HOUSING SUCCESSOR ANNUAL REPORT
Orange County Housing Authority

Fiscal Year 2019-20

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INTRODUCTION

The County of Orange ("County") elected to designate the Orange County Housing Authority ("OCHA") as the housing successor to the former Orange County Development Agency ("OCDA" or "Agency"), following the dissolution of redevelopment agencies statewide ("Housing Successor"). Assembly Bill x1 26 (ABx1 26) and the subsequent Assembly Bill 1484 have defined housing asset transfers to include "all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the agency, excluding any amounts in the Low and Moderate Income Housing Fund. All former OCDA housing assets and liabilities were transferred to OCHA through the Housing Asset Transfer Form ("HAT") and approved by the Department of Finance ("DOF") in August 2012. The State Controller also approved the transfer of housing assets in May 2015.

Additional provisions in ABx1 26 also allowed a local jurisdiction to select the local county housing authority as its housing successor, if that jurisdiction did not want to become the housing successor. As a result, the City of Seal Beach also named OCHA as its housing successor and transferred assets and liabilities through its Housing Asset Transfer Form.

This Housing Successor Agency Annual Report ("Annual Report") contains information on Fiscal Year ("FY") 2019-20 finances and activities as required by Health and Safety Code ("HSC") Section 34176.1(f). FY 2019-20 marks the first year of next five-year compliance period for income proportionality following the previous five-year compliance period from January 1, 2014 through June 30, 2019. This Annual Report details how OCHA met all requirements for expenditures by income level from July 1, 2019 through June 30, 2020.

HOUSING SUCCESSOR REQUIREMENTS

Originally put into law by Senate Bill 341 and later amended by Assembly Bill 1793, Assembly Bill 346, and Senate Bill 107, HSC Section 34176.1 requires that all former redevelopment agency housing assets except properties, regardless of their originating redevelopment agency, must be maintained in a separate fund, known as the Low and Moderate Income Housing Asset Fund ("Housing Asset Fund"). In accordance with HSC Section 34176.1(f), the following data must be reported annually for the Housing Asset Fund. Additional data for the Housing Asset Fund is reported in the County's Comprehensive Annual Financial Report, which is made available on the County's website.

Housing successors have to comply with three major requirements pursuant to HSC 34176.1:

1. Expenditures and housing production are subject to income and age targets.

2. Housing successors may not accumulate an "excess surplus," or a high balance in the Housing Asset Fund based on certain thresholds.

3. Properties must be developed with affordable housing within five to ten years.

The requirements were designed to ensure that housing successors are actively utilizing former agency housing assets to produce affordable housing. Appendix 1 provides a detailed summary of the reporting requirements that are addressed in this Annual Report.

ACCOMPLISHMENTS FY 2019-20 AND FUTURE PLAN

ONGOING PROGRAMS

OCHA is a separate legal entity housed in the OC Community Resources Department ("OCCR") within the County of Orange. In many instances, different divisions within a department will act in conjunction with one another as services may overlap or be closely related, and that is true within OCCR. However, it is OCHA specifically that was named the Housing Successor. As the County Housing Authority, OCHA has an extensive list of program work including direct administration of Section 8 housing programs, Continuum of Care ("CoC") services, and a variety of other activities that build networks and resources to provide affordable housing options and end homelessness within Orange County. Where feasible and legally compliant, OCHA as Housing Successor may utilize the Housing Asset Fund to support these endeavors, particularly where it may be possible to leverage other funding sources such as HOME.

OCCR has historically leveraged funding and relationships in order to:

- Rehabilitate deteriorated units and encourage the maintenance and repair of units to prevent deterioration;
- Enhance the quality of existing residential neighborhoods by maintaining public facilities and requiring residents and landlords to maintain their properties in good condition;
- Support first-time home buyers through the Mortgage Assistance Program; and
- Support the creation of new affordable rental housing units.

OCHA as Housing Successor will continue to look for opportunities to partner funding sources and entities such that the Housing Asset Fund revenues may be used to their fullest potential to supply affordable housing opportunities within the legal parameters set by SB 341 and other applicable laws.

