

**HOUSING SUCCESSOR ANNUAL REPORT
REGARDING THE
LOW AND MODERATE INCOME HOUSING FUND FOR
FISCAL YEAR 2023-24
PURSUANT TO
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)
FOR THE CITY OF FONTANA**

This Housing Successor Annual Report (Report) regarding the Low and Moderate Income Housing Fund (LMIHF) has been prepared pursuant to Section 34176.1(f) of the California Health and Safety Code and is dated December 31, 2024. This Report sets forth certain details of the City of Fontana's (Housing Successor) activities during Fiscal Year 2023-24 (Fiscal Year). 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 Housing Successor under Part 1.85, division 24 of the California Health and Safety Code, in particular Sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information prepared by Housing Successor staff and information contained within the independent financial audit of the Low and Moderate Income Housing Fund for Fiscal Year 2023-24 (Fiscal Year), which Audit is separate from this annual summary Report; further, this Report conforms with and is organized into sections I. through XII., inclusive, pursuant to Section 34176.1(f) of the Dissolution Law:

- I. Amount Deposited into LMIHF:** This section provides the total amount of funds deposited into the LMIHF 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.

*A total of **\$509,126.16** was deposited into the LMIHF during the Fiscal Year. Of the total funds deposited into the LMIHF, **\$0.00** was the Fontana Redevelopment Successor Agency debt repayment listed on the ROPS.*

Ending Balance of LMIHF: This section provides a statement of the balance in the LMIHF 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.

*At the close of the Fiscal Year, the ending balance in the LMIHF was **\$87,294,141.75** of which **\$0.00** was the Fontana Redevelopment Successor Agency debt repayment listed on the ROPS.*

- IV. Description of Expenditures from LMIHF:** This section provides a description of the expenditures made from the LMIHF during the Fiscal Year. The expenditures are to be categorized.

The following is a description of expenditures from the LMIHAF by category

Monitoring, Administrative & Preservation Expenditures (a):	\$ 229,929
Homeless Prevention & Rapid Rehousing Services (b):	
Housing Development Expenditures:	\$ 250,024
Courtplace previously known as Southridge	\$ 250,024.43
Low-Mod Income Units:	\$ 100,009.77
Very-Low Income Units:	\$ 125,012.22
Extremely-Low Income Units:	\$ 25,002.44
Total Expenditures From LMIHF	\$ 479,953

- V. Statutory Value of LMIHF Assets Owned by Housing Successor:** This section provides the statutory value of LMIHF 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, "statutory value of real property" means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer form approved by the Department of Finance by the housing asset transfer schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of properties purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHF.

The following provides the statutory value of assets owned by the Housing Successor.

Statutory Value of Real Property Owned by Housing Successor: (a)	\$ 5,750,000
Value of Loans and Grants Receivable: (b)	\$ 70,881,106
Total Value of Housing Successor Assets	\$ 76,631,106
(a) Information obtained from Finance Department's "Asset Details"	
(b) Information Obtained by Accounting Department as of 6/30/2024	

- VI. Description of Transfers:** This section describes any transfers, if any, to another housing successor agency made in previous Fiscal Years, including whether the funds are unencumbered and the status of any projects, if any, for which the transferred LMIHF will be used. The sole purpose of the transfers must be for the development of transit priority projects, permanent supportive housing, and housing for agricultural employees or special needs housing.

The Housing Successor did not make any LMIHF transfers to other Housing Successors pursuant to Section 34176.1(c)(2) during the Fiscal Year.

- VII. Project Descriptions:** This section describes 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 does not receive or hold property tax revenue pursuant to the ROPS.

- VIII. Status of Compliance with Section 33334.16:** This section provides a status update on compliance with Section 33334.16 for interests in LMIHF real property acquired by the former redevelopment agency prior to February 1, 2012, and a status update for interests in real property acquired on or after February 1, 2012.

Section 33334.16 requires that real property acquired using the LMIHF must initiate activities consistent with the development of the property for the purpose for which it was acquired within five years from the date it first acquired the property.

Properties Purchased prior to February 1, 2012:

Address of Property	APN	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
9972 Juniper Ave	0251-051-21 0251-051-22 0251-051-23	10/31/2011	10/31/2016	Minerva Manor – 62 units of senior housing has been fully constructed and units occupied.

