

Palm Desert Housing Authority Staff Report

Meeting Date: April 23, 2026

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Department: Development Services

Subject: Receive and File the Annual Low- and Moderate-Income Housing Asset Fund Report Relative to SB 341 for Fiscal Year 2024–25

Recommendation

Receive and file the Annual Low- and Moderate-Income Housing Asset Fund Report relative to Senate Bill 341 for Fiscal Year (FY) 2024–25.

Executive Summary

The Palm Desert Housing Authority (PDHA), acting as the Housing Successor Agency to the Palm Desert Redevelopment Agency, has prepared the Annual Low- and Moderate-Income Housing Asset Fund Report for Fiscal Year 2024–25 in accordance with California Health and Safety Code Section 34176.1 (HSCS 34176.1) as required per Senate Bill 341 (SB341). The report fulfills statutory reporting requirements, provides transparency, and is a comprehensive overview of Housing Asset Fund activity, including revenues, expenditures, portfolio status, and compliance with State requirements related to income targeting, senior housing, and excess surplus.

Need for Action

The City Council is required to receive and file the annual report on the Low- and Moderate-Income Housing Asset Fund, as prepared and attached, in compliance with HSCS 34176.1. This action will ensure the City meets its statutory reporting obligations and allow City staff to submit the report to the State.

Background

The SB 341 Annual Report (Report) for FY 2024–25 has been prepared in accordance with HSCS 34176.1, providing an annual update on PDHA's housing assets, financial activity, and compliance with statutory requirements following the dissolution of redevelopment agencies. Although typically due April 1, PDHA received an extension and is presenting this report within the approved extended timeframe.

Discussion

The FY 2024–25 Report represents the first year of a new five-year compliance period (July 1, 2024 – June 30, 2029). The Report summarizes Housing Asset Fund deposits, expenditures, and balances; the status of housing assets and loan portfolio; and compliance with statutory requirements, including income proportionality, senior housing, and excess surplus limitations. All Housing Asset Fund activity presented in the Report is consistent with the City's financial records.

The Housing Asset Fund includes approximately \$32 million in available cash balance, of which approximately \$20.6 million is unencumbered and available for future programming. The remaining balance has been committed to active or planned affordable housing projects. While an excess surplus of approximately \$13.9 million has been identified, staff has established a plan to encumber these funds through committed projects, upcoming Requests for Proposals, and capital improvements to ensure compliance with State requirements.

Overall, PDHA remains in compliance with SB 341 and continues to advance affordable housing initiatives, as detailed in the three (3) required tests that are part of the Annual Report and summarized below:

Income Proportionality Test

The Income Proportionality Test in the Report is a State requirement that ensures Housing Successor Agencies spend their Low- and Moderate-Income Housing Asset Fund in a balanced way across income levels. No housing development expenditures were made during the fiscal year; therefore, PDHA remains in compliance.

Table 1 – Income Proportionality Test Summary

Category	Requirement	FY 2024-25 Activity
Extremely Low Income (0-30% AMI)	30% Minimum	No Expenditures
Low Income (60-80% AMI)	20% Maximum	No Expenditures

Senior Housing Test

This test evaluates the proportion of deed-restricted rental housing restricted to seniors over a rolling ten-year period. The 72 units noted below are from Carlos Ortega Villas.

Table 2 – Senior Housing Test Summary

Unit Category	Number of Units
Assisted Senior Rental Units	72
Total Assisted Rental Units	72
Senior Housing Percentage	100%

Excess Surplus Test

The Excess Surplus Test in the Report is a statutory requirement that limits how much unspent money a Housing Successor Agency can retain in its Low- and Moderate-Income Housing Asset Fund. As of June 30, 2025, PDHA has an excess surplus of approximately \$13,938,707 which is in compliance for purposes of this Report and identified for future anticipated projects.

Table 3 – Excess Surplus Test

Step	Description	Amount
1	Unencumbered Funds	\$20,575,735
2	Last 4 Years' Deposits	\$6,637,028
3	Excess Surplus	\$13,938,707

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. FY 2024-25 SB 341 Annual Report
2. FY 2024-25 Inventory of Assisted Homeownership Units

Conflict of Interest Awareness Checklist

Note: *This checklist is informational only and does not constitute a legal determination. Each Councilmember remains responsible for identifying, disclosing, and evaluating any disqualifying interests under the Political Reform Act and applicable FPPC regulations.*

1. Site-Specific Property Interest

Does this item involve a project site or other identifiable real property?

Yes

No

If yes, identify the project site:

Councilmembers should consider whether they own, lease, or hold interests in real property within 1,000 feet of the project site. (Gov. Code § 87103(b); FPPC Reg. 18702.2).

2. SB 1439 / Gov. Code § 84308 Applicability (Campaign Contributions)

Does this item involve a license, permit, other entitlement for use, or a contract or franchise agreement that is not competitively bid, a labor agreement, or a personal employment contract?

Yes

No

If yes, identify the applicant(s), appellant(s), party, or participant(s):

Councilmembers should review campaign contributions received within the prior 12 months from parties or participants to the proceeding and must not accept contributions over \$500 from those parties for 12 months following the final decision. (Gov. Code § 84308).