

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction City of Sunnyvale
Reporting Period 1/1/2017 - 12/31/2017

Table A

Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information								Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development	Deed Restricted Units	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income			See Instructions	See Instructions	
Edwina Benner Plaza	5+	R	46	19	1		66	66	LTF, HOME, 9% TCAC	Regulatory Agreement	1 (Mgr's Unit)
Prunelle Ct	SF	O				4	4	4	NA	NA	0
Maria Ln	5+	O				5	5	5	NA	NA	0
Madison Tr	SF	O				7	7	7	NA	NA	0
Classics @ Lawrence St.	5+	O			4	30	34	34	NA	Inc	0
The Vale	5+	O			18	212	230	230	NA	Inc	0
Sandalwood	5+	O		1	10	78	89	89	NA	Inc	0
Taylor Place	5+	O			2	18	20	20	NA	Inc	0
Found8tions	5+	O			1	5	6	6	NA	Inc	0
(9) Total of Moderate and Above Moderate from Table A3 ▶▶			4	22	26	26					
(10) Total by income Table A/A3 ▶▶			46	20	40	381	487	487			
(11) Total Extremely Low-Income Units*											

* Note: These fields are voluntary

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction City of Sunnyvale
Reporting Period 1/1/2017 - 12/31/2017

Table A2**Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant**

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity		20	27	47	Crescent Terrace, 130 Crescent Ave, Sunnyvale: Rehabilitation of existing 48-unit affordable rental property, funded with CDBG, HOME in 2016. See Table C for details.
(2) Preservation of Units At-Risk		42	153	195	Life's Garden, 450 Old San Francisco Rd., Sunnyvale. Substantial rehabilitation and preservation of 150 at-risk units in 209-unit property. Property's affordability restrictions were due to expire in 2017 if not preserved. See Table C for details.
(3) Acquisition of Units	0	0	0	0	
(5) Total Units by Income	0	62	180	242	

* Note: This field is voluntary

Table A3

Annual building Activity Report Summary for Above Moderate-Income Units
(not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. Units 5+	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for Moderate	0	0	0	4	0	4	4
No. of Units Permitted for Above Moderate	22	0	0	0	0	22	22

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction City of Sunnyvale
Reporting Period 1/1/2017 - 12/31/2017

* Note: This field is voluntary

Table B

Regional Housing Needs Allocation Progress

Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.													
Income Level		RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	1,640	43	0	46							89	1,551
	Non-deed restricted		0	0	0								
Low	Deed Restricted	906	0	1	20							21	885
	Non-deed restricted		0	0	0								
Moderate	Deed Restricted	932	18	25	35							78	847
	Non-deed restricted		0	2	5							7	
Above Moderate		1,974	796	224	381							1,401	573
Total RHNA by COG. Enter allocation number:		5,452											3,856
Total Units ▶ ▶ ▶			857	252	487							1,596	
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶													

City of Sunnyvale 2017 APR
Table C Program Implementation Status

Housing Programs Progress Report (Government Code Section 65583): Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

Program Description <i>(By Housing Element Program Name)</i>	Objective	Timeframe in H.E.	Status of Program Implementation <i>Data for calendar year 2017 unless otherwise noted.</i>
BMR Housing Program	Continue to implement BMR Home Ownership Program. Review and refine BMR program guidelines and codes periodically as needed to accommodate changing market conditions and improve overall program effectiveness.	Ongoing: 2015-2023	Ongoing program. In 2017, 27 BMR homes were sold (escrow closed), including 22 new and 5 resale BMR homes.
First Time Home Buyer Program	Continue to implement FTHB Program; aim to assist 5-10 homebuyers per year, or as demand warrants.	Ongoing: 2015-2023	Ongoing program. In 2017, the City provided FTHB loans to 6 BMR home buyers. The remaining 21 BMR buyers did not need a FTHB loan.
Affordable Housing Development Assistance	Provide financial and regulatory assistance for new affordable housing development, using available funds.	Ongoing: 2015-2023 (Annual NoFA issuance)	<ul style="list-style-type: none"> In April 2017, the City closed on a \$7.43 million permanent loan to fund construction of 66 new affordable units (Benner Plaza), at 460 Persian Dr., Sunnyvale. Project is under construction. In March 2017, the City signed an Exclusive Negotiating Agreement with a developer regarding an opportunity to lease a City-owned affordable housing site (Block 15) with potential for 75-100 units. City approved new "80/20" project with 22 very low income units, and prepared materials for project's TEFRA hearing (held in Jan 2018).
Density Bonus Provisions	Educate developers about density bonus incentives using outreach materials provided online and/or at the One-Stop Center. Promote use of density bonus in discussions with applicants and share the City's density bonus calculator tool with interested developers.	Ongoing: 2015-2023	Ongoing. Density bonus calculator developed to help developers and staff analyze various options for sites. All density bonus units (Affordable Rental Units or ARUs) completed to date are very low income units. Between 2016 and 2017, 62 ARUs were completed in four projects: Ironworks (14), 481 Mathilda (5), EnCasa (27), and 6Ten Weddell (18).

