
ANNUAL REPORT
City of Avalon Housing Authority

Fiscal Year 2019-20



TABLE OF CONTENTS

| | |
|--|----|
| INTRODUCTION..... | 1 |
| LEGAL AUTHORITY | 1 |
| AVALON HOUSING AUTHORITY | 2 |
| HOUSING AUTHORITY OBJECTIVES | 2 |
| ANNUAL REPORT CONTENTS | 2 |
| HOUSING AUTHORITY DEBT OBLIGATIONS..... | 3 |
| LAND TRANSACTIONS AND DEVELOPMENT..... | 3 |
| OTHER ASSETS AND AGREEMENTS | 4 |
| AFFORDABILITY AGREEMENTS..... | 4 |
| LOAN AGREEMENTS..... | 5 |
| RENTS & OPERATIONS | 5 |
| CONTRACTS & FEES..... | 6 |
| HOUSING UNIT COMPLIANCE | 6 |
| HOUSING AFFORDABILITY REQUIREMENT..... | 6 |
| BASE & MAXIMUM RENTS | 8 |
| DOMESTIC VIOLENCE | 9 |
| FINANCIALS | 9 |
| | |
| APPENDIX 1- HOUSING ASSET TRANSFER LIST..... | 11 |
| APPENDIX 2 - HOUSING SUCCESSOR ANNUAL REPORT | 12 |

INTRODUCTION

This Annual Report details the Avalon Housing Authority's ("Authority") activities for Fiscal Year ("FY") 2019-20. It contains the information required by California Health and Safety Code ("HSC") Section 34328 that must be filed with the City Clerk and with the Department of Housing and Community Development ("HCD") by October 1 annually.

LEGAL AUTHORITY

Housing authorities are distinct, autonomous, legal entities that derive their powers from State statute. It is the intent of the State legislature that housing authorities function as local entities with the primary responsibility of providing housing for very low and low income households.

California Housing Authorities Law (HSC Section 34200, *et. seq.*) provides for and details the requirements for local jurisdictions to create and operate a housing authority. To establish a housing authority, a local jurisdiction must adopt a resolution that includes findings that either of the following is true: (1) unsanitary or unsafe housing exists in the city or (2) there is a shortage of safe or sanitary housing available to persons of low income.

BENEFITS OF HOUSING AUTHORITIES

- Housing Authorities can own and operate housing developments, alleviating the need to find owners or operators for units created.
- State law provides Housing Authorities the ability to acquire or lease land or improved property.
- A city housing authority's area of operation includes the entire city and the area within 5 miles of its territorial boundaries.
- Local jurisdictions are afforded the opportunity to participate in one or more of the Public Housing Programs offered by HUD.

AVALON HOUSING AUTHORITY

The City Council of the City of Avalon (“City Council”) adopted a resolution establishing the Avalon Housing Authority on or about February 2, 1983. The City Council further affirmed the need for the Authority and reauthorized its powers by adopting Resolution No. 12-02 on January 30, 2012.

The Authority was largely inactive until 2012 when it inherited the housing assets and functions of the former Avalon Community Improvement Agency (“ACIA”). The Authority’s primary activities are maintaining the former ACIA’s assets, such as properties and affordability agreements, and administering a Low and Moderate Income Down Payment Assistance Program. Appendix 1 contains list of assets transferred from the former ACIA to the Authority through a “Housing Asset Transfer” form (“HAT”).

It is important to note that although the Authority inherited the ACIA’s assets and functions, it does not have an ongoing financing mechanism to maintain them. The former ACIA primarily funded projects with Low and Moderate Income Housing Funds generated by redevelopment tax increment; this tool was abolished with the dissolution of redevelopment.

Additionally, HSC 34176.1 requires successor housing entities to prepare an annual report documenting compliance with certain requirements. Authority staff is in the process of auditing its financials and other information and will prepare this report under a separate cover by the end of 2020. More information is contained in Appendix 2.

HOUSING AUTHORITY OBJECTIVES

The Authority’s main objective is to increase, improve, and preserve housing stock available to very low and low income residents while advancing the goals of the City’s Housing Element and former ACIA.