Properties Purchased after February 1, 2012:

Address of Property	APN	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
9420 Sierra Ave.	0193-234-06	5/25/2015	5/25/2020	Project was completed and a grand opening ceremony held in May 2018. All units are currently occupied.
16839 Ramona Ave.	0241-081-11 0241-081-12 0241-081-13	3/14/2018	3/14/2023	Project was completed and a grand opening ceremony held in December 2021. All units are currently occupied.

- IX. Description of Outstanding Obligations Pursuant to Section 33413:** This section provides a description of any outstanding inclusionary and replacement housing obligations pursuant to Section 33413 that remained to transfer to the Housing Successor on February 1, 2012; the Housing Successor's progress in meeting those obligations; and of the Housing Successor's plans to meet unmet obligations.

According to the fiscal year 2009-2010 to fiscal year 2013-2014 Implementation Plan for the former Redevelopment Agency, no replacement or inclusionary housing obligations were transferred to the Housing Successor. The former Redevelopment Agency's Implementation Plans are posted on the City's website at www.fontanaca.gov.

- X. Extremely Low Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five-year period.

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHF to be expended for development of rental housing affordable to and occupied by

households earning 30% or less of the AMI. If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five-year report, then the Housing Successor must ensure that at least 50% of the remaining LMIHF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement.

Extremely Low Income Test	2018/19 - 2023/24
# of Assisted Extremely Low Income Rental Units	13
# of Total Assisted Rental Units	116
Extremely Low Income Unit Percentage	11.21%

- XI. Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the 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.

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds to assist additional senior housing units until the Housing Successor or City assists and construction has commenced a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10-year period of Fiscal Year 2013-14 through Fiscal Year 2023-24:

Senior Housing Test	2013/14 - 2023/24
# of Assisted Senior Rental Units	87
# of Total Assisted Rental Units	370
Senior Housing Percentage	23.51%

- XII. Excess Surplus Test:** This section provides the amount of any excess surplus in the LMIHF, 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.

The following provides the Excess Surplus test for the preceding four Fiscal Years

Fund Balance - As of 6/30/2024			\$87,294,142
Less Unavailable Funds As of 6/30/2024*			\$3,810,959
Land Held for Resale			\$0
Loan Receivables			\$70,881,106
Restricted Cash due to California Department of Finance per Due Diligence Review Determination Letter			\$0
Total Unavailable Funds			\$74,692,065
Unencumbered Fund Balance As of 6/30/2024			\$12,602,076
Deposits for the Preceding Four Years:			
Fiscal Year 2019-20		\$678,211	
Fiscal Year 2020-21		\$257,135	
Fiscal Year 2021-22		\$230,263	
Fiscal Year 2022-23		\$66,503	
Total Deposits		\$1,232,112	
Base Limitation		\$1,000,000	
Greater Amount			\$1,232,112
Computed Excess/Surplus			\$11,369,964

Excess Surplus Test for FY 2023-2024

**The Housing Successor Agency is currently working with a developer to create an affordable housing complex in South Fontana. The DDA for the Courtplace Project has been approved. The Housing Authority anticipates utilizing some of the excess funds for this project.*

Test Result: *The LMIHF has an Excess Surplus of \$11,369,964.*

The Housing Successor Agency continues to work with developers to identify suitable locations for additional affordable housing units.

- XIII. Inventory of Homeownership Units:** This section provides an inventory of homeownership units assisted by the former Redevelopment agency or the Housing Successor that are subject to covenants or restrictions of 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 the following information:

- (A) Number of 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.
- (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 subsequent reports, the number of the units lost to the portfolio in the last fiscal year and the reason for those losses.

Inventory of Homeownership Units	2/1/2012 - 6/30/2024
(A) # of Homeowner Units	11
(B) # of Units Lost to the Portfolio after February 1, 2012	34
# of Units Lost to the Portfolio in FY 2023/2024	2

Reason for any losses:

Prior Reports: 29 loans paid in full, 3 loans defaulted

Current Report period: 1 loans forgiven, 1 loans paid in full, 0 loans defaulted

(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.

There have been funds in the amount of \$260,518.29 returned to the Housing Successor since 2/1/2012.

(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 the management of the homeownership units.

This Report shall be provided to the Housing Successor's governing body and is available to the public on the City's website. In addition, the former Redevelopment Agency's pre-dissolution implementation plans are also available to the public on the City's website: www.fontanaca.gov