City of Sunnyvale 2017 APR
Table C Program Implementation Status

Housing Programs Progress Report (Government Code Section 65583): Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

Home Improvement Program	Continue to operate the Home Improvement Program to assist lower-income households with funding for housing rehabilitation and minor improvements. Assist a total of 15-20 households per year, or as demand warrants.	Ongoing: 2015-2023	Ongoing program. In FY 2016/17, 1 home improvement loan and 4 grants were provided (total of 5 units). Another 7 units (6 grants and 1 mobile home loan) were assisted between July 1 and Dec.31, 2017.
Multi-Family Rental Property Rehabilitation	Continue to offer below-market rate financing for rehabilitation of affordable rental units, using funding sources available for this purpose. Provide rehabilitation financing to one or more properties during the planning period.	Ongoing: 2015-2023	<ul style="list-style-type: none"> • Crescent Terrace, a 48-unit affordable senior rental project, was completed (City loan of \$1.15M in HOME and CDBG funds); • Stoney Pine Apartments, a 21-unit special needs project, \$403,000 BIF loan provided, work is in progress; • New \$3.3M loan approved in Nov. 2017 for Phase 2 rehabilitation of Eight Trees Apartments (see below).
Multi-family Rental Property Acquisition and/or Preservation	Assist in acquisition and/or preservation, alone or in combination with rehabilitation assistance, of at least one multi-family rental property during the planning period.	Enter into first funding agreement by 2017; other thereafter as feasible	Eight Trees Apartments, a 24-unit acquisition/rehab/preservation project begun in 2016: \$3.3M loan for Phase 2 project approved in Nov. 2017, escrow closed in Feb. 2018. Rehab work to begin in late 2018.
Neighborhood Preservation Program	Continue to implement the Neighborhood Preservation Program, with affordable housing support from the Housing Division.	Ongoing: 2015-2023	Housing staff provides ongoing support to the Neighborhood Preservation Program as needed.
Preservation of Assisted Rental Housing	Maintain contact with owner of Life's Garden and offer financial and other assistance to maintain the affordability of the at-risk units.	Completed by 2017	Preservation/rehabilitation of Life's Garden was completed in 2017. The City held a "TEFRA" hearing in March 2016 to support the project's application for 4% tax credits, and submitted the Local Reviewing Agency form for the project.

City of Sunnyvale 2017 APR
Table C Program Implementation Status

Housing Programs Progress Report (Government Code Section 65583): Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

Section 8 Rental Assistance	Support the Housing Authority in its efforts to maintain adequate federal funding for Section 8. Refer residents to the Housing Authority for Section 8 and related information. Encourage landlords to participate in the program.	Ongoing: 2015-2023	Ongoing. Staff coordinated with HA on several projects in 2017, including Benner Plaza and other mutual efforts.
Anti-Displacement Provisions	Consider developing an anti-displacement policy applicable to redevelopment or major renovation of larger rental properties. Conduct outreach on the topic with interested stakeholders before developing proposed provisions.	Begin program by 2016	Background research completed in 2016. Outreach process to begin in 2018 as part of 2017 Housing Strategy.
Mobile Home Park Preservation	Continue to implement current mobile home park protections and maintain mobile home park zones. In the event of mobile home park closure, enforce the Mobile Home Park Conversion requirements to provide relocation assistance to park residents.	Ongoing: 2015-2023	Ongoing. The owners of Blue Bonnet MHP submitted a conversion impact report which was approved in early 2017. Park residents received relocation assistance, and several were able to purchase or rent Sunnyvale BMR homes. This park was not subject to City's park preservation policies (zoned for other uses). Other mobile home parks continue to be protected by MHP-exclusive zoning and related city policies.
Foreclosure Prevention	Provide information and referrals about available foreclosure services and related information through City public outreach channels.	Ongoing: 2015-2023	Ongoing. No cases in 2017.
Condominium Conversion Regulations	Continue to provide tenant protections through implementation of the City's condominium conversion regulations.	Ongoing: 2015-2023	Ongoing. No condo conversion applications were received in 2017.