ANNUAL REPORT CONTENTS

This Annual Report includes the following information:

- A complete report of activities during FY 2019-20, including any bond issuances, and loans or finance agreements that the Authority has entered into;
- Compliance with requirements of HSC Section 34312.3, such as the minimum amount of housing units affordable to lower income households in projects assisted by the Authority

with bonds and documenting established base rents and/or maximum rental payments for lower income households; and

- Information on any tenancy or Housing Choice Voucher Program (formerly Section 8) terminations of domestic violence victims as required by HSC Section 34328.1.

HOUSING AUTHORITY DEBT OBLIGATIONS

HSC Section 34312.3 requires the Authority to provide a complete report of its activities during the prior fiscal year, including bonds, loans, and financing agreements for multi-family rental housing projects. The Authority did not issue bonds or enter into new loans or financing agreements in Fiscal Year 2019-20.

Any future financing for the acquisition, construction, rehabilitation, or development of multi-family housing through the issuance of bonds, construction loans, mortgage loans, and/or financing agreements will be documented in future Annual Reports.

LAND TRANSACTIONS AND DEVELOPMENT

HSC Section 34312.3 requires the Annual Report to include a discussion of all prior year activities of the Authority related to the development or transaction of land for the purposes of increasing the supply of affordable housing for lower income households. The Authority did not purchase or sell any properties in FY 2019-20.

The Authority maintains five properties transferred from the former ACIA in 2012. These are listed in Appendix 1 and described below.

- 238 & 311 Descanso Avenue: These properties contain two single-family residences. The ACIA transferred ownership of the land under the residences to the Authority. The properties are regulated by Ground Leases.
- 309 & 313 Beacon Street: These properties contain a 13-unit senior housing complex. The ACIA transferred ownership of the land under the property to the Authority.
- 206 E. Whittley Avenue: This property contains a four-unit apartment complex. One unit was occupied until May 2020, but is now vacant. When occupied, this unit was not income-restricted. The ACIA purchased the property in 2008 and had planned to build new affordable housing units, however was unable to pursue development due to the dissolution of redevelopment. The Authority intends to rehabilitate the property and rent units out to low and moderate income households in the future. Pursuant to the Uniform

Relocation and Real property Acquisition Policies Act of 1970, the Authority began providing relocation services to the tenant of the occupied unit in November 2019 and successfully relocated the tenant in May 2020 in preparation for the rehabilitation. The Authority intends to initiate rehabilitation in Fall 2020.

The HAT in Appendix 1 lists two additional properties that were transferred from the ACIA to the Authority: 206 Descanso Avenue and 320 Sumner Avenue. The Authority sold these properties in Fiscal Year 2013-14.

OTHER ASSETS AND AGREEMENTS

The Authority also maintains affordability covenants, loan agreements and ground leases transferred from the former ACIA. A brief description of each type of asset is provided below. A detailed list is included in Appendix 1.

AFFORDABILITY AGREEMENTS

The Authority oversees nine affordability agreements:

- 309 Beacon Street: This 13-unit senior housing complex is affordable to very low income residents. The project was constructed in 2002 with a combination of USDA Section 515 funds, Low Income Housing Tax Credit (“LIHTC”) financing, HOME funds, ACIA funds (for land purchase) and Federal Home Loan Bank funds. The Developer intends to resyndicate the project in FY 2020-21. As part of the resyndication process, the Ground Lease will be amended and extended from 2074 to 2077. In addition, the affordability covenant will be extended 28 years and will expire in 2077.
- Bird Park: This 24-unit multi-family property is affordable to very low income residents. It was constructed in 2002 with a combination of USDA Section 515 funds, LIHTC financing, HOME funds, and ACIA financing. The ACIA funded roads and infrastructure for the project. The Developer intends to resyndicate the project in FY 2020-21. The affordability covenant will be extended 28 years and will expire in 2077.
- Eucalyptus Hill Gardens: This 80-unit complex is subsidized by HUD and has 40 units restricted to very low income households (24 extremely low and 16 very low income). The remaining 40 units are market-rate. The project was constructed in 1992 with LIHTC funds, ACIA funds, and Rental Housing Construction Program loans. It has a 55-year affordability covenant that expires in 2047.
- Tremont Street Apartments: This 63-unit property had an agreement between the City and the California Housing Financing Agency (“CalHFA”) that restricted affordability at this property through August 18, 2016. The ACIA affordable housing covenants have

since expired on the Tremont Street Apartments. However, the project is also subsidized by CalHFA and Section 8 Project Based Vouchers. The CalHFA promissory note was repaid by Hamilton Cove many years ago, but the Section 8 Project Based Vouchers were renewed in 2013 and will remain in effect until April 30, 2033 for 62 units restricted to low income households.

