

Porterville Housing Authority

2014/2015 Annual Report



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CONTENTS

- I. PREFACE**
- II. OVERVIEW OF AFFORDABLE HOUSING ACTIVITIES**
- III. WORK PROGRAM FOR 2014-2015**

I. PREFACE

This annual report has been prepared in accordance with California Health and Safety Code Section 34328 and 34328.1 which require a housing authority at least once a year to file with the clerk of the respective city or county and with the Department of Housing and Community Development, a report of its activities for the preceding year. This report shall contain information adequate for the city, county, or department to determine that the requirements of Section 34312.3 have been met for any activity undertaken pursuant to that section.

With the dissolution of the Porterville Redevelopment Agency in February of 2012, the Porterville City Council approved a resolution declaring a need for a housing authority to function in the city and subsequently recommended that the Porterville Housing Authority (“Authority”) assume the housing assets and functions previously performed by the Agency pursuant to Health and Safety Code Section 34176. In accordance with AB 1484 and Health and Safety Code Section 34176 (a) (2), the Porterville Housing Authority submitted a Housing Assets Transfer Form to the California Department of Finance (“DOF”) on August 1, 2012 for the period February 1, 2012 through August 1, 2012. The Authority received notification from the DOF that the DOF has no objections to any assets or transfers of assets identified on the form. Gallina LLP, certified public accountants, also completed the Report on Applying Agreed-Upon Procedures to the Successor Agency of the Porterville Redevelopment Agency’s Low Moderate Income Housing fund in Accordance with AB 1484. The DOF reviewed the Due Diligence Review and made no adjustments to the Low and Moderate Income Housing Fund (LMIHF) balance.

II. OVERVIEW OF LOW AND MODERATE INCOME HOUSING ACTIVITIES OF THE PORTERVILLE HOUSING AUTHORITY (having assumed housing assets and functions of the former Redevelopment Agency)

The Agency continues the implementation of the agreements for low and moderate-income housing projects that were executed in previous years, including Casas Buena Vista, Date Avenue Family Apartments, St. James Place, Sequoia Village at Rivers Edge, and First Time Low Income Homebuyers programs. Annual monitoring of all of these housing developments were completed during the fiscal year with reports submitted to the Department of Housing and Community Development (HCD) where applicable. The percentage of units required to be occupied by certain income units have all been met. Villa Siena continues at 100% occupancy which is indicative of the great demand for affordable housing in the area, management works from an active waiting list as units become vacant.

The Authority has no other land transactions or developments pending at this time.

The Authority does not own or manage any housing units, so there are no tenancy terminations or Section 8 vouchers caused by domestic violence to report.

Existing Debt Obligations:

According to the Report on Applying Agreed-Upon Procedures to the Successor Agency of the Porterville Redevelopment Agency's Low Moderate Income Housing fund in Accordance with AB 1484, the Authority, as the Successor Housing Agency, has not asserted the need to retain any current balances to pay for enforceable obligations or to pay for debt service obligations. The unobligated amount of \$194,096 was remitted to the county for disbursement to taxing entities.

On September 15, 2014, staff received a letter from the California State Controller's ("Controller") office regarding the Asset Transfer Review Report for the period of January 1, 2011 through January 31, 2012. The Controller's review concluded that the Porterville Redevelopment Agency (RDA) made unallowable asset transfers totaling \$1,458,655 to the Porterville Housing Authority. The Controller further stated that the transfers occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011. The Controller concluded that the assets must be turned over to the Successor Agency for disposition in accordance with H&S Code Section 34177(d) and (e).

Staff disagreed with the Controller's review and submitted clarification regarding the findings. These findings have since been cleared by the California State Controller's office ("Controller") and the Finding of Completion was made effective August 7, 2013.

III. PORTERVILLE HOUSING WORK PLAN FOR 2015-16

- A. Review status of housing programs and determine if other funding sources may be available to the Authority to provide additional affordable housing opportunities in the community.
- B. Continue monitoring Casas Buena Vista subdivision in terms of compliance with the CalHFA loan requirements, the recorded affordability covenants on each home, and the Landscape Maintenance District.
- C. Continue to monitor the St. James Place historical renovation project for compliance with the terms of the Regulatory Agreements and HOME requirements.
- D. Continue to monitor the Date Avenue Family Apartment rental project for compliance with the terms of the Affordable Housing

Agreement with 93 E. Date Avenue, LP and Corporation for Better Housing.

- E. Continue to monitor Sequoia Village on River's Edge, a 64-unit apartment complex that executed a Payment In Lieu of Taxes Agreement with the Agency. The majority of the funding for the project was from a HOME loan from the City and a low-income housing tax credit allocation.
- F. Continue to monitor Villa Siena, a 70 unit apartment complex, in accordance with the Affordable Housing Agreement.
- G. Continue to monitor the First Time Low Income Housing Program loans for compliance with the requirements of the program.
- H. Above mentioned activities are subject to available funding.