NOTICE OF FUNDING AVAILABILITY

On April 24, 2018, the Board approved an increase of funds to the 2016 Permanent Supportive Housing Notice of Funding Availability ("2016 PSH NOFA"). The increase allocated up to an additional $4 million (totaling $12 million) in Housing Successor funds and Federal HOME Investment Partnership funds. During 2019-20, the County anticipates and plans to expend the remaining 2016 PSH NOFA funds.

On December 17, 2019, the Board approved the 2020 Supportive Housing Notice of Funding Availability (NOFA) to make available up to thirteen million in Orange County Housing Successor Agency funds, Federal HOME Investment Partnership Program funds and/or Mental Health Services Act funds to promote the acquisition, new construction and acquisition/rehabilitation of Supportive Housing and 200 Project-Based Vouchers to support Orange County's extremely low-income households who are homeless. OCHA is currently receiving proposals for development for the 2020 NOFA. No housing successor funds have been approved or encumbered as of FY 2019-20; however, funding applications are being reviewed and it is anticipated that additional projects will be funded with housing successor funds after the date of this report.

Please note that there may be other County funding sources not listed for the below projects, including Project-Based Vouchers HUD VASH and/or Housing Choice Vouchers.

Placentia Veterans Village: Mercy Housing California ("Mercy") responded to the 2016 PSH NOFA with applications for a new 50-unit (49 rental units and one manager's unit) affordable rental housing development on about 2.78 acres, Placentia Veterans Village ("Development"), located in the City of Placentia. The primary parcel is owned by the Orange County Flood Control District ("District") and consists of a 2.34-acre unimproved vacant parcel in the City of Placentia ("Property"). The County will record rent and occupancy restrictions on a total of 24 units to homeless veterans earning at or below 30% Area Median Income ("AMI") for a term of 55 years. The Developer was awarded $2,754,000 in Housing Successor funding for this project. The Housing Successor funds were encumbered by the project in FY 2018-19. The project received an allocation of tax credits in June 2018 and started construction in December 2018. The Development completed construction in June 2020 and $2,754,000 in housing successor funds were expended.

Oakcrest Heights: National Community Renaissance of California ("Developer") responded to the 2016 PSH NOFA with a funding application for a 54-unit affordable rental housing development, Oakcrest Heights ("Development"). The Development is located in the City of Yorba Linda and is part of the Savi Ranch Development. The Development will be located adjacent to Oakcrest Phase I, a 69-unit affordable housing site recently built by the Developer.

The Development is new construction of 54 units of affordable rental housing (53 rental units and 1 manager's unit) and a preschool on about 3.2 acres site. The three-story project will consist of nine (9) 1-bedroom units, twenty-seven (27) 2-bedroom units, and seventeen (17) 3-bedroom units, plus one manager's unit. Of these units, 4 one-bedroom units and 7 two-bedroom units received HOME funding under the 2016 PSH NOFA in the amount of $1,504,100 and seven (7) 1-bedroom units and seven (7) 2-bedroom units received Housing Successor funding under the 2016 PSH NOFA in the amount of $140,200. The Housing Successor funds were encumbered by the project in FY 2018-19. Rents for these 14 units will be at or below 30% of AMI. These units will remain affordable for a 55-year period. The Development completed construction in September 2018 and $140,200 in housing successor funds were expended.

Della Rosa: Affirmed Housing Group ("Affirmed") responded to the 2016 PSH NOFA with a funding application for a 50-unit affordable rental housing development, Della Rosa ("Development"), located in the City of Westminster. The proposed Development is new construction of 50 units (49 rental units and one manager's unit) on about 0.66 acres. The Development will consist of 25 efficiency units, 20 one-bedroom units, 4 two-bedroom units, plus one manager's unit. OCCR will place rent restrictions on twenty-four (24) efficiency units for formerly homeless households, with incomes at or below 30% AMI for a period of fifty-five (55) years. The manager's unit will not be income restricted. Affirmed was awarded $1,166,400 in Housing Successor funds from the NOFA proceeds for this project. The Housing Successor funds were encumbered by the project in FY 2018-19. The Development received an allocation of tax credits in September 2018 and started construction in April 2019. The Development completed construction in October 2020.

