

**GARDEN GROVE HOUSING AUTHORITY ANNUAL REPORT  
AS HOUSING AUTHORITY AND AS HOUSING SUCCESSOR  
FOR FISCAL YEAR 2019-2020 UNDER CALIFORNIA  
HEALTH AND SAFETY CODE SECTIONS 34176.1 AND 34328**

This Annual Report of the Garden Grove Housing Authority (Housing Authority) is prepared under the California Health and Safety Code (HSC)<sup>1</sup>, Division 24, Parts 1.8 and 1.85 (Dissolution Law), in particular Section 34176.1 as the housing successor, and under the California Housing Authorities Law, HSC Section 34200, *et seq.* (HAL), in particular Section 34328 as a housing authority (together, Report). The Dissolution Law and HAL respectively require preparation of an annual report on the housing successor and the housing authority's activities for the prior fiscal year. This Report details the Housing Authority's activities during Fiscal Year (FY) 2019-2020 and is intended to satisfy the requirements under both HSC Sections 34176.1 and 34328. More specifically, this Report details the Housing Authority's activities for FY 2019-2020, including the information required about the Low and Moderate Income Housing Asset Fund (LMIHAF) and other information under Section 34176.1(f). A copy of the Report, in this draft form, has been provided to the City Council, as governing body, and to the Housing Authority by December 31, 2019 under Section 34176.1(f), and upon their joint review and action to file the Report after the CAFR (defined below) is completed at the open meeting in December 2020 or January 2021, this Report will be posted on the City's website at <https://ggcity.org/> and thereafter appended to the City's annual update report prepared under Section 65400 of the Government Code.

This Report includes information prepared by City staff on behalf of the Housing Authority and data from the independent financial audit of the LMIHAF Financial Report for FY 2019-2020 that is a part of the City of Garden Grove's (City) Comprehensive Annual Financial Report (CAFR) prepared by Davis Farr LLP, which audit is separate from this Report and attached as Exhibit B hereto; further, this Report conforms with and is organized into sections I. through XIV., inclusive, under HSC Section 34176.1(f) of the Dissolution Law and Section 34328 of the HAL.

- I. **Amounts Received and Deposited Under 34191.4(b)(3)(A).** This section provides the total amount of funds paid to the City and the amount deposited into the LMIHAF allocable to 20% of the repayments on the reinstated City/Agency loan(s), if any, per Section 34191.4.
- II. **Amount Deposited into LMIHAF.** This section provides the total amount of funds deposited into the LMIHAF in FY 19-20 and itemized by amounts deposited in FY 19-20 for items listed on Recognized Obligation Payment Schedule (ROPS), amounts allocable to Section 34191.4 deposits, and other amounts deposited into the LMIHAF.
- III. **Ending Balance of LMIHAF.** This section provides a statement of the balance in the LMIHAF as of the close of FY 19-20. Any amounts deposited for items listed on the ROPS, and amounts allocable to Section 34191.4 deposits, must be distinguished from the other amounts deposited.
- IV. **Description of Expenditures from LMIHAF.** This section provides a description of expenditures made from the LMIHAF during FY 19-20. The expenditures are to be categorized among (A) administration for monitoring, preserving covenanted housing units, (B) homeless prevention and rapid rehousing services and (C) development of housing.

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<sup>1</sup> In this Report, all statutory references are to the Health and Safety Code unless otherwise stated.

- V. Statutory Value of Assets Owned by Housing Successor.** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.
- VI. Description of Transfers.** This section describes transfers, if any, to another housing successor made in previous fiscal year(s), including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfers must be for development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.
- VII. Project Descriptions.** This section describes any project for which the Housing Successor receives or holds property tax revenue under the ROPS and the status of that project.
- VIII. Status of Compliance with Section 33334.16.** As and if applicable, this section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, provide a status update on the project.
- IX. Description of Outstanding Obligations under Section 33413.** This section describes outstanding inclusionary and replacement housing obligations, if any, under Section 33413 that remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012, along with the Housing Successor's progress in meeting those prior obligations, if any, of the former redevelopment agency and how the Housing Successor's plans to meet unmet obligations, if any.
- X. Income Test.** This section provides information required by Section 34176.1(a)(3)(B), or a description of expenditures by income category and restriction for the applicable five-year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met.
- XI. Senior Housing Test.** This section provides the percentage of deed-restricted rental housing units 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 10-year time period.
- XII. Excess Surplus Test:** This section provides the amount of excess surplus in the LMIHAF, if any, and the length of time that the Housing Successor has had excess surplus, and the Housing Successor's plan for eliminating the excess surplus.
- XIII. Inventory of Homeownership Units:** This section provides a summary of covenanted homeownership units assisted by the former redevelopment agency or the housing successor that include equity sharing and repayment provisions, including: (A) number of units; (B) number of units lost to the portfolio in the last fiscal year and the reason for those losses, and (C) any funds returned to the housing successor due to losses or repayments.