- 238 & 311 Descanso Avenue: These two single-family homes have 55-year restrictive covenants that expire in 2051. They are both affordable to moderate income households through Ground Leases issued by the former ACIA.
- 336, 338 & 342 Triana Lane: These three single-family homes have 45-year restrictive covenants that expire in 2055, 2059, and 2060, respectively. They are all affordable to moderate income households that received assistance through the First-Time Homebuyer Down Payment Assistance Program. The Authority continues to monitor the affordability of these properties.

LOAN AGREEMENTS

The Authority did not issue any new loans in FY 2019-20. It continues to oversee three loans issued through the First-Time Homebuyer Down Payment Assistance Program:

- 336 Triana Lane: \$120,000 loan issued in September 2010
- 338 Triana Lane: \$192,000 loan issued in June 2014
- 342 Triana Lane: \$100,000 loan issued in December 2014

All loans are due upon sale or within 30 years, whichever comes first. The loans do not accrue interest except in the event of default, in which case the interest rate increases to five percent. There is no monthly payment unless a mutually agreed upon payment schedule is made. It is anticipated that the loans will be refinanced at the end of the 30-year term or re-issued to new borrowers upon the sale of the properties.

RENTS & OPERATIONS

The Authority collected rents from 1 unit in a 4 unit building at 206 E. Whittley for a total of \$11,250 in FY 2019-20. The unit is not income-restricted and therefore does not have a maximum rent. As previously discussed, the tenant vacated the unit in May 2020 and the Authority plans on rehabilitating the property and renting units out to low and moderate income households in the future.

The Authority does not receive rents directly from tenants from any other property. However, it collects rents from ground leases at 238 Descanso and 311 Descanso. The Authority is currently waiting on payment from these properties. The amount paid will be updated in the follow up report at the end of this year. The Authority received \$150 for each property, \$300 total, in FY 2018-19.

All rents received by the Authority will be spent as required by the CRL and HAL.

CONTRACTS & FEES

The Authority contributes to City contracts for legal and financial services to cover portions serving the Authority. It also pays contractors to maintain Authority properties for landscaping, repairs, and any other needs as they arise.

HOUSING UNIT COMPLIANCE

As set forth by HSC Sections 34328 and 34328.1, housing authorities are required to:

- Show compliance with requirements of HSC Section 34312.3, such as the minimum amount of housing units affordable to lower income projects assisted by the Authority, and document established base rents and/or maximum rental payments for lower income households; and
- Document any domestic violence tenancy or Housing Choice Voucher termination as required by HSC Section 34328.1.

The following provides a summary of the Authority's progress toward the requirements listed above.

HOUSING AFFORDABILITY REQUIREMENT

Any housing units or affordability covenants transferred from the ACIA to the HAL are subject to requirements in both the California Community Redevelopment Law ("CRL") codified in HSC Section 33000 *et. seq.* and Housing Authorities Law ("HAL"), codified in HSC Section 34200 *et. seq.* The CRL and HAL have different requirements relating to housing production, expenditure limitations, adjustments for family size, affordability restriction durations, and other regulatory requirements.

Pursuant to the CRL, at least 15% of all units newly constructed or substantially rehabilitated *prior to February 1, 2012* must be affordable to very low to moderate income households (HSC Section 33413). SB 341 amended the CRL so there is no inclusionary or replacement housing

obligation for units built or destroyed after February 1, 2012. The CRL was amended by SB 341 to limit expenditures to lower income households earning 80% or less of the Area Median Income (“AMI”). Additionally, at least 30% of expenditures for rental housing must be for households earning 30% or less of the AMI and 20% for households earning between 60% and 80% of the AMI. The Authority will adhere to the amended requirements for future expenditures.