City of Sunnyvale 2017 APR
Table C Program Implementation Status

Housing Programs Progress Report (Government Code Section 65583): Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

Consider Modifications to Development Standards for Accessory Dwelling Units (ADU's)	Conduct outreach, complete analysis of ADU standards and possible modifications, and provide recommendations for public, stakeholder, and Council consideration.	Begin program by 2017	This project was completed in 2017 after significant outreach and hearings. Along with several other minor ADU code amendments, the City further reduced the minimum lot sizes for newly built ADUs from 8,500 SF to 8,000 SF in R-1 and to 6,000 SF in R-0. The minimum remains at 5,000 SF for DSP and R-2 zones. Conversion ADUs are exempt from these minimum lot sizes, consistent with State law. The City also amended its ADU codes several times between late 2016 and early 2018 to comply with recent State legislation.
Retooling the Zoning Code	Complete the Retooling project by providing a final draft of the Zoning Code for Council consideration by the end of 2015.	Complete project by 2016	While several zoning amendments have been made in recent years, and a new Land Use and Transportation Element (LUTE) and several specific plans or plan updates have been adopted, portions of the retooling project remain in progress. Historically high development review workloads since 2015 have prevented staff from completing this project by the original target date.
Residential Sites Inventory	Maintain current inventory of potential residential and mixed use sites; provide to developers with information on incentives.	Ongoing: 2015-2023	Ongoing; sites inventory is in online in the Housing Element; further assistance is available at the One-Stop Permit Center and by phone or email to Planning and Housing staff. Many of the major housing sites included in the inventory have been developed since 2015 or are in the pipeline.
Minimum Densities	Inform developers of policy to develop to at least 75% of General Plan density.	Ongoing: 2015-2023	Ongoing. Planning staff reviews development applications to ensure that proposed projects meet this standard; this information is also highlighted in reports to Planning Commission.

City of Sunnyvale 2017 APR
Table C Program Implementation Status

Housing Programs Progress Report (Government Code Section 65583): Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

Downtown Specific Plan	Encourage provision of affordable housing by requiring BMR units to be provided on-site or within the boundaries of the Specific Plan, and by promoting density bonus incentives.	Ongoing: 2015-2023	Ongoing. Projects in DSP with BMRs and/or ARUs: Completed: Mathilda Villas (3 BMRs), Ironworks (14 ARUs), 481 Mathilda (5 ARUs); Approved projects in pipeline in 2017: Sunnyvale Town Center (36 BMRs)
Accessory Living Units	Facilitate the development of new accessory living units by making information about how to obtain permits for them available to the public.	Ongoing: 2015-2023	Ongoing. Information is available online and at One-Stop Permit Center and shared via various City channels and meetings.
Housing Policies for Priority Development Areas	Consider developing specific housing policies for designated PDAs in the City through preparation of specific plans or station area plans.	Begin program by 2017	2 PDAs: Lawrence Station Area Plan (LSAP) adopted in 2017 includes housing incentives; El Camino Real Specific Plan (update in process) will include new housing policies.
Fair Housing Program	Contract with qualified fair housing agencies to provide fair housing services to the extent funding is available. Provide fair housing brochures at City facilities and fair housing information on the City's website, with links to HUD fair housing page. Participate in the Santa Clara County Fair Housing Task Force.	Ongoing: 2015-2023	Ongoing. <ul style="list-style-type: none"> • City provided CDBG grants to Law Foundation for fair housing services in 2017 • Housing staff coordinated two Fair Housing presentations with the Law Foundation in 2017: one in April for tenants and one in May for property managers. • Housing staff maintains webpage with current fair housing information and resources; • Brochures and posters provided at City and partner agency facilities.
Accessible Housing	Maintain procedures for reasonable accommodations in codes and permitting. Adopt accessibility updates to codes as needed. Provide grants for accessibility improvements for eligible households, and provide CDBG funds for accessibility improvements to pedestrian facilities as needed in residential neighborhoods.	Ongoing: 2015-2023	<ul style="list-style-type: none"> • City codes are updated; reasonable accommodation procedures are available to Planning/Building permit applicants. • City operates Home Access Grant program. • City committed CDBG funding for a sidewalk project which will provide ADA-compliant access along Persian Drive, where no sidewalk currently exists.