**XIV. Additional Information:** Housing Authority’s Activities for the Preceding Year FY 19-20 under HSC Section 34328.

This Report and the former Garden Grove Agency for Community Development’s (Former Agency) pre-dissolution Implementation Plans are to be made available to the public on the City’s website: <https://ggcity.org/econdev/redevelopment-agency-dissolution>.

**I. AMOUNT RECEIVED BY THE CITY PER HSC SECTION 34191.4**

**\$3,104,847.59** was received during FY 19-20 by the City in repayment of reinstated City/Agency loans per Section 34191.4.

**II. AMOUNT DEPOSITED INTO LMIHAF**

A total of **\$3,623,863.16** was deposited into the LMIHAF during FY 19-20. This amount includes **\$3,100,000** in ERAF/SERAF repayments, **\$13,709.74** in interest, and **\$510,153.42** in miscellaneous revenue.

*(A total of \$9,488 was funded through the ROPS 19-20 process and held and expended for items listed on ROPS 19-20 that was attributable to professional services, including legal services, provided during the fiscal period of July 1, 2019 to June 30, 2020. Line Item 55 on ROPS 19-20 was funded and then expended related to continued implementation of the Limon Judgments [term defined below in Section IX].)*

**III. ENDING BALANCE OF LMIHAF**

At the close of FY 19-20, the ending balance in the LMIHAF was **\$4,156,869.16** as reported in the LMIHAF audit that is part of the 2019-20 CAFR. It is noted that for ROPS 19-20, as amended, Line item 55, includes funds held for items listed and approved by DOF for ROPS 19-20, related to implementation of the *Limon* Judgments (See Section IX herein.)

**IV. DESCRIPTION OF EXPENDITURES FROM LMIHAF**

Below is a table describing expenditures from the LMIHAF:

| Description  | Fiscal Year 19-20   |
|--|---------------------|
| <b>Monitoring &amp; Administration Expenditures (2019-20 CAFR)</b>   | \$103,332.33        |
| <b>Homeless Prevention and Rapid Rehousing Services Expenditures</b> | \$57,637.40         |
| <b>Housing Development Expenditures</b>                              | \$0                 |
| ➤ <b>Expenditures on Low Income Units</b>                            |                     |
| ➤ <b>Expenditures on Very-Low Income Units</b>                       |                     |
| ➤ <b>Expenditures on Extremely-Low Income Units</b>                  |                     |
| ➤ <b>Total Housing Development Expenditures</b>                      |                     |
| <b>Total LMIHAF Expenditures in Fiscal Year</b>                      | <b>\$160,969.73</b> |

The administrative expenditures total less than five percent (<5%) of the statutory value of real property owned by the Housing Successor and of loans and grants receivable held by the Housing Successor.

## V. STATUTORY VALUE OF HOUSING ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF

Under the Dissolution Law and for purposes of this Report, the “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer schedule (HAT) approved by the Department of Finance (DOF) as listed in HAT 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 property(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor (2019-20 CAFR).

| Description  | Ending Balance         |
|--|------------------------|
| <b>Statutory Value of Real Property Owned by Housing Authority</b> | \$2,066,624.53         |
| <b>Value of Loans and Grants Receivable*</b>                       | \$15,834,489.51        |
| <b>Total Value of Housing Successor Assets</b>                     | <b>\$17,901,114.04</b> |

*\*This balance includes SERAF and ERAF loans totaling \$10,154,260 (which changed from the prior fiscal year, based on the State of California, Department of Finance’s (DOF) determination of allowable notes receivable balances). The total value of loans and grants receivable is gross of any allowance.*

## VI. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other housing successor(s) under Section 34176.1(c)(2) during FY 19-20.

## VII. PROJECT DESCRIPTIONS

Except as to the \$9,488 funded via ROPS 19-20, Line Item 55, related to continued implementation of the DOF-approved enforceable obligations referred to as the *Limon* Judgments (see Sections II and IX), the Housing Successor did not receive or hold property tax revenue pursuant to the ROPS process.

## VIII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; nevertheless, this Report presents a status update on the status of real property, if and as applicable.

With respect to interests in real property acquired by the former redevelopment agency *prior* to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset on the HAT.