Salerno at Cypress Village: Chelsea Investment Corporation ("Chelsea") responded to the 2016 PSH NOFA with a funding application for an 80-unit affordable rental housing development, Salerno at Cypress Village ("Development"), located in the City of Irvine. The proposed development is new construction of an 80-unit (79 rental units) apartment complex consisting of 24 one-bedroom units, 16 two-bedroom units, 39 three-bedroom units, and a 3-bedroom manager's unit. The purpose of the Development is to provide affordable and permanent supportive housing for low to extremely-low individuals and households, including formerly homeless veterans and households in which at least one member has a developmental disability, in Orange County. The County will record rent and occupancy restrictions on 11 one-bedroom units and 14 three-bedroom units (a total of 25 units) to households experiencing homelessness earning at or below 30% AMI for a term of 55 years. Chelsea was awarded $1,462,860 ($1,212,860 in Housing Successor and $250,000 in HOME Funds) in NOFA proceeds for this project. The Housing funds were encumbered by the project in FY 2018-19. The Development started construction in June 2019 with an expected completion date of January 2021.

HOUSING ASSET FUND ACTIVITY

Former OCDA assets, and the revenues generated by those assets, are maintained in a Low and Moderate Income Housing Asset Fund. Housing Asset Funds may be spent on:

- **Administrative costs** up to $215,500 per year adjusted for inflation, or 5% of the statutory value of real property owned by the housing successor and the value of loans and grants receivable from the HAT ("Portfolio"), whichever is greater. The FY 2019-20 limit for the County was $978,500 (5% of the Portfolio value of $19,570,000).

- **Homeless prevention and rapid rehousing services** up to $250,000 per year if the former Agency did not have any outstanding housing inclusionary or replacement housing production requirements. The County qualifies because the former Agency had a surplus of affordable housing production units upon dissolution.

- **Affordable housing development** assisting households up to 80 percent of the Area Median Income ("AMI"), subject to specific income and age targets. Expenditures must be dedicated to improving rental housing options affordable to households earning 80 percent or less of the AMI.

This means that no funding may be spent on median-income households, as was previously authorized by redevelopment law. Of the money expended, a minimum of 30 percent must go towards households earning 30 percent or less of the AMI, and a maximum of 20 percent may go towards households earning between 60 and 80 percent of the AMI.

Five-Year Income Proportionality: If any Housing Asset Funds are spent on affordable housing development, it triggers a requirement to spend at least 30 percent of such expenses assisting extremely low income households (30% AMI) and no more than 20 percent on low income households (between 60-80% AMI) per five-year compliance period. The first five-year compliance period was January 1, 2014 through June 30, 2019.

Note that housing successors must report expenditures by category each year, but compliance with income proportionality limits is measured every five years. For example, a housing successor could spend all its funds in a single year on households earning between 60-80% AMI, as long as it was 20 percent or less of the total expenditures during the five-year compliance period.

Ten-Year Age Proportionality: If more than 50% of the total aggregate number of rental units produced by the County, OCHA, OCCR or former Agency during the past 10 years are restricted to seniors, then OCHA may not spend more Housing Asset Funds on senior rental housing.

Appendix 2 describes Housing Asset Fund expenditure requirements in more detail, including the types of costs eligible in each category.

EXPENDITURE LIMIT COMPLIANCE

The OCHA complied with all Housing Asset Fund spending restrictions in FY 2019-20 in the first year of the new five-year compliance period:[1]

- Administrative costs of $719,000 did not exceed the $978,500 maximum amount for FY 2019-20.
- No homeless prevention or rapid rehousing expenses were made in FY 2019-20.
- In the first year of the new five-year compliance period, the OCHA encumbered funds for Westminster Crossing for a total amount of $850,500. Once funds are expended by OCHA as the Housing Successor, the funds will go towards the development of units restricted to households earning at or below 30% AMI and as such OCHA is in compliance with the 5-year expenditure requirement.