Pursuant to the HAL, at least 20% of the units in housing projects assisted by the Authority, or 15% in targeted areas¹, must be affordable to persons of low income (HSC Section 34312.3(c)). If housing projects are financed by bonds issued by the Authority, at least 10% of the units must be available to persons of very low income. These requirements may be applied to the aggregate number of units assisted by the Authority. Furthermore, the HAL requires that development projects financed with bonds must also be approved by the local governing body and the local school district prior to construction or ownership. Nevertheless, the power to finance, own, build, and/or operate a housing development allows the Authority to take a more active role in the creation and maintenance of housing for low income families.

Table 1 summarizes each property subject to these requirements and their required affordability levels.

¹ Targeted areas as defined by Section 103(b)(12)(A) of Title 26 of the United States Code

Affordability Levels

Table 1

Avalon Housing Authority

| Property | Units by Income Level | | | | | | | | | |
|--|-----------------------|------------|-----------|------------|----------|-----------|--------------|------------|------------|-------------|
| | Very Low | | Low | | Moderate | | Unrestricted | | Total | |
| | # | % | # | % | # | % | # | % | # | % |
| Bird Park (234 Bird Park Rd) | 24 | 100% | | | | | | | 24 | 100% |
| Beacon Hill (309 & 313 Beacon St) | 13 | 100% | | | | | | | 13 | 100% |
| Eucalyptus Hill Gardens (1 Banning Dr) | 40 | 50% | | | | | 40 | 50% | 80 | 100% |
| Tremont St Apts (343 Tremont St) | | | 62 | 98% | | | 1 | 2% | 63 | 100% |
| 238 Descanso Ave | | | | | 1 | 100% | | | 1 | 100% |
| 311 Descanso Ave | | | | | 1 | 100% | | | 1 | 100% |
| 336 Triana Lane | | | | | 1 | 100% | | | 1 | 100% |
| 338 Triana Lane | | | | | 1 | 100% | | | 1 | 100% |
| 342 Triana Lane | | | | | 1 | 100% | | | 1 | 100% |
| Total | 77 | 42% | 62 | 34% | 5 | 3% | 41 | 22% | 185 | 100% |

Total Low Income or Below

75%

Total Moderate Income or Below

78%

The affordability levels of these properties are in compliance with the CRL. The Authority acquired most properties after affordability covenants were in place pursuant to the CRL. However, they still meet the HAL’s requirement that 20% of units assisted by the Authority are affordable to low income persons. Any future development will satisfy both CRL (as amended by SB 341) and HAL requirements as necessary.

None of the units in Table 1 were financed with housing bond proceeds, therefore the Authority is not subject to the additional requirement for very low income households pursuant to HSC Section 34312.3(c)(2)(A).

BASE & MAXIMUM RENTS

HSC Section 34312 states that a housing authority may “prepare, carry out, acquire, lease, and operate housing projects for persons of low income.” As part of this authority, HSC Section 34312.3 establishes a set of guidelines to determine base and maximum rents that a housing authority can charge for units reserved for lower income households. According to HSC Section

34312.3, rental payments for very low and low income households shall not exceed the amounts calculated pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f).

The Authority collected rents from one unit at 206 E. Whittley, however this project is not income restricted and therefore not subject to maximum rents set by HSC 34312.3.

DOMESTIC VIOLENCE

The Authority must annually disclose data related to domestic violence incidents in units owned or operated by the Authority. Specifically, the data must include:

- Data on termination of tenancies and/or Housing Choice Voucher Program (formerly Section 8) vouchers of victims of domestic violence in housing authority units.
- Summary of steps taken by the housing authority to address any termination of tenancies and/or Housing Choice Voucher Program vouchers of victims of domestic violence.

During Fiscal Year 2019-20, the Authority or its lessees did not terminate tenancies for victims of domestic violence. In the future, information on any terminations of this kind will be presented under separate cover to protect the privacy of the parties involved.

FINANCIALS

The Authority's expenditures in FY 2019-20 consist mainly of professional and legal services as well as costs to maintain properties owned by the Authority (landscaping, repairs, etc.), as shown on Table 2.

The Authority has funded activities primarily through the Low and Moderate Income Housing Asset Fund created after the ACIA's dissolution, and housing bonds issued by the former ACIA that were refunded in 2015. The Authority is in the process of auditing its financials and will include more detailed information on Fiscal Year 2019-20 revenues and expenditures in a separate report by the end of 2020. This report will include the information required by HSC 34176.1. Appendix 2 details what the report will include.