The following table provides a status update on the real property or properties housing asset(s) that were acquired prior to February 1, 2012 and compliance with five-year period that commenced on August 30, 2012, the date of the letter issued by DOF approving these properties as housing assets on the HAT:

| Address of Property  | Date of Acquisition | Deadline to Initiate Development Activity | Status of Housing Successor Activity   |
|--|---------------------|---|--|
| 12892-12942 Grove St<br>10936 Acacia Pkwy,<br>no site address for<br>APNs 089-213-02, 29,<br>31,32 | 03/11/2011          | 04/29/2017                                | The Housing Authority (both as housing successor and housing authority) and the City of Garden Grove held a public hearing on December 17, 2019 and approved the sale and sold this property to the City, in exchange the City conveyed certain property located at 11391 Acacia Pkwy to the Housing Authority. This parcel sold by the Housing Authority to the City will continue to be used as a public parking lot. The parcel acquired by the Housing Authority is planned for, affordable housing purposes.  |
| 12291 Thackery Dr.   | 01/10/2008          | 04/29/2017                                | The property located at 12291 Thackery Drive is part of the development site which is currently under a contract with the Developer Kam Sang Company (New Age Garden Grove LLC). New Age has an Amended and Restated Exclusive Negotiation Agreement by and between the City and developer and this property is under negotiation for potential conveyance to New Age Garden Grove LLC.<br><br>Due to COVID-19, the project has been delayed. However, the project has re-engaged as of September 2020 and we anticipate the disposition of 12291 Thackery Drive in late 2021. |
| 12602 Keel Ave.  | 04/25/1989          | n/a                                       | This property is subject to an Affordable Housing Agreement with long-term ground lease, sublease, and sub-sublease dated as of 6/25/1990 with Orange County Community Housing Corporation as ground lessee and ground sublessor, Shelter for the Homeless (now American Family Housing as sublessee and sub-sublessor), and Thomas House as sub-sublessee, and is encumbered with recorded affordable housing covenants (HAT).  |

The following table provides a status update on the project(s) for property(ies), if any, that have been acquired by the Housing Successor using LMIHAF since dissolution on or after February 1, 2012:

| Address of Property | Date of Acquisition | Deadline to Initiate Development Activity | Status of Housing Successor Activity  |
|---------------------|---------------------|---|---|
| 11391 Acacia Pkwy   | 12/17/19            | N/A                                       | Site acquired via exchange between the City and Housing Successor. Site is currently occupied by Acacia Adult Day Services. |

**IX. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO HSC SECTION 33413**

**Replacement Housing:** Whatever unmet obligation that existed according to the 2010-2014 Implementation Plan for Former Agency, if any, this obligation has been superseded and is being met pursuant to that certain *Stipulation to Substitute Party and for Entry of Interlocutory Judgment* approved by the Superior Court, County of Orange, State of California in the action *Marina Limon, et. al., v. Garden Grove Agency for Community Development*, Orange County Superior Court Case No. 30-2009-00291597 (Original *Limon* Judgment), attached as Exhibit A. There were two lawsuits related to this matter, which resulted in judgments that are both enforceable obligations under the Dissolution Law: (i) a lawsuit filed against the former redevelopment agency pre-dissolution that resulted in the Original *Limon* Judgment), and (2) a second lawsuit filed post-dissolution by the Plaintiffs in the original *Limon* action entitled *Marina Limon, et al v. State of California, et al.*, Sacramento Superior Court Case Number: 34-2014-80001994 (Writ Order to DOF), which together are referred to as the “*Limon* Judgments”. In implementation of the *Limon* Judgments, the Successor Agency to the Garden Grove Agency for Community Development (Successor Agency) in cooperation with the Housing Authority and the City have entered into, caused construction through completion, and continue to implement the 38 units of replacement housing required under the *Limon* Judgment through a series of subsidies, contracts and implementing instruments for: (i) Wesley Village a 47-unit, new construction senior and family affordable housing project and (ii) Sycamore Court, a 78-unit substantial rehabilitation multi-family project, both of which have recorded regulatory agreements with 55-year affordability covenants for tenancy and occupancy by qualified very low and low income households. During FY 17-18 and FY 18-19, the Successor Agency, as well as the City and Housing Authority, have provided documentation and supplemental documentation to the plaintiffs’ counsels in the *Limon* Judgment, but to date plaintiffs’ counsel for unstated reasons still have refused to cause the filing in the Superior Court of a full satisfaction of judgment affirming complete satisfaction of the Original *Limon* Judgment. Further, in compliance with the *Limon* Judgments, the plaintiffs and all former residents/tenants at the RV Park were part of the outreach about the availability of the *Limon* Replacement Units for tenancy at the time of initial occupancy of both projects upon completion and issuance of certificates of occupancy. Presently, financial issues exist related to the Wesley Village project that have necessitated restructuring of the existing loans and additional loans by the Housing Authority to ensure that the *Limon* Replacement Housing Units at Wesley Village remain in operation long-term in implementation of the Original *Limon* Judgment. The Successor Agency’s annual ROPS, in particular item 55, includes funding related to implementation of the *Limon* Judgments, including ROPS 18-19, current ROPS 19-20, and prospective ROPS 20-21, all to ensure that the *Limon* Replacement Housing Units at Wesley Village (and Sycamore Court) remain in operation long-term in implementation of the Original *Limon* Judgment.