City of Sunnyvale 2017 APR
Table C Program Implementation Status

Housing Programs Progress Report (Government Code Section 65583): Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

Programs to Address Homelessness	Provide funding for programs that seek to prevent and end homelessness and provide supportive services, such as the TBRA and WorkFirst Sunnyvale programs. Offer financing for permanent supportive housing and projects that reserve units for homeless applicants.	Ongoing: 2015-2023	City continues to provide significant annual funding for these programs for homeless and at-risk households: <ul style="list-style-type: none"> • WorkFirst Sunnyvale • Tenant-Based Rental Assistance (TBRA) • Homelessness Prevention and Rapid Re-housing (HPRR) • Supportive Human Services Project funded in 2017 (Benner Plaza) includes 13 permanent supportive housing units for homeless clients and 10 vouchered units for at-risk households.
Special Needs Housing Development Assistance	Include priority for special needs units in all City notices of funding availability for new housing construction, rehabilitation, and/or preservation projects. Aim to assist in the development of one new project with some units reserved for special needs tenants. Encourage developers to include advocacy groups in marketing and leasing efforts related to newly available units.	Begin program by 2016	<ul style="list-style-type: none"> • This priority is noted in City Housing RFPs. • Orchard Gardens (pending project) includes 43 units for special needs tenants. • Benner Plaza include 13 units for special needs tenants. • Block 15 project proposal/ENA includes goal of ~25% of units for special needs tenants • City assisted non-profit owner of local group home for special needs tenants in obtaining County CDBG funding for rehabilitation of the home (City funding was available but County had more).
Housing for Large Families and Single-Parent Households	Encourage rental developers to include units with three or more bedrooms, and to provide family-friendly common areas, open space and amenities such as on-site child care. Inform developers of the density bonus incentives for qualifying projects with child care facilities.	Ongoing: 2015-2023	Ongoing. Recent rental developments include a range of unit sizes.
Sustainability and Green Building	Continue the City's comprehensive sustainability and green building programs.	Ongoing: 2015-2023	Ongoing. City offers a 5% density bonus for projects meeting green building standards. City's Green Building program to be updated in 2018.

Appendix A:
City of Sunnyvale Housing Successor Agency
Annual Report on the
Low-Moderate Income Housing Asset Fund (LMIHAF)
FY 2016-17

This Housing Successor 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(f), covering the fiscal year that ended on June 30, 2017. This Report sets forth certain details of the City of Sunnyvale Housing Successor Agency's activities during Fiscal Year 2016-17 (Fiscal Year).

The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information prepared by Housing Successor staff and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund, which is a part of the City of Sunnyvale Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2016-17, prepared by Tim Kirby, Finance Director, which includes the Independent Auditor's Report (Audit) prepared by MGO Certified Public Accountants, which Audit is separate from this annual summary Report. This Report conforms with and is organized into sections I through XI, inclusive, pursuant to Section 34176.1(f) of the Dissolution Law:

- I. The amount the city, county, or city and county received pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 34191.4.
- II. **Amount Deposited into LMIHAF:** This section provides the amount of funds deposited into the LMIHAF during the Fiscal Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.
- III. **Ending Balance of LMIHAF:** This section provides a statement of the balance in the LMIHAF as of the close of the Fiscal Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.
- IV. **Description of Expenditures from LMIHAF:** This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year. The expenditures are to be categorized.
- 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 agency 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 the development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.