OCHA will continue to ensure it meets all expenditure requirements going forward, including the next five-year compliance period of July 1, 2019 through June 30, 2024.

Failure to comply with the extremely low income requirement in any five-year compliance period will result in the OCHA having to ensure that 50 percent of remaining funds be spent on extremely low income rental units until in compliance. Exceeding the expenditure limit for low households earning between 60-80% AMI in any five-year reporting period will result in the OCHA not being able to expend any funds on these income categories until in compliance.

SENIOR HOUSING LIMIT COMPLIANCE

OCHA complies with the limit allowing no more than 50 percent of the total aggregate number of rental units produced within the preceding ten years to be restricted to seniors. OCHA, County, OCCR and former Agency assisted 75 deed-restricted rental units in the last ten years for seniors, which is less than

[1] The Housing Asset Fund figures in this Annual Report are based on unaudited numbers that were available at the time this report was prepared. They might vary slightly from audited numbers once the County's annual audit is complete.

50 percent of the total 1,445 units[2] restricted for affordable housing purposes. Table 1 details units assisted by project. There were 100 additional units added in FY 2019-20 from completed projects.

Table 1
Deed-Restricted Senior Rental Units Assisted Prior Ten Years

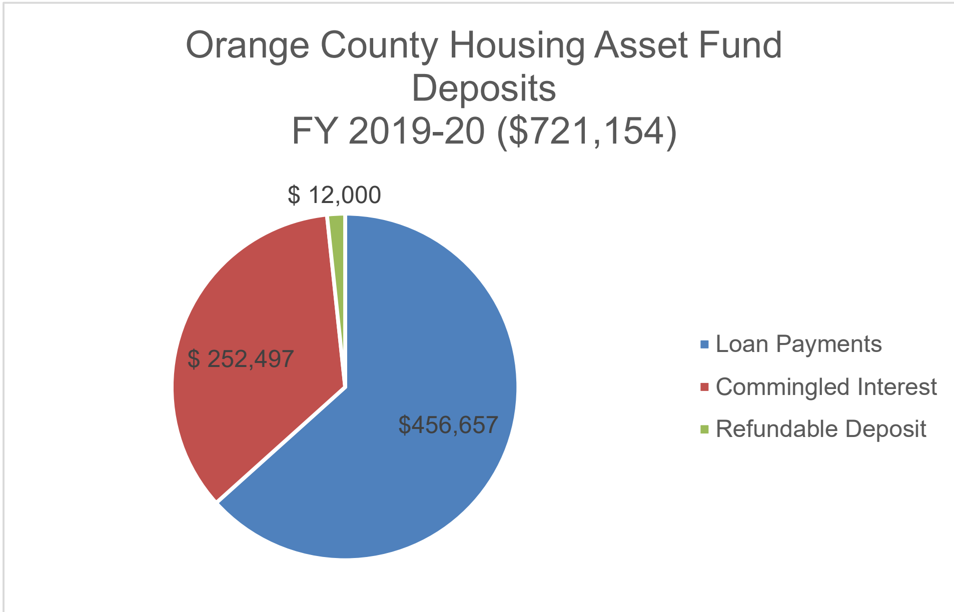
Property[1,2]	Assisted By	Funding Source	Year Restricted	Covenanted Units
Cotton's Point	OCHA	HOME	2012-13	75
Total				**75**

If a housing successor fails to comply, Housing Asset Funds may not be spent on deed-restricted rental housing restricted to seniors until in compliance.

DEPOSITS AND FUND BALANCE

OCHA deposited $721,154 into the Housing Asset Fund during FY 2019-20.

[2] The total number of units increased from 1345 to 1,445 (an increase of 100 units) with the inclusion of the Placentia Veterans Village and Della Rosa properties.



Revenue sources include:

- Residual receipts payments pursuant to a loan agreement with the former Agency;
- Commingled Interest; and
- Refundable Deposit.