**Inclusionary/Production Housing:** Whatever unmet obligation that existed according to the 2010-2014 Implementation Plan for the Former Agency, if any, this obligation has been superseded and has been met in full by performance under the Original *Limon* Judgment (Exhibit A).

**X. EXTREMELY-LOW INCOME TEST**

HSC Section 34176.1(a)(3)(A) requires that the Housing Successor must require at least 30% of the funds in the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI. Under HSC Section 34176.1(a)(3)(B), 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 funds remaining in the LMIHAF 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. The 2014–2019 period is the first of the five-year periods added by Section 34176.1. (See Section XII of this Report for updated information about proposed projects that will include extremely low, very low and low income housing units in compliance with the income-targeting requirements of HSC Section 34176.1.)

| Extremely-Low Income Test  | 07/01/2014 – 6/30/2019 |
|--|------------------------|
| <b>The Housing Successor did not expend LMIHAF on development of housing during the five-year reporting period of 2014-2019.</b> |                        |

**XI. SENIOR HOUSING TEST**

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 in the LMIHAF to assist additional senior housing units until the Housing Successor or City assists and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units. The table below provides information regarding the Housing Successor’s Senior Housing Test for the 10-year period of July 1, 2010 through June 30, 2020:

| <b>Senior Housing Test</b>   | <b>7/01/2010 – 6/30/20</b> |
|--|----------------------------|
| <b># of Assisted Senior Rental Units<br/>(in the Wesley Village project 16 of the 47 units are senior units, and 30 are family units, with one manager's unit)</b> | 16                         |
| <b># of Total Assisted Rental Units</b>  | 393                        |
| <b>Senior Housing Percentage</b>   | 4%                         |

## **XII. EXCESS SURPLUS TEST**

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 (\$1,334,902), whichever is greater. The following provides the Excess Surplus test for the preceding Fiscal Years of the Housing Successor:

|                            | <b>FY 2015/16</b> | <b>FY 2016/17</b>  | <b>FY 2017/18</b>  | <b>FY 2018/19</b>  | <b>FY 2019/20</b>     |
|----------------------------|-------------------|--------------------|--------------------|--------------------|-----------------------|
| <b>Beginning Balance</b>   | <b>\$314,555</b>  | <b>\$459,145</b>   | <b>\$704,604</b>   | <b>\$730,829</b>   | <b>\$597,475</b>      |
| Add: Deposits              | \$222,078         | \$500,105          | \$402,072          | \$210,647          | \$3,623,863           |
| <b>(Less) Expenditures</b> | <b>(\$77,488)</b> | <b>(\$254,646)</b> | <b>(\$375,847)</b> | <b>(\$344,001)</b> | <b>(\$146,005)</b>    |
| <b>Ending Balance</b>      | <b>\$459,145</b>  | <b>\$704,604</b>   | <b>\$730,829</b>   | <b>\$597,475</b>   | <b>\$4,075,332.75</b> |

The LMIHAF has an Excess Surplus; however, it is noted during FY 19-20, the Housing Authority had negotiated and reached consensus for an 82-unit senior acquisition/rehabilitation project but the Developer withdrew and informed the Housing Authority that it believed the project would not receive a reservation of tax credits nor a bond allocation due to changes to the state regulations establishing lesser priority for acquisition/rehabilitation projects to be considered and approved by TCAC (as to tax credits) and CDLAC (as to multi-family housing bonds); that project would have included eight (8) extremely low, sixty (60) very low, and twelve (12) low income units for an extended 55-year affordability period. Further, the Housing Authority's goals for FY 20-21 include seeking to encumber LMIHAF and/or other funding sources to provide financial assistance to several projects in the community. In this regard as of preparation of this Report, the Housing Authority is negotiating with several experienced affordable housing developers about both new construction and acquisition rehabilitation projects, such as acquisition/rehabilitation for 9 units of permanent supportive housing, acquisition/rehabilitation for 144 units at-risk of conversion to market, and new construction 60 units (approx.), which will include a range of extremely low, very low and/or low income covenanted housing units.

