

PALM DESERT HOUSING AUTHORITY STAFF REPORT

MEETING DATE: February 13, 2025

PREPARED BY: Celina Cabrera, Senior Management Analyst
Veronica Chavez, Director of Finance

SUBJECT: RECEIVE AND FILE THE ANNUAL LOW- AND MODERATE-INCOME
HOUSING ASSET FUND REPORT RELATIVE TO SENATE BILL 341

RECOMMENDATION:

Receive and file the annual Low- and Moderate-Income Housing Asset Fund report relative to Senate Bill 341 for Fiscal Year (FY) 2023-24.

BACKGROUND/ANALYSIS:

The Housing Successor SB 341 Annual Report (Report) regarding the Low- and Moderate-Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1. The purpose of this Report is to provide the governing body of the Housing Successor (the Housing Authority) with an annual report on the housing assets and activities of the Housing Successor under Dissolution Law.

This report includes information on the deposits to, ending balance of, and expenditures from the LMIHAF. A description of the Housing Successor's assets and any transfers of assets to other housing successor agencies are also addressed. The report discusses the Housing Successor's current projects, acquisitions of any real property since February 1, 2012, or any outstanding obligations. Finally, as required by law, three separate tests are included – the income test, senior housing test, and excess surplus test.

Income Test

Section 10 of the Report provides the required breakdown of expenditures within the LMIHAF by income category to determine whether the statutory thresholds have been met.

Category	% Required	Actual %
Extremely Low Income (0-30% AMI)	30% Minimum	57%
Low Income (60-80% AMI)	20% Maximum	11%

Senior Housing Test

This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing. For this Report, the ten-year period reviewed is 2014 to 2024. During this period, the Authority provided four developers with over \$23 Million in funding in exchange for 534 deed-restricted multi-family units. However, the units will not be counted until certificates of occupancy are issued.

Unit Category	# of Units
Assisted Senior Rental Units	72
Total Assisted Rental Units	0
Senior Housing Test (%)	100%

Excess Surplus Test

Activity for FY 2023-24 has resulted in an excess surplus of \$18,338,328 (as noted in Section 12c of the Report). A plan to eliminate the excess surplus is required where a surplus is identified (as noted in Section 12d of the Report). The projects listed below are in varying planning stages and will exhaust funds identified in the surplus over the next few years:

Development	Amount	Expected Timeline
Sagecrest Apartments II	\$7,000,000	2 nd Qtr, 2025
Portola Palms MHP (2 lots)	\$1,000,000	3 rd Qtr, 2025
Self Help Loans	\$800,000	FY 2025-26
University Park #1 – 120 Acres	\$6,000,000	FY 2025-26
University Park #2 – 120 Acres	\$6,000,000	FY 2025-26
PDHA Rental Property CIP	\$4,000,000	FY 2025-2027
TOTAL POTENTIAL PROJECTS	\$24,800,000	

The potential projects identified in the report exceed the available surplus because they are planned but not yet committed. If a project is completed at a lower cost or is removed from the list, other projects are available to utilize the surplus funds.

The Report was distributed to the City Clerk’s Office and posted on the City’s webpage on December 30, 2024.

Legal Review:

This report has been reviewed by the City Attorney’s Office.

FINANCIAL IMPACT:

There is no impact to the General Fund with this action.

ATTACHMENTS:

1. SB341 Report for FY 2023-24