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**CITY OF HAWTHORNE**  
*(Housing Successor Agency to the former  
Hawthorne Redevelopment Agency)*

**HOUSING SUCCESSOR AGENCY  
ANNUAL REPORT**

Fiscal Year 2014-15



## TABLE OF CONTENTS

INTRODUCTION .....	2
LOW AND MODERATE INCOME HOUSING ASSET FUND.....	4
PROPERTY DEVELOPMENT & DISPOSITION .....	8
OUTSTANDING INCLUSIONARY AND REPLACEMENT HOUSING OBLIGATIONS .....	10
SENIOR HOUSING EXPENDITURE PROPORTIONALITY.....	10
EXCESS SURPLUS .....	11
INVENTORY OF HOMEOWNERSHIP UNITS .....	11
DEPOSITS FROM CITY TO AGENCY LOAN REPAYMENTS .....	12
APPENDIX A – HOUSING ASSET TRANSFER FORM.....	13

## INTRODUCTION

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The City of Hawthorne (“City”) is the Housing Successor Agency to the former Hawthorne Redevelopment Agency (“Agency”). The majority of the Agency’s assets were transferred to the County of Los Angeles (“County”) when the Agency dissolved in 2012 pursuant to the redevelopment Dissolution Act (enacted by Assembly Bill (“AB”) x1 26 and amended by AB 1484 and Senate Bill (“SB”) 107). However, all rights, powers, committed assets, liabilities, duties, and obligations associated with the housing activities of the Agency were transferred from the former Agency to the City as Housing Successor Agency.

Housing successor agencies are required to submit annual reports on their activities to the State. This Housing Successor Agency Annual Report contains information on Fiscal Year 2016-17 finances and activities as required by Health and Safety Code (“HSC”) Section 34176.1(f).

### REPORTING REQUIREMENTS FOR HOUSING SUCCESSOR AGENCIES

SB 341 (2013-14), AB 1793 (2013-14), SB 107 (2015-16), and AB 346 (2017-18) amended sections of the HSC pertaining largely to redevelopment successor housing agencies. SB 341 clarified that all former redevelopment agency housing assets must be maintained in a separate fund called the Low and Moderate Income Housing Asset Fund (“Housing Asset Fund”). HSC Section 34176.1(f) contains a series of annual reporting requirements for housing successor agencies regarding Housing Asset Funds (deposits, expenditures, fund balance, property disposition, etc.). An annual report is due to the California Department of Housing and Community Development (“HCD”) by April 1<sup>st</sup> each year.

SB 341 also mandates that housing successor agencies conduct an independent financial audit of the Housing Asset Fund within six months after the end of each fiscal year, which may be included in the independent financial audit of the host jurisdiction. The City’s Comprehensive Annual Financial Report (“CAFR”) for Fiscal Year 2014-15 was completed in December 2015 and is available on the City’s website. It includes an audit of the Housing Asset Fund<sup>1</sup>.

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<sup>1</sup> The Housing Asset Fund balances, revenues, and expenditures in this report differ slightly from the CAFR because the CAFR included activity from a fund (Fund 463) that should have been excluded. The fund will be excluded from the CAFR in future years.

In accordance with HSC Section 34176.1(f), certain data must now be reported annually for the Housing Asset Fund. These requirements are presented in the following table.

Revenues & Expenditures	Other Assets and Active Projects	Obligations & Proportionality
Total amount deposited in the Housing Asset Fund for the fiscal year	Description of any housing project(s) still funded through the Recognized Obligation Payment Schedule ("ROPS")	Description of any outstanding production obligations of the former Agency that are inherited by the City
Statement of balance at the close of the fiscal year	Update on property disposition for any property owned by the housing successor agency more than five years or plans for property owned less than five years	Compliance with proportionality requirements (income group targets), which must be upheld on a five-year cycle
<p>Description of Expenditures for the fiscal year, broken out as follows:</p> <ul style="list-style-type: none"> <li>• Rapid rehousing for homelessness prevention (up to \$250,000 per year, if qualified);</li> <li>• Administrative expenses (greater of \$200,000 adjusted annually for CPI or 2% of "portfolio" per year);</li> <li>• Monitoring expenses (included as an administrative expense);</li> <li>• All other expenditures must be reported as spent for each income group as defined in SB 341</li> </ul>	<p>Other "portfolio" balances, including:</p> <ul style="list-style-type: none"> <li>• Statutory value of any real property either transferred from the former Agency or purchased by the Housing Asset Fund (note that the City may only hold property for five years);</li> <li>• Value of loans and grants receivable</li> </ul>	<p>Percentage of deed-restricted rental housing restricted to seniors and assisted by the entity assuming housing functions, the former Agency, or the County within the past ten years compared to the total number of units assisted by any of those three agencies</p>
Description of any transfers to another housing successor agency for a joint project	Inventory of homeownership units assisted by the former Agency or the City 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