## **XIII. INVENTORY OF HOMEOWNERSHIP UNITS**

This section provides an inventory of homeownership units assisted by the Former Agency or the Garden Grove Housing Authority, as Housing Successor, that are subject to covenants or restrictions or to an adopted program that protects the Former Agency's investment of moneys from the former Low and Moderate Income Housing Fund (LMIHF) per HSC Section 33334.3(f). This inventory includes:



**A. Total units assisted by the Former Agency.**

1. The total number of homeownership units assisted by the former Agency: **55 units**

| <b>Address</b>   | <b># of Units</b> |
|--|-------------------|
| 13741 Clinton #76, Garden Grove, CA  | 1 Unit            |
| 10302 Malinda, Garden Grove, CA  | 1 Unit            |
| 12191 Stanford, Garden Grove, CA   | 1 Unit            |
| 12661 James, Garden Grove, CA  | 1 Unit            |
| 11761 Samuel, Garden Grove, CA   | 1 Unit            |
| 5742 Ludlow, Garden Grove, CA  | 1 Unit            |
| 13180 Ferndale, Garden Grove, CA   | 1 Unit            |
| 8861 Calico, Garden Grove, CA  | 1 Unit            |
| 8183 Larson #D, Garden Grove, CA   | 1 Unit            |
| 12631 Woodland, Garden Grove, CA   | 1 Unit            |
| 10119 Andy Reese, Garden Grove, CA   | 1 Unit            |
| 12582 Spinnaker, Garden Grove, CA  | 1 Unit            |
| 12372 Elmwood, Garden Grove, CA  | 1 Unit            |
| 9852 Orangewood, Garden Grove, CA  | 1 Unit            |
| 1360 River Drive, Norco, CA  | 1 Unit            |
| 9611 Blanche, Garden Grove, CA   | 1 Unit            |
| 13421 Mickey, Garden Grove, CA   | 1 Unit            |
| 6732 Laurelton, Garden Grove, CA   | 1 Unit            |
| 10592 McKeen, Garden Grove, CA   | 1 Unit            |
| 14402 Ward, Garden Grove, CA   | 1 Unit            |
| 11682 MacDuff, Garden Grove, CA  | 1 Unit            |
| 6652 Belgrave, Garden Grove, CA  | 1 Unit            |
| 6662 Park, Garden Grove, CA  | 1 Unit            |
| 5452 Richmond, Garden Grove, CA  | 1 Unit            |
| 13096 Blackbird, Garden Grove, CA  | 1 Unit            |
| 11531 Faye, Garden Grove, CA   | 1 Unit            |
| 13582 Hope, Garden Grove, CA   | 1 Unit            |
| 11450 Brookhurst, Garden Grove, CA   | 1 Unit            |
| 13651 Havenwood, Garden Grove, CA  | 1 Unit            |
| 11291 Garden, Garden Grove, CA   | 1 Unit            |
| Note: The following homeownership units were identified in further review of Garden Grove files, but had not been located or identified during preparation of the HAT in July 2012 that was submitted to and approved by the DOF or listed in the initial report prepared under HSC Section 34176.1(f)(13) relating to homeownership units assisted by the Former Agency, but are listed in this Report as each is an ownership unit assisted by the Former Agency prior to dissolution. Several of these loans have been paid off or the covenants expired, so are also listed in the tables that follow. |                   |
| 11861 Winton St., Garden Grove, CA   | 1 Unit            |

|   |                 |
|---|-----------------|
| 12741-12831 Arbor Ct. & 12752-12852 Arbor Ct., Garden Grove, CA | 17 Units        |
| 13143 Michael Monsoor Ct., Garden Grove, CA                     | 1 Unit          |
| 10852 Sonoma Ln., Garden Grove, CA                              | 1 Unit          |
| 13100 Mendocino Ln., Garden Grove, CA                           | 1 Unit          |
| 10803 Sonoma Ln., Garden Grove, CA                              | 1 Unit          |
| 10811 Sonoma Ln., Garden Grove, CA                              | 1 Unit          |
| 10853 Sonoma Ln., Garden Grove, CA                              | 1 Unit          |
| 10831 Sonoma Ln., Garden Grove, CA                              | 1 Unit          |
| <b>Total</b>  | <b>55 Units</b> |