Avalon Housing Authority

| Category | 2019-20 | | 2020-21 |
|-------------------------------------|-------------------|-------------------|-------------------|
| | Budgeted | Actual | Budgeted |
| Revenues | | | |
| Interest (on bond proceeds) | 60,000 | 97,392 | 80,100 |
| Rents | 15,300 | 11,250 | 300 |
| Miscellaneous | - | 228 | - |
| <i>Subtotal Revenues</i> | <u>\$ 75,300</u> | <u>\$ 108,870</u> | <u>\$ 80,400</u> |
| Expenditures | | | |
| Personnel | 60,483 | 58,203 | 63,624 |
| Professional Services | 50,000 | 13,767 | 25,000 |
| Legal Services | 30,000 | 15,021 | 30,000 |
| Maintenance and Repair of Buildings | 300,000 | 25,925 | 300,000 |
| Capital Outlay | 325,000 | 7,429 | 252,571 |
| <i>Subtotal Expenditures</i> | <u>\$ 765,483</u> | <u>\$ 120,346</u> | <u>\$ 671,195</u> |

APPENDIX 1- HOUSING ASSET TRANSFER LIST

The Housing Asset List, attached as a separate document, shows assets transferred from the former ACIA to the Authority in 2012. The transfers were approved by the California Department of Finance pursuant to HSC Section 34176.

**DEPARTMENT OF FINANCE
HOUSING ASSETS LIST
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
(Health and Safety Code Section 34176)**

Former Redevelopment Agency: Avalon Community Improvement Agency

Successor Agency to the Former Redevelopment Agency: City of Avalon

Entity Assuming the Housing Functions of the former Redevelopment Agency: Avalon Housing Authority

Entity Assuming the Housing Functions Contact Name: Amanda Cook Title Planning Director Phone 310-510-0220 E-Mail Address planning@cityofavalon.com

Entity Assuming the Housing Functions Contact Name: Ben Harvey Title City Manager Phone 310-510-0220 E-Mail Address bharvey@cityofavalon.com

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

- Exhibit A - Real Property
- Exhibit B- Personal Property
- Exhibit C - Low-Mod Encumbrances
- Exhibit D - Loans/Grants Receivables
- Exhibit E - Rents/Operations
- Exhibit F- Rents
- Exhibit G - Deferrals

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Date Prepared: 9/17/2014

**Avalon Housing Authority
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 c/ | 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 | Low-Mod Housing | 313 Beacon Street (7480-031-902) | Unknown | 576 | 576 | Yes | Ground Lease | 2/1/2012 | Unknown | n/a | n/a | 12/30/1994 | Ownership |
| 2 | Low-Mod Housing | 206 Descanso Avenue (7480-013-901) | Unknown | 841 | 841 | No*** | n/a | 2/1/2012 | Unknown | n/a | n/a | 1/31/1996 | Ownership |
| 3 | Low-Mod Housing | 238 Descanso Avenue (7480-013-900) | Unknown | 823 | 823 | Yes | Ground Lease | 2/1/2012 | Unknown | n/a | n/a | 5/17/1996 | Ownership |
| 4 | Low-Mod Housing | 311 Descanso Avenue (7480-035-900) | Unknown | 769 | 769 | Yes | Ground Lease | 2/1/2012 | Unknown | n/a | n/a | 5/23/1996 | Ownership |
| 5 | Low-Mod Housing | 320 Sumner Avenue (7480-033-900) | Unknown | 1,000 | 1,000 | No*** | n/a | 2/1/2012 | Unknown | n/a | n/a | 8/21/1995 | Ownership |
| 6 | Low-Mod Housing | 206 East Whittley Avenue (7480-018-909) | Unknown | 3,582 | 3,582 | No | n/a | 2/1/2012 | \$2,852,600 | n/a | n/a | 7/29/2008 | Ownership/ Land Held for Development of Low-Mod Housing |
| 7 | Restrictive Covenant on Low-Mod Multi-Family Housing | 234 Bird Park Road (7480-052-0001) | Unknown | n/a | n/a | Yes | Regulatory Agreement, Ground Lease | 2/1/2012 | Unknown | n/a | n/a | n/a | Affordability Covenant |
| 8 | Low-Mod Housing | 309 Beacon Street (7480-031-900 & 7480-031-901) | Unknown | 12,167 | 12,167 | Yes | Regulatory Agreement, Ground Lease | 2/1/2012 | Unknown | n/a | n/a | 5/29/1996 | Ownership, Affordability Covenant |
| 9 | Restrictive Covenant on Low-Mod Multi-Family Housing | Eucalyptus Hill Gardens, 1 Banning Drive (7480-002-076) | Unknown | n/a | n/a | Yes | Ground Lease, Estoppel Certificate and Agreement Re-Sublease | 2/1/2012 | Unknown | n/a | n/a | n/a | Affordability Covenant |