The Housing Asset Fund balance as of June 30, 2020 was $30,650,000, as summarized in Table 2.

Table 2 Housing Asset Fund Ending Balance FY 2019-20	
Balance Type	**Amount**
Cash	11,249,000
Notes Receivable (net of Allowance for Uncollectable Amounts)	19,570,000
Due from Other County Funds	19,000
Interest Receivable	26,000
Accounts Payable	(6,000)
Refundable Deposit	(12,000)
Due to Other County Funds	(196,000)
Ending Balance	**$ 30,650,000**

EXCESS SURPLUS

The Housing Asset Fund may not accumulate an "excess surplus", or an unencumbered amount that exceeds the greater of $1 million, or the sum of deposits in the prior four fiscal years. This requirement ensures that housing successors are actively spending available Housing Asset Funds on affordable housing. HSC requires OCHA to address the accumulation of monies in the Housing Asset Fund and track the expenditure of the surplus in the Housing Asset Fund. An excess surplus has been identified for fiscal years FY 2017-18 and FY 2018-19. The excess surplus must be expended or encumbered within three fiscal years. If a housing successor fails to comply, it must transfer any excess surplus to HCD within 90 days of the end of the third fiscal year.

OCHA previously accrued an excess surplus in the Housing Asset Fund in FY 2017-18 and FY 2018-19. OCHA has eliminated the excess surplus for both FY 2017-18 and FY 2018-19 from the last year of prior reporting period. The amount reported in the last report for FY 2017-18 was $3,546,541 and $428,200, respectively. It should be noted that each excess surplus must be accounted for separately, and as such, the reduction for the previous excess surplus is reduced from the available funds as to not double count the excess surplus funds or available fund balance.

Table 3 illustrates that OCHA will eliminate the FY 2017-18 excess surplus amount with a portion of the FY 2019-20 administrative expenses and expenditures for additional encumbered and designated projects. Since the excess surplus is anticipated to be expended by June 30, 2021, the law does not require that OCHA will have to transfer the remaining funds over to HCD for expenditure pursuant to the Multifamily Housing Program or the Joe Serna, Jr. Farmworker Housing Grant Program.

Table 3 FY 2017-18 Excess Surplus Elimination	
Fiscal Year	**2017-18**[1]
Excess Surplus (Beginning of Year)	$ 10,842,000
Expenditures	
Potter's Lane	$ (1,458,000)
Oakcrest Heights	$ (140,200)
Remaining Excess Surplus	$ 9,243,800
Elimination of FY 2017-18 Excess Surplus	
FY 2018-19 Administrative Costs	$ (567,000)
FY 2019-20 Administrative Costs	$ (719,000)
Encumbrances[1]	
Placentia Veterans Village	$ (2,754,000)
Salerno at Cypress Village	$ (1,212,860)
Della Rosa	$ (1,166,400)
Westminster Crossing	$ (850,500)
Tahiti	$ (2,400,000)
Remaining FY 2017-18 Excess Surplus	$ -

[1] Although encumbrances for Placentia Veterans Village, Salerno at Cypress Village and Della Rosa were entered into FY 2018-19, they are being applied to the excess surplus in the previous fiscal year. Westminster Crossing and Tahiti was encumbered in FY 2020-21, and is being applied to the FY 2017-18 excess surplus.

Table 4 illustrates that OCHA will eliminate the FY 2018-19 excess surplus amount with a portion of the FY 2020-21 administrative costs and through the anticipated expenditure of remaining funds for the Tahiti project totaling $425,960. Additionally, there are multiple other projects under review as part of the 2020 NOFA process that may also help to eliminate the excess surplus amount. The excess surplus is anticipated to be expended by June 30, 2022.

Table 4 FY 2018-19 Excess Surplus Elimination	
Fiscal Year	**2018-19**
Excess Surplus (Beginning of Year)	$ 428,200
Anticipated Expenditures	
FY 2020-21 Administrative Costs	$ (600,000)
Tahiti[1]	$ (425,960)
Remaining FY 2018-19 Excess Surplus	$ -

[1] These projects are schedule to close prior to June 30, 2022, which is the deadline to expend the excess surplus amount.