**B. Summary of Lost Units.**

1. The total number of homeownership units lost to the Housing Successor's portfolio between February 1, 2012 up to June 30, 2020, along with the reason or reasons for those losses: **29 units**

| FY    | Property Address                    | Units | Loss Date  | Reason for Loss   |
|-------|-------------------------------------|-------|------------|-------------------|
| 11-12 | 11861 Winton St.                    | 1     | 3/27/2012  | Loan Repaid       |
| 13-14 | 9852 Orangewood Ave.                | 1     | 11/12/2013 | Loan Repaid       |
| 14-15 | 12741-12831 & 12752-12852 Arbor Ct. | 17    | 2014       | Covenants Expired |
| 14-15 | 10831 Sonoma Lane                   | 1     | 5/8/2015   | Loan Repaid       |
| 12-13 | 13741 Clinton #76                   | 1     | 5/6/2013   | Loan Repaid       |
| 17-18 | 10119 Andy Reese                    | 1     | 9/18/2017  | Loan Repaid       |
| 14-15 | 6732 Laurelton                      | 1     | 3/17/2015  | Loan Repaid       |
| 14-15 | 10592 McKeen                        | 1     | 8/28/2014  | Loan Repaid       |
| 15-16 | 6652 Belgrave                       | 1     | 11/12/2015 | Loan Repaid       |
| 13-14 | 11450 Brookhurst                    | 1     | 3/31/2014  | Loan Repaid       |
| 12-13 | 13651 Havenwood                     | 1     | 6/18/2013  | Loan Repaid       |
| 14-15 | 11291 Garden                        | 1     | 8/11/2014  | Loan Repaid       |
| 19-20 | 12661 James Avenue                  | 1     | 8/27/2019  | Loan Repaid       |

2. Total losses during FY 2019-20 (7/1/19 to 6/30/20): **1 units**

| FY  | Property Address   | Units | Loss Date | Reason for Loss |
|---|--------------------|-------|-----------|-----------------|
| <b>The Housing Successor had no losses from the homeownership portfolio in FY 19-20</b> |                    |       |           |                 |
| 19-20   | 12661 James Avenue | 1     | 8/27/2019 | Loan Repaid     |

3. Funds returned to the Housing Successor as part of an adopted program that protects the Former Agency's investment of moneys from the LMIHF. This includes repayments of all Single Family Rehab and First Time Homebuyer loans including principal, interest, and equity sharing payments from February 1, 2012 to June 30, 2020. There were cumulative repayments since dissolution of **\$108,755.13** and repayments during FY 19-20 of **\$4,847.59**.

C. State whether the Housing Successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

1. The City's Neighborhood Improvement Division administered a majority of the Former Agency's Single Family Rehabilitation Program and First Time Homebuyer Program. The Neighborhood Improvement Division does have an existing agreement with Amerinational Community Services, Inc., a Minnesota corporation (dba AmeriNat), relating to certain, but not all, aspects of administration of the Former Agency's Single Family Rehabilitation loans and First Time Homebuyer loans that provided second lien mortgages for homeownership units. These consulting services include assistance with oversight and administration of amortized loan payments, if any, due; with tracking and calculation of loan balances in the event of payoff; and, other administrative activities for these outstanding Single Family Rehab and First Time Homebuyer loans. Additionally, the City has contracted with AIM Asset Property Management for property management services.

**XIV. ADDITIONAL INFORMATION ABOUT GARDEN GROVE HOUSING AUTHORITY'S ACTIVITIES FOR THE PRECEDING YEAR FY 18-19 PER HSC SECTION 34328**

The Housing Authority, as a housing authority, provides rental assistance to up to 2,337 tenant households per month through federal Section 8 housing choice portable vouchers. The lease-up rate by month for FY 2019-20 was as follows:

| Month  | # of Units Leased |
|--------|-------------------|
| Jul-19 | 2214              |
| Aug-19 | 2218              |
| Sep-19 | 2212              |
| Oct-19 | 2215              |
| Nov-19 | 2209              |
| Dec-19 | 2212              |
| Jan-20 | 2220              |
| Feb-20 | 2224              |
| Mar-20 | 2223              |
| Apr-20 | 2219              |
| May-20 | 2216              |
| Jun-20 | 2212              |

During FY 2019-20, there were no terminations of Section 8 portable vouchers for victims of domestic violence.

As discussed in Section XII of this Report, the Housing Authority continues to negotiate toward more affordable housing in the community, both new construction and acquisition/rehabilitation projects.