**Avalon Housing Authority
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 c/ | 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.) |
|--------|---|--|-------------------------|----------------------|---|---|--|---|--|---|---|---|--|
| 10 | Restrictive Covenant on Low-Mod Multi-Family Housing | Tremont Street Apartments, 343 Tremont Street (7480-002-071) | Unknown | n/a | n/a | Yes | California Housing Finance Agency Section 8, Low/Moderate Income Housing Rental Program Agreement (Tarnutzer-Hamilton Development Company, Inc.) | 2/1/2012 | Unknown | n/a | n/a | n/a | Affordability Covenant |
| 11 | Restrictive Covenant on Low-Mod Single-Family Housing (338 Triana Lane) | Loan Agreement with Affordability Covenants and Restrictions (Ref # 20100930834) | Unknown | n/a | n/a | Yes | CRL, Loan Agreement | 2/1/2012 | \$95,000 | n/a | n/a | n/a | Affordability Covenant |
| 12 | Restrictive Covenant on Low-Mod Single-Family Housing (336 Triana Lane) | Loan Agreement with Affordability Covenants and Restrictions (Ref # 20101409456) | Unknown | n/a | n/a | Yes | CRL, Loan Agreement | 2/1/2012 | \$120,000 | n/a | n/a | n/a | Affordability Covenant |

*** Affordability covenant expired due to foreclosure and related termination of ground lease.

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.

c/ Transfer date is determined to be 2/1/2012 "by operation of law" under ABX1 26 (Chapter 5, Statutes of 2011).

Exhibit B - Personal Property

**Avalon Housing Authority
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

| Item # | Type of Asset a/ | Description | Carrying Value of Asset | Date of transfer to Housing Successor Agency | Acquisition cost funded with Low-Mod Housing Fund monies | Acquisition costs funded with other RDA funds | Acquisition costs funded with non-RDA funds | Date of acquisition by the former RDA |
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a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

Avalon Housing Authority
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Type of housing built or acquired with enforceably obligated funds a/ | Date contract for Enforceable Obligation was executed | Contractual counterparty | Total amount currently owed for the Enforceable Obligation | Is the property encumbered by a low-mod housing covenant? | Source of low-mod housing covenant b/ | Current owner of the property | 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 of the property |
|--------|---|---|--------------------------|--|---|---------------------------------------|-------------------------------|--|---|---|---|
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a/ 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.

Exhibit E - Rents/Operations

Avalon Housing Authority
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Type of payment a/ | Type of property with which they payments are associated b/ | Property owner | Entity that collects the payments | Entity to which the collected payments are ultimately remitted | Purpose for which the payments are used | Is the property encumbered by a low-mod housing covenant? | Source of low-mod housing covenant c/ | Item # from Exhibit A the rent/operation is associated with (if applicable) |
|--------|-------------------------------|---|--------------------------|-----------------------------------|--|---|---|---------------------------------------|---|
| 1 | Ground Lease Payment | Low-Mod Housing | Successor Housing Entity | Successor Housing Entity | Successor Housing Entity | Maintain/ Operate Low-Mod Housing | No*** | n/a | 2 |
| 2 | Ground Lease Payment | Low-Mod Housing | Successor Housing Entity | Successor Housing Entity | Successor Housing Entity | Maintain/ Operate Low-Mod Housing | Yes | Ground Lease | 3 |
| 3 | Ground Lease Payment | Low-Mod Housing | Successor Housing Entity | Successor Housing Entity | Successor Housing Entity | Maintain/ Operate Low-Mod Housing | Yes | Ground Lease | 4 |
| 4 | Ground Lease Payment | Low-Mod Housing | Successor Housing Entity | Successor Housing Entity | Successor Housing Entity | Maintain/ Operate Low-Mod Housing | No*** | n/a | 5 |
| 5 | Rent | Low-Mod Housing | Successor Housing Entity | Successor Housing Entity | Successor Housing Entity | Maintain/ Operate Low-Mod Housing | No | n/a | 6 |
| 6 | Ground Lease Payment (\$1/yr) | Low-Mod Housing | Housing Successor Entity | Housing Successor Entity | Housing Successor Entity | Administer affordability covenants | Yes | CRL | 8 |