## ASSETS TRANSFERRED TO THE HOUSING SUCCESSOR AGENCY

The City prepared a Housing Asset Transfer Form in 2012 that provided an inventory of all housing-related assets transferred from the Agency to the City following the dissolution of redevelopment. This included:

1. Real properties;
2. Loans/Grants Receivables;
3. Rents; and
4. Deferrals.

All items on the Housing Asset Transfer Form (attached as Appendix A) were approved by the California Department of Finance (“DOF”) on August 30, 2012.

## LOW AND MODERATE INCOME HOUSING ASSET FUND

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The Housing Asset Fund replaced the former Agency’s Low and Moderate Income Housing Fund. It includes all assets transferred from the Agency to the City via the Housing Asset Transfer Form.

## HOUSING ASSET FUND DEPOSITS AND ENDING BALANCE

The City deposited \$1,478,112 into the Housing Asset Fund during Fiscal Year 2014-15. Revenues were from a Supplemental Educational Revenue Augmentation Fund (“SERAF”) loan repayment, investment earnings, and rental property income (security deposits, rents, and machine income). The SERAF loan is repaid as approved on the Hawthorne Redevelopment Successor Agency’s Recognized Obligation Payment Schedule (“ROPS”).

<b>Fiscal Year 2014-15 Housing Asset Fund Deposits</b>		<b>Table 1</b>
<b>City of Hawthorne</b>		
<u>Revenue Source</u>		<u>Amount</u>
SERAF Repayment		1,173,137
Investment Earnings		614
Security Deposits		1,242
Rents		297,680
Machine Income		5,439
		<u>\$ 1,478,112</u>

*Source: City of Hawthorne, Funds 462 & 464-468 Revenue Detail Reports*

Fiscal Year 2014-15 Housing Asset Fund expenditures totaled \$315,535 (see Table 3) for rental property operations.

As shown in Table 2, the Housing Asset Fund had \$7.4 million in assets at the close of Fiscal Year 2014-15<sup>2</sup>. None of this amount is held to pay for projects that are enforceable obligations on the ROPS. However, \$5.5 million of the Housing Asset Fund balance consists of loans receivable from the ROPS the Supplemental Education Revenue Augmentation Fund loan and deferred housing set-aside payments. These loans will be repaid via the ROPS subject to available tax revenues and approval from the DOF.

<b>Fiscal Year 2014-15 Housing Asset Fund Ending Balance</b>		<b>Table 2</b>
<b>City of Hawthorne</b>		
<u>Balance Type</u>	<u>Amount</u>	
Cash	1,534,276	
Accounts Receivable	1,888	
Interest Receivable	203	
Loans Receivable	5,834,943	
	<b>\$ 7,371,311</b>	

\*Excludes statutory value of Land Held For Resale, as it is not a part of the CAFR asset balance.

Source: City of Hawthorne, Funds 462 & 464-468 Detailed Trial Balance, Hawthorne Redevelopment Successor Agency

## **EXPENDITURE LIMITATIONS**

The law provides the following guidelines for expenditures from the Housing Asset Fund:

1. Administrative costs, which include housing monitoring, are capped at \$200,000 adjusted annually for inflation or 2% of the statutory value of any land owned by the housing successor agency and of loans and grants receivable (in Hawthorne’s case, 2% of \$10,417,022, or \$208,341).
2. If the former Agency did not have any outstanding housing production requirements, the housing successor agency is authorized to spend up to \$250,000 per year on homeless prevention and rapid rehousing services to individuals and families who are homeless or would be homeless but for this assistance. In the case of Hawthorne, the former Agency had a surplus of affordable housing production units, and therefore the City as Housing Successor Agency is allowed to make this expenditure if it chooses and funding is available for such expenditures.