**EXHIBIT A**

**Original *Limon* Judgment**

*Limón, et al. v. Garden Grove Agency for Community Development*

Case No. 30-2009-00291597

Stipulation to Substitute Party and for Entry of Interlocutory Judgment  
(attached)

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**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CIVIL COMPLEX LITIGATION CENTER

**JUN 10 2014**

ALAN CARLSON, Clerk of the Court  
*Alan Carlson*  
BY B. ZUANICH

ELECTRONICALLY RECEIVED  
Superior Court of California,  
County of Orange  
06/09/2014 at 10:06:50 AM  
Clerk of the Superior Court  
By Olga Lopez, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF ORANGE

MARINA LIMON, *et al.*,  
  
Plaintiffs and Petitioners,  
  
v.  
  
GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT, a municipal  
entity, *et al.*,  
  
Defendants and Respondents.  

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GARDEN GROVE MXD, LLC, and  
MCWHINNEY REAL ESTATE SERVICES,  
and DOES 21 through 40,  
  
Real Parties in Interest.

) Case No. 30-2009-00291597

) **JUDGMENT**

) Complaint Filed: August 10, 2009  
) Dept.: CX-102  
) Judge: Robert J. Moss

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IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

Judgment is entered in favor of Plaintiff Maria Malta and against Defendants pursuant to the terms stated below.

1. As used herein, the term "Low Income Households" shall have the meaning set forth in Health and Safety Code section 50079.5.

2. As used herein, the term "Very Low Income Households" shall have the meaning set forth in Health and Safety Code section 50105.

3. As used herein, the term "Low Income Rent" shall be rent affordable to lower income households as set forth in Health and Safety Code section 50053(b)(3).

4. As used herein, the term "Very Low Income Rent" shall be rent affordable to very low income households as set forth in Health and Safety Code section 50053(b)(2).

5. Within the timeframe described in Paragraph 9, below, the Successor Agency or, at its discretion, the Housing Successor (hereinafter "Successors"), shall develop replacement housing. Pursuant to this paragraph funds held in the Low and Moderate Income Housing Asset Fund, as defined in Health and Safety Code section 34176, shall be available for development of the replacement housing pursuant to this Judgment. The Successors shall develop or cause to be developed twenty five (25) additional new construction dwelling units as replacement housing for the Travel Country Recreational Vehicle Park ("Park") to address Plaintiff Malta's claims for development of replacement housing pursuant to Health and Safety Code section 33413. No less than twelve (12) of the units developed pursuant to this paragraph shall be covenanted to be leased at Very Low Income Rent and restricted to occupancy by Very Low Income Households; the balance of thirteen (13) units shall be covenanted to be leased at Low Income Rent and restricted to occupancy by Low Income Households.

6. In addition to the dwelling units described in Paragraph 6, within the timeframe described in Paragraph 9, below Successors shall develop or cause to be developed thirteen (13) additional dwelling units, either as new construction or Substantial Rehabilitation (as defined below), as replacement housing for the Park to address Plaintiff Malta's claims for development

1 of replacement housing pursuant to Health and Safety Code section 33413. No less  
2 than seven (7) of the units developed pursuant to this paragraph shall be covenanted to be leased  
3 at Very Low Income Rent and restricted to occupancy by Very Low Income Households; the  
4 balance of six (6) units shall be covenanted to be leased at Low Income Rent and restricted to  
5 occupancy by Low Income Households.

6 7. The Successors may reduce the number of dwelling units required to be developed  
7 pursuant to Paragraph 7 (but not Paragraph 6) by one dwelling unit for each dwelling unit offered  
8 to a household listed on Exhibit A hereto that is rejected by such household provided that a  
9 household's rejection of a unit under this section will not disqualify that household from  
10 eligibility under Paragraph 11. In order to reduce the unit count, (1) a displaced household must  
11 receive an offer of affordable replacement housing after a determination (provided to the  
12 displaced household in writing) by the operator of that housing that the displaced household  
13 is eligible for occupancy of the replacement housing with respect to all of its qualifications and  
14 restrictions, including but not limited to income, family size, rental history and credit score, (2)  
15 the offer of affordable housing must be either hand delivered to the displaced household as  
16 evidenced by a proof of personal service, or through regular and certified U.S. mail, and (3) the  
17 displaced household must be allowed ten (10) business days after receipt of the offer to accept or  
18 reject the offer.

19 8. The Successors shall develop, rehabilitate, construct or cause the development,  
20 rehabilitation or construction (as applicable) of the dwelling units described in Paragraphs 6 and  
21 7 ("Replacement Units") within four years from entry of judgment in this case.

22 9. "Substantial Rehabilitation" shall have the same meaning as contained in Health  
23 and Safety Code section 33413.