*** Affordability covenant expired due to foreclosure and related termination of ground lease.

a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

**Avalon Housing Authority
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

| Item # | Type of payment a/ | Type of property with which the payments are associated b/ | Property owner | Entity that collects the payments | Entity to which the collected payments are ultimately remitted | Purpose for which the payments are used | Is the property encumbered by a low-mod housing covenant? | Source of low-mod housing covenant c/ | Item # from Exhibit A the rent is associated with (if applicable) |
|--------|-------------------------------|--|--------------------------|-----------------------------------|--|---|---|---------------------------------------|---|
| 1 | Ground Lease Payment | Low-Mod Housing | Successor Housing Entity | Successor Housing Entity | Successor Housing Entity | Maintain/ Operate Low-Mod Housing | No*** | n/a | 2 |
| 2 | Ground Lease Payment | Low-Mod Housing | Successor Housing Entity | Successor Housing Entity | Successor Housing Entity | Maintain/ Operate Low-Mod Housing | Yes | Ground Lease | 3 |
| 3 | Ground Lease Payment | Low-Mod Housing | Successor Housing Entity | Successor Housing Entity | Successor Housing Entity | Maintain/ Operate Low-Mod Housing | Yes | Ground Lease | 4 |
| 4 | Ground Lease Payment | Low-Mod Housing | Successor Housing Entity | Successor Housing Entity | Successor Housing Entity | Maintain/ Operate Low-Mod Housing | No*** | n/a | 5 |
| 5 | Rent | Low-Mod Housing | Successor Housing Entity | Successor Housing Entity | Successor Housing Entity | Maintain/ Operate Low-Mod Housing | No | n/a | 6 |
| 6 | Ground Lease Payment (\$1/yr) | Low-Mod Housing | Housing Successor Entity | Housing Successor Entity | Housing Successor Entity | Administer affordability covenants | Yes | CRL | 8 |

*** Affordability covenant expired due to foreclosure and related termination of ground lease.

a/ May include rents or home loan payments.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Avalon Housing Authority
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Purpose for which funds were deferred | Fiscal year in which funds were deferred | Amount deferred | Interest rate at which funds were to be repaid | Current amount owed | Date upon which funds were to be repaid |
|--------|---|--|-----------------|--|---------------------|---|
| 1 | SERAF payment pursuant to HSC 33334.2(k)(1) | 2009-10 | \$1,000,000 | 0% | \$1,000,000 | 6/30/2015 |
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APPENDIX 2 - HOUSING SUCCESSOR ANNUAL REPORT

HSC Section 34176.1 requires successor housing entities to prepare an annual report detailing compliance with new expenditure limitations and other information, including:

- Amounts deposited into the Low and Moderate Income Housing Asset Fund (“Housing Asset Fund”);
- Statement of the balance of the Housing Asset Fund;
- Description of expenditures by category;
- Statutory Value of real property;
- Description of transfers;
- Description of projects that receive funding through the Successor Agency’s Recognized Obligation Payment Schedule;
- Status of properties pursuant to a 5-year disposition period;
- Update on inclusionary and replacement housing obligations;
- Compliance with 5-year expenditure obligations;
- Percentage of senior deed-restricted units;
- Amount of excess surplus; and
- And inventory of homeownership units restricted by affordability covenants and assisted by the former Agency or Authority

Authority staff is in the process of auditing its financials and other information. The Housing Successor Entity Annual Report for FY 2018-19 will be prepared by December 31, 2019.