City of Sunnyvale Housing Successor Agency

Annual Report on the Low-Moderate Income Housing Asset Fund (LMIHAF)

FY 2016/17

- VII. **Project Descriptions:** This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.
- VIII. **Status of Compliance with Section 33334.16:** 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 the 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 the information required by Section 34176.1 (a)(3)(B), or a description of expenditures by income restriction for five year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.
- XI. **Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing 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 time period. For this Report, the ten-year period reviewed is January 1, 2007 through December 31, 2016.
- 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.

This Report is to be provided annually to the Housing Successor's governing body within six months of the end of each fiscal year, and to the State Department of Housing and Community Development no later than April 1 of the year following the close of the fiscal year. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are made available to the public on the City's website: Sunnyvale.ca.gov.

I. AMOUNT RECEIVED PURSUANT TO SECTION 34191.4(3)(A)

In FY 16/17, a total of **\$1,149,558** was deposited pursuant to the ROPS.

II. AMOUNT DEPOSITED INTO LMIHAF

In FY 16/17, a total of **\$12,936.78** was deposited into the LMIHAF during the Fiscal Year, consisting of interest income on funds deposited previously.

III. ENDING BALANCE OF LMIHAF

City of Sunnyvale Housing Successor Agency

Annual Report on the Low-Moderate Income Housing Asset Fund (LMIHAF)

FY 2016/17

At the end of FY 16/17, on June 30, 2017, the balance in the LMIHAF was **\$1,210,919.44**. Some of this amount is encumbered but not yet expended.

IV. DESCRIPTION OF EXPENDITURES FROM LMIHAF

In FY 2016/17 the HSA spent a total of \$196,078.12 from the LMIHAF, including \$193,224.43 on the Homeless Prevention and Rapid Re-housing (HPRR) Program, and \$2,853.69 on HSA administrative expenses. The HPRR Program was implemented through a contract with Sunnyvale Community Services (SCS), a local non-profit agency.

V. STATUTORY VALUE OF 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 approved by the Department of Finance as listed in such schedule 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 Housing Successor Agency has no assets according to the above definition. For details, please see the Low and Moderate Income Housing Fund Due Diligence [Review](#) available on the Successor Agency website.

VI. DESCRIPTION OF TRANSFERS

The Housing Successor Agency did not make any LMIHAF transfers to other Housing Successor(s) under Section 34176.1(c)(2) during the Fiscal Year. The Housing Successor Agency has no assets according to the above definition. For details, please see the Low and Moderate Income Housing Fund Due Diligence [Review](#) available on the Successor Agency website.

VII. PROJECT DESCRIPTIONS

The Housing Successor Agency had no capital projects in FY 16/17, due to insufficient funds to fund a major housing project. However, a new affordable housing project (833600: Block 15 Affordable Housing Site) is included in the FY 2017/18 Projects budget, funded by \$1 million in LMIHAF and the balance in other local Housing funds. The amount of LMIHAF for this project may be increased by the time a formal funding commitment to the project is made, if additional LMIHAF funds are available at that time.

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; however, this Report presents a status update on the project related to such real property.

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, if any 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.

City of Sunnyvale Housing Successor Agency

Annual Report on the Low-Moderate Income Housing Asset Fund (LMIHAF)

FY 2016/17

The Housing Successor does not own any real property.

IX. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

Replacement Housing: The former RDA did not incur any Section 33413(a) replacement housing obligations nor transfer any such obligations to the Housing Successor. Various plans and reports of the former Redevelopment Agency are posted on the Redevelopment Successor Agency Oversight Board's website at Sunnyvale.ca.gov.

Inclusionary/Production Housing: The former RDA did not incur any Section 33413(a) inclusionary/production housing obligations nor transfer any such obligations to the Housing Successor. Various plans and reports of the former Redevelopment Agency are posted on the Redevelopment Successor Agency Oversight Board's website at Sunnyvale.ca.gov.

The Housing Successor has no outstanding or unmet obligations pursuant to Section 33413.

X. EXTREMELY LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor spend at least 30% of the LMIHAF to assist in development of rental housing affordable to and occupied by extremely low income (ELI) households, which are households with incomes that do not exceed 30% of the AMI. If the Housing Successor fails to comply with this ELI requirement in any five-year reporting period, then it must annually spend at least 50% of the funds remaining in the LMIHAF following that reporting period on rental housing affordable to ELI households, until it demonstrates compliance with the ELI requirement. This information is not required to be reported until 2019 for the 2014 – 2019 period.