24 10. In accordance with Health and Safety Code section 33411.3, all residents displaced  
25 by the Redevelopment Agency shall have priority in occupancy of the Replacement Units  
26 developed pursuant to this Judgment. Successors shall provide for such priority in any agreement  
27

1 for development or administration of the Replacement Units, and shall maintain a list of eligible  
2 persons and families displaced by the Redevelopment Agency.

3 11. Pursuant to action of the California Legislature in Stats. 2012, Ch. 5 (Assembly  
4 Bill No. 26, 2011-2012 1st Ex. Sess.) (the "Dissolution Act"), effective June 29, 2011,  
5 redevelopment agencies throughout California began a dissolution process. The Dissolution Act  
6 provides that the city "that authorized the creation of each redevelopment agency" became the  
7 "successor agency" to that redevelopment agency, by operation of law, unless the designated  
8 successor entity elected not to serve as the successor agency. California Health and Safety Code  
9 sections 34173(a), (d). The Garden Grove City Council adopted resolutions electing to serve as  
10 the Successor Agency to the dissolved Redevelopment Agency pursuant to Health and Safety  
11 Code section 34173, and designating the Garden Grove Housing Authority as the Housing  
12 Successor pursuant to Health and Safety Code section 34176. City of Garden Grove Resolution  
13 Nos. 9072-11 (July 12, 2011) and 9089-12 (Jan 17, 2012). As prescribed by the Dissolution Act,  
14 the amounts the Successor Agency is obligated to pay pursuant to the terms of this Judgment shall  
15 be included as an enforceable obligation of the Successor Agency on each applicable Recognized  
16 Obligation Payment Schedule ("ROPS"), as defined in California Health and Safety Code section  
17 34171(h) and in accordance with Health and Safety Code section 34177(l), (m), and as set forth  
18 below.

19 12. The Successor Agency shall include in the ROPS due to be completed and  
20 approved by the oversight board of the Successor Agency no later than October 3, 2015 (ROPS  
21 2015-16B), amounts for Replacement Units that will be expended during the January 1, 2016  
22 through June 30, 2016 period. The amounts to be expended during this ROPS 2015-16B period  
23 shall be appropriate to complete development of the Replacement Units for occupancy within  
24 four years from entry of the Judgment.

25 13. The Successor Agency shall pay \$9,000 in attorneys' fees to counsel for Plaintiff  
26 Malta. The entire amount of attorneys' fees shall be placed on the ROPS due to be completed by  
27 the oversight board of the Successor Agency no later than October 3, 2014 (ROPS 2014-15B).



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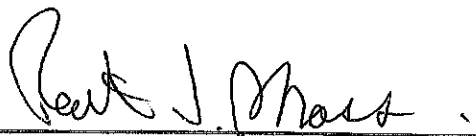
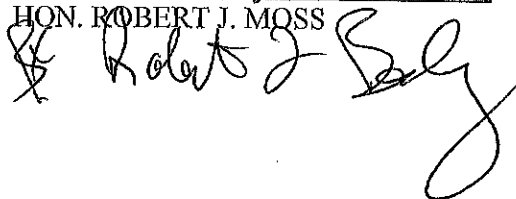
14. The obligations contained herein are obligations of the Garden Grove Agency for Community Development ("Redevelopment Agency"), now dissolved, prior to enactment of the Dissolution Act. The obligations set forth herein are not and under no circumstances shall they be construed as obligations of the City or Garden Grove Housing Authority other than in their roles as Successor Agency and Housing Successor, respectively. Consistent with Health and Safety Code § 34173(e), Successor Agency's liability for amounts owing pursuant to this Judgment shall be limited to the extent of the total sum of property tax revenues the Successor Agency and the Housing Successor receive pursuant to the ROPS process and the value of the assets received by the Successor Agency and the Housing Successor. The Successor Agency shall continue to list the obligations of this Judgment on each ROPS until all obligations required by the Judgment are satisfied.

15. The Court shall have continuing jurisdiction to enforce the terms of this settlement and Judgment pursuant to California Code of Civil Procedure section 664.6.

16. This Judgment represents the sole obligation among the parties hereto and all other causes of action and/or claims arising out of this action are dismissed with prejudice and forever waived.

IT IS SO ORDERED.

DATED: 6/10/15

  
\_\_\_\_\_  
HON. ROBERT J. MOSS  


## **Exhibit B**

### **2019-2020 Audit of LMIHAF**

(pending and to be inserted)

Note: At the time of preparation of this Report, the FY 2019-20 Comprehensive Annual Financial Report (CAFR) is still under final review by the City and its independent auditors. It is anticipated this document will be finalized in December 2020 or January 2021, at which time the City Council and Housing Authority jointly will receive and file the Report.