Table 5 shows the excess surplus calculation for FY 2019-20. OCHA has not accumulated an excess surplus in FY 2019-20. In an effort to not double count available funds, it should be noted the calculation below accounts for the encumbered funds, the remaining FY 2017-18 and 2018-19 excess surplus and the FY 2019-20 administrative cost amounts that are illustrated in Table 3 and 4 above. HSC allows for encumbered funds to be subtracted from the fund balance as part of the calculation.

Table 5 FY 2019-20 Excess Surplus Calculation					
Fiscal Year	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**
Deposits	$ 472,000	$ 578,000	$ 692,000	$ 462,750	
FY 2019-20 Beginning Cash Balance					$ 11,181,002
Less: Encumbered Funds					$ 5,133,260
Less: FY 2017-18 Remaining Excess Surplus					$ 2,824,540
Less: FY 2018-19 Remaining Excess Surplus					$ 428,200
Less: FY 2019-20 Expenditure					$ 719,000
Unencumbered Amount					$ 2,076,002
Step 1					
$1 Million, or					$ 1,000,000
Last 4 Deposits					$ 2,204,750
Result: Larger Number					$ 2,204,750
Step 2					
Unencumbered Cash Balance					$ 2,076,002
Larger Number From Step 1					$ 2,204,750
Excess Surplus					$ -

OCHA has current commitments to multiple projects under the 2016 PSH NOFA and 2020 SH NOFA that are anticipated to be encumbered within the required timeframe. OCHA is committed to the production of affordable housing in the county and is on track to eliminate the FY 2019-20 excess surplus.

PROPERTY DESCRIPTIONS AND DISPOSITION STATUS

HSC Section 34176.1(e) requires all real properties acquired by the Agency prior to February 1, 2012 and transferred to the OCHA to be developed pursuant to the requirements detailed in HSC Section 33334.16. All property that falls within in these parameters must be developed for affordable housing purposes or sold within five years from the date DOF approved the Housing Asset Transfer Form, or September 5, 2017. If OCHA is unable to develop or dispose of these properties within the five-year period, the law allows for a five-year extension via adoption of a resolution. OCHA was not transferred any real property via the HAT from the former Agency.

HOMEOWNERSHIP UNIT INVENTORY

HSC Section 34176.1(f)(13) requires certain information related to homeownership units assisted by the former OCDA through covenants or restrictions or adopted programs.

Seal Beach Shores consists of 48 units/homeowners. The owners of the 48 units received home improvement loans from the former Agency, which qualifies as an adopted program under the HSC.

There have been seven units lost to the portfolio since redevelopment dissolution on February 1, 2012. These units were sold by their owners. Because these units received home improvement loans, the loans were paid off when the properties were sold. There is no affordability covenant placed on the units. Note that one loan was forgiven in accordance with available documentation, so no funds were received. No loans were paid off in FY 2019-20.

The total amount of funds returned to OCHA is $159,049.

The OCHA has not contracted with any outside entity for the management of the units.

Source: Seal Beach Housing Successor Entity Housing Asset List, Payoff Workbooks, County Staff

OTHER REPORTING REQUIREMENTS

The remaining compliance reporting requirements of SB 341 do not apply to OCHA as Housing Successor:

- Reporting of Redevelopment Loans Repaid To The County - None. The Successor Agency does not have any outstanding loans owed to the County.
- Transfers To Other Housing Successors - None at this time.
- Recognized Obligation Payment Schedule Projects - None.
- Interests In Real Property - None. The Housing Asset Fund does not include any property at this time.
- Outstanding Production Requirements - None. The former OCDA had a surplus of unit production.

