478-044-13 & 36	\$370,387	21,597	21,597	no	N/A	**no transfer	\$370,387	\$0	\$0	7/10/2008	fee simple
22	low mod housing	VRA/0478-044-15 & 29	\$451,274	39,422	39,422	no	N/A	**no transfer	\$451,274	\$0	\$0	10/31/2008	fee simple
23	low mod housing	VRA/0478-044-43	\$24,000	21,597	21,597	no	N/A	**no transfer	\$24,000	\$0	\$0	2/1/2010	fee simple
24	low mod housing	VRA/0394-031-37	\$4,486,296	1,123,848	1,123,848	no	N/A	**no transfer	\$4,486,296	\$0	\$0	12/12/2007	fee simple
25	low mod housing	VRA/0395-212-09	\$1	99,317	99,317	no	N/A	**no transfer	\$1	\$0	\$0	4/15/2002	fee simple
26	low mod housing	VRA/0478-244-09	\$10,300	4,356	4,356	no	N/A	**no transfer	\$0	\$10,300	\$0	7/25/2005	fee simple
27	low mod housing	VRA/0478-244-11	\$4,050	4,356	4,356	no	N/A	**no transfer	\$0	\$4,050	\$0	7/25/2005	fee simple
28	low mod housing	VRA/0478-244-12	\$7,850	13,068	13,068	no	N/A	**no transfer	\$0	\$7,850	\$0	7/25/2005	fee simple
29	low mod housing	VRA/0478-244-17	\$32,137	4,356	4,356	no	N/A	**no transfer	\$0	\$32,137	\$0	7/25/2005	fee simple
30	low mod housing	COV/0478-232-16	\$16,467	13,068	13,068	no	N/A	**no transfer	\$0	\$16,467	\$0	2/5/2007	fee simple
31	low mod housing	COV/0478-211-24	\$16,150	4,356	4,356	no	N/A	***no transfer	\$0	\$16,150	\$0	1/6/2006	fee simple
32	low mod housing	COV/0478-212-10	\$28,593	4,356	4,356	no	N/A	***no transfer	\$0	\$28,593	\$0	1/6/2006	fee simple
33	l/m with commercial	COV/0478-214-06	\$65,462	4,356	2,178	no	N/A	***no transfer	\$0	\$65,462	\$0	2/5/2007	fee simple
34	l/m with commercial	COV/0478-214-07	\$9,562	2,178	1,089	no	N/A	***no transfer	\$0	\$9,562	\$0	2/5/2007	fee simple
35	l/m with commercial	COV/0478-214-08	\$20,012	2,178	1,089	no	N/A	***no transfer	\$0	\$20,012	\$0	2/5/2007	fee simple
36	low mod housing	RDA/0395-137-30	\$2,507,761	145,202	145,202	no	N/A	**no transfer	\$0	\$0	\$2,507,761	11/25/2009	fee simple
37	low mod housing	RDA/0478-244-10	\$124,250	2,100	2,100	no	N/A	**no transfer	\$0	\$0	\$124,250	3/23/2010	fee simple
38	low mod housing	RDA/0478-044-43	\$24,000	1,307	1,307	no	N/A	**no transfer	\$0	\$0	\$24,000	1/27/2010	fee simple
39	low mod housing	RDA/3104-491-25	\$120,000	2,603	2,603	no	N/A	**no transfer	\$0	\$0	\$120,000	3/29/2011	fee simple
40	low mod housing	RDA/3104-411-49	\$121,300	2,562	2,562	no	N/A	**no transfer	\$0	\$0	\$121,300	3/31/2011	fee simple
41	low mod housing	RDA/3104-411-45	\$118,064	2,682	2,682	no	N/A	**no transfer	\$0	\$0	\$118,064	6/7/2011	fee simple
42	low mod housing	RDA/3104-111-34	\$103,362	2,335	2,335	no	N/A	**no transfer	\$0	\$0	\$103,362	6/17/2011	fee simple
43	low mod housing	RDA/0395-621-38	\$72,000	1,352	1,352	no	N/A	**no transfer	\$0	\$0	\$72,000	9/30/2011	fee simple
44	low mod housing	RDA/3094-071-50	\$110,000	1,650	1,650	no	N/A	**no transfer	\$0	\$0	\$110,000	9/30/2011	fee simple
45	low mod housing	RDA/3104-581-35	\$118,900	1,945	1,945	no	N/A	**no transfer	\$0	\$0	\$118,900	3/31/2011	fee simple
46	low mod housing	RDA/3104-151-26	\$104,100	1,679	1,679	no	N/A	**no transfer	\$0	\$0	\$104,100	4/20/2011	fee simple
TOTALS			\$15,445,636	1,763,919	1,738,262				\$11,711,316	\$210,583	\$3,523,737		

VRA= Victorville Redevelopment Agency COV= City of Victorville

*these are estimates only for low mod housing portion on l/m with commercial land

***no transfers have occurred between City of Victorville and Victorville RDA as of the date of this report

a/ Asset types 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.