The Housing Successor did not assist the development of any affordable rental housing projects due to the relatively low fund balance in FY 2016/17, which is not typically enough to assist a new development project. Once a project is funded, the agency will prioritize ELI housing as required.

XI. SENIOR HOUSING TEST

The senior housing test is based on the percentage of deed-restricted affordable rental units assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years that are restricted to seniors. If the senior units' percentage exceeds 50% of the total number of deed-restricted affordable units assisted during this time period, the Housing Successor cannot spend LMIHAF funds on assisting additional senior rental units until the Housing Successor or City assists, and construction has commenced, on enough all-age deed-restricted rental units to bring the all-age units share up to at least 50% of the total deed-restricted rental units assisted by the Housing Successor during that ten-year period.

The table on the following page provides the results of the Housing Successor's Senior Housing Test for the 10-year period of 2007-2016:

City-Assisted Rental Units, 2007-2016 (Calendar Years)

City of Sunnyvale Housing Successor Agency

Annual Report on the Low-Moderate Income Housing Asset Fund (LMIHAF)

FY 2016/17

Total Assisted Senior Units	124
Total Assisted Units	327
Senior Housing Percentage	37.9%

Note: "Total assisted units" counts deed-restricted, standard rental dwelling units only; does not count single-family homes assisted with rehabilitation loans or grants, inclusionary housing units that did not receive City subsidies, or City-assisted homeless shelters or transitional housing units, pursuant to guidance of Successor Agency legal counsel.

XII. EXCESS SURPLUS TEST

Excess Surplus is defined in Health and Safety Code Section 34176.1(d) as an unencumbered amount in the LMIHAF 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, whichever is greater.

The following table displays the Excess Surplus test:

	Preceding Four Fiscal Years				Reporting Year
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Beginning Balance *	\$0	\$0	\$0	\$ 440,070	\$244,503
Add: Deposits	\$0	\$0	\$440,070	\$ 3,316	\$1,162,495
(Less) Expenditures	\$0	\$0	\$0	\$ (198,883)	(\$196,078)
(Less) Net Encumbrances **	\$0	\$0	\$0	\$ -	(\$116,645)
Unencumbered Balance, year end	\$0	\$0	\$440,070	\$ 244,503	\$1,094,275

* Includes funds carried forward for outstanding prior year encumbrances, if any

** Net encumbrances equal total encumbrances at beginning of year minus expenditures on that encumbrance during the fiscal year.

Excess Surplus equals greater of \$1 million or sum of preceding four fiscal years of deposits to the fund:

Deposits to LMIHAF, FYs 2012-2015:

FY 2012/13	\$ -
FY 2013/14	\$ -
FY 2014/15	\$ 440,070
FY 2015/16	\$ 3,316
Total Deposits	\$ 443,386

As shown above, the sum of the past four years deposits is well under \$1 million, so \$1 million is the operable amount for measuring excess surplus for FY 2016/17. As shown in the first table above, at the end of FY 2016/17 the LMIHAF had an unencumbered balance of approximately \$1,094,000, which creates an excess surplus of \$94,275.

Excess Surplus Expenditure Plan

The City budget for FY 2017/18 included an encumbrance of \$1 million in LMIHAF for the affordable housing project located on Charles Street known as the Block 15 project (Project # 833600), as well as an encumbrance of \$250,000 for the City's Homeless

City of Sunnyvale Housing Successor Agency

Annual Report on the Low-Moderate Income Housing Asset Fund (LMIHAF)

FY 2016/17

Prevention and Rapid Rehousing (HPRR) program, for a total of \$1.25 million in encumbrances as of July 1, 2017. These projects are more than sufficient to expend the \$94,275 in excess surplus funds. In March of 2017, the City entered into an exclusive negotiating agreement with an affordable housing developer for the development of the Block 15 project. While those negotiations have not yet concluded, the City continues to make diligent efforts to plan and ultimately finance this project, with a tentative completion date of 2021. The total City budget for this project is \$10 million, so the City may increase the amount of LMIHAF to be used to fund this project next fiscal year (2018/19), and decrease the amount of other funds (housing mitigation) in order to avoid any excess surplus in future years.