APPENDIX 1 - HOUSING SUCCESSOR ANNUAL REPORT REQUIREMENTS

Housing Successor Reporting Requirements *Health and Safety Code Section 34176.1(f)*		
Housing Asset Fund Revenues & Expenditures	**Other Assets and Active Projects**	**Obligations & Proportionality**
Total amount deposited in the Housing Asset Fund for the fiscal year Amount of deposits funded by a Recognized Obligation Payment Schedule ("ROPS")	Description of any project(s) funded through the ROPS	Description of any outstanding production obligations of the former Agency that were inherited by the Housing Authority
Statement of balance at the close of the fiscal year	Update on property disposition efforts (note that housing successors may only hold property for up to five years, unless it is already developed with affordable housing)	Compliance with proportionality requirements (income group targets), which must be upheld on a five year cycle
Description of Expenditures for the fiscal year, broken out as follows: • Homeless prevention and rapid rehousing • Administrative and monitoring • Housing development expenses by income level assisted	Other "portfolio" balances, including: • Statutory value of any real property either transferred from the former Agency or purchased by the Housing Asset Fund • Value of loans and grants receivable	Percentage of deed-restricted rental housing restricted to seniors and assisted by the former Agency, the Housing Authority, or the City within the past ten years compared to the total number of units assisted by any of those three agencies
Description of any transfers to another housing successor for a joint project	Inventory of homeownership units assisted by the former Agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former Agency's investment of monies from the Low and Moderate Income Housing Fund	Amount of any excess surplus, and, if any, the plan for eliminating it

APPENDIX 2 – HOUSING ASSET FUND EXPENDITURE REQUIREMENTS

Housing Asset Fund Expenditure Requirements *Health and Safety Code Section 34176.1*		
Expense Category	Limits	Allowable Uses
Administration and Compliance Monitoring	**$998,600 maximum** for FY 2019-20 (limit varies each year)	Administrative activities such as: • Professional services (consultant fees, auditor fees, etc.) • Staff salaries, benefits, and overhead for time spent on Housing Successor administration • Compliance monitoring to ensure compliance with affordable housing and loan agreements • Property maintenance at Housing Successor-owned properties Capped at $200,000 adjusted annually for inflation or 5% of the statutory value of real property owned by the housing successor and the value of loans and grants receivable from the HAT ("Portfolio"), whichever is greater.
Homeless Prevention and Rapid Rehousing Solutions	**$250,000 maximum** per fiscal year	Services for individuals and families who are homeless or would be homeless but for this assistance, including: • Contributions toward the construction of local or regional homeless shelters • Housing relocation and stabilization services including housing search, mediation, or outreach to property owners • Short-term or medium-term rental assistance • Security or utility deposits • Utility payments • Moving cost assistance • Credit repair • Case management • Other appropriate activities for homelessness prevention and rapid rehousing of persons who have become homeless.
Affordable Housing Development	No spending limit, but must comply with income and age targets	"Development" includes: • New construction • Acquisition and rehabilitation • Substantial rehabilitation • Acquisition of long-term affordability covenants on multifamily units • Preservation of at-risk units whose affordable rent restrictions would otherwise expire over the next five years

Housing Asset Fund Expenditure Requirements *Health and Safety Code Section 34176.1*		
Expense Category	Limits	Allowable Uses
	Income Targets	Every five years (currently FYE 2020-2024), Housing Asset Funds must meet income targets: • At least 30% on extremely low income rental households (up to 30% AMI or “Area Median Income”) • No more than 20% on low income households (60-80% AMI) Moderate and above moderate income households may not be assisted (above 80% AMI). Failure to comply with the extremely low income requirement in any five-year compliance period will result in having to ensure that 50 percent of remaining funds be spent on extremely low income rental units until in compliance. Exceeding the expenditure limit for low households earning between 60-80% AMI in any five-year reporting period will result in not being able to expend any funds on these income categories until in compliance.
	Age Targets	For the prior ten years (resets every year), a maximum of 50% of deed-restricted rental housing units assisted by the Housing Successor or its host jurisdiction may be restricted to seniors. If a housing successor fails to comply, Housing Asset Funds may not be spent on deed-restricted rental housing restricted to seniors until in compliance.