APPENDIX B

Status of Housing Asset Transfer List Real Property

Appendix B
City of Victorville as Housing Assets Successor - Status of Housing Asset Transfer List Real Property

Item #	HAT Asset #	Type of Asset	APN #	Carrying Value of Asset	Actual Square Footage (GIS)	New Asset Value FY 22/23	Project Description	Disposition Status
1	31	low mod housing	0478-211-24	\$16,150	7,099	\$44,743	Affordable Housing	Planning Phase
2	32		0478-212-10		7,099		Affordable Housing	Planning Phase
3	26	low mod housing	0478-244-09	\$10,300	7,098	\$54,337	Affordable Housing	Planning Phase
4	27		0478-244-11		3,549		Affordable Housing	Planning Phase
5	28		0478-244-12		14,197		Affordable Housing	Planning Phase
6	29		0478-244-17		14,198		Affordable Housing	Planning Phase
7	33	l/m with commercial	0478-214-06	\$65,462	7,099	\$49,567	Affordable Housing	Planning Phase
8	35	l/m with commercial	0478-214-08	\$20,012	3,550	\$20,012	Affordable Housing	Planning Phase
9	30	low mod housing	0478-232-16	\$16,467	14,197	\$16,467	Affordable Housing	Planning Phase
10	34	l/m with commercial	0478-214-07	\$9,562	3,550	\$9,562	Affordable Housing	Planning Phase
11	6	low mod housing	0478-044-30	\$161,846	33,402	\$69,333	Affordable Housing	Planning Phase
12	8	low mod housing	0478-044-37	\$193,988	28,554	\$69,333	Affordable Housing	Planning Phase
13	9	low mod housing	0478-105-01	\$231,483	7,099	\$49,567	Affordable Housing	Planning Phase
14	10	low mod housing	0478-105-03	\$191,435	7,099	\$49,567	Affordable Housing	Planning Phase
15	2	low mod housing	0478-105-04	\$151,254	7,099	\$49,567	Affordable Housing	Planning Phase
16	13	low mod housing	0478-105-06	\$273,234	7,099	\$49,567	Affordable Housing	Planning Phase
17	12	low mod housing	0478-211-01	\$197,213	7,099	\$49,567	Affordable Housing	Planning Phase
18	3	low mod housing	0478-105-07	\$36,145	7,099	\$36,145	Affordable Housing	Planning Phase
19	1	l/m with commercial	0478-105-08	\$1,720,134	7,100	\$42,167	Affordable Housing	Planning Phase
20	1		0478-105-18		37,378		Affordable Housing	Planning Phase
21	11	low mod housing	0478-211-02	\$182,865	7,099	\$49,567	Affordable Housing	Planning Phase
22	5	low mod housing	0478-211-03	\$81,063	3,459	\$49,567	Affordable Housing	Planning Phase
23	5		0478-211-04		3,549		Affordable Housing	Planning Phase
24	4	low mod housing	0478-211-25	\$645,016	14,197	\$63,833	Affordable Housing	Planning Phase
25	7	low mod housing	0478-212-11	\$151,274	7,098	\$49,567	Affordable Housing	Planning Phase
26	14	low mod housing	0478-106-02	\$158,518	7,100	\$49,567	Affordable Housing	Planning Phase
27	15	low mod housing	0478-106-03	\$273,004	7,199	\$49,567	Affordable Housing	Planning Phase
28	16	low mod housing	0478-106-04	\$330,247	14,199	\$63,833	Affordable Housing	Planning Phase
29	17	low mod housing	0478-106-07	\$809,205	14,114	\$63,833	Affordable Housing	Planning Phase
30	20	low mod housing	0478-044-35	\$171,524	7,221	\$49,567	Affordable Housing	Planning Phase
31	19	low mod housing	0478-105-02	\$228,523	7,100	\$49,567	Affordable Housing	Planning Phase
32	18	low mod housing	0478-212-12	\$191,387	7,098	\$49,567	Affordable Housing	Planning Phase
33	24	low mod housing	0394-031-39	\$942,122		\$67,888	Affordable Housing	Planning Phase
34	21	low mod housing	0478-044-13	\$370,387	30,290	\$79,500	Affordable Housing	Planning Phase
35	21		0478-044-36		14,406		Affordable Housing	Planning Phase
36	22	low mod housing	0478-044-15	\$451,274	31,570	\$79,500	Affordable Housing	Planning Phase
37	22		0478-044-29		7,589		Affordable Housing	Planning Phase
38	37	low mod housing	0478-244-10	\$90,466	7,098	\$49,567	Affordable Housing	Planning Phase
39	23	low mod housing	0478-044-43	\$25,850	21,348	\$25,850	Affordable Housing	Planning Phase
				\$8,397,411		\$1,549,837		

APPENDIX C

First Time Homebuyer Loans

Appendix C

First Time Homebuyer Loans

Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Repayment date, if the funds are for a loan	Project Area	Funding Source
8/28/2008	Escobar	30 years	VVEDA	VVEDA
12/9/2008	Wiley	30 years	VVEDA	VVEDA
4/9/2009	Alcala	30 years	VVEDA	VVEDA
7/9/2009	Hopkins	30 years	VVEDA	VVEDA
7/15/2009	Loranty	30 years	Exempt	BV
1/24/2011	Fisher	30 years	Exempt	VVEDA