<sup>2</sup> Excludes the statutory value of real properties held by the Successor Agency in Fund 463.

3. Remaining allowable expenditures must be spent to improve housing options affordable to households in the following income groups:

- Extremely low income (households earning 30% or less of the Area Median Income (“AMI”));
- Very low income (households earning 31% to 50% of the AMI); and
- Low income (households earning 51% to 80% of the AMI).

This means that no funding may be spent on moderate income households (earning 81% to 120% of the AMI), as was previously authorized by redevelopment law. In addition, of the money expended, a minimum of 30% must go towards rental housing affordable to extremely low income households. A maximum of 20% may go towards the development of housing affordable to lower income households (households earning 60% to 80% of the AMI).

Failure to comply with the extremely low income requirement in any five-year compliance period will result in the City having to ensure that 50% of remaining funds be spent on extremely low income rental units until in compliance. Exceeding the expenditure limit for lower income households in any five-year reporting period will result in the City not being able to expend any funds on that income category until in compliance.

The City, as Housing Successor Agency, has only incurred administrative expenses since the beginning of the first five-year compliance period on January 1, 2014. The City will ensure that it adheres to all expenditure limitations by the end of the five-year compliance period.

Note that housing successor agencies must report expenditures by category each year, but compliance with expenditure limitations is measured only every five years. For example, a housing successor agency could spend all of its funds in a single year on lower income households, as long as it was 20% or less of the total expenditures during the five-year compliance period. The first five-year compliance period began on January 1, 2014 (when SB 341 became effective) and ends on June 30, 2019. Compliance will be evaluated in the annual report for Fiscal Year 2018-19.

Table 3 summarizes Housing Asset Fund expenditures on administrative costs and homeless prevention in Fiscal Year 2014-15, and affordable housing activities by income level from January 1, 2014 through June 30, 2015.

**Fiscal Year 2014-15 Housing Asset Fund Expenditures**

**Table 3**

**City of Hawthorne**

	<b>Admin/ Monitoring</b>	<b>Ext. Low Rental Units</b>	<b>Other Units</b>	<b>Ext. Low &lt;30% AMI</b>	<b>Very Low 30-60% AMI</b>	<b>Low 60-80% AMI</b>
<b>FY 2014-15 Expenditures</b>						
Administration	\$315,535					
Project Related			\$0	\$0	\$0	\$0
Annual Total	\$315,535		\$0	\$0	\$0	\$0

**Compliance Period Expenditures**

	<b>Annual Limit</b>	<b>Five-Year Limit (1/1/14 through 2018-19)</b>				
FY 2013-14	\$279,379	\$0	\$0	\$0	\$0	\$0
FY 2014-15	\$315,535	\$0	\$0	\$0	\$0	\$0
FY 2015-16	TBD	TBD			TBD	
FY 2016-17	TBD	TBD			TBD	
FY 2017-18	TBD	TBD			TBD	
FY 2018-19	TBD	TBD			TBD	
Compliance Period Total Expenditures	N/A	\$0	\$0	\$0	\$0	\$0
SB 341 Limitation	\$208,340	>30%	<70%	>30%	N/A	<20%
<b>Compliant (Yes/No)</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

\* The City exceeded the administrative expenditure limit based on the 2% cap per SB 341. However, this cap was increased to 5% by SB 107 starting in Fiscal Year 2015-16.

Source: City of Hawthorne, Funds 462 & 464-468 Expenditure Detail Report

All Housing Asset Fund expenditures have been administrative since the beginning of the first five-year compliance period on January 1, 2014. Staff will ensure that future expenditures meet proportionality requirements.

**STATUTORY VALUE OF REAL PROPERTIES AND LOAN RECEIVABLES**

The City must report the statutory value of real properties formerly owned by the Agency or purchased by the City with Housing Asset Funds, and the value of loans and/or grants receivable transferred on the Housing Asset Transfer Form. The City inherited 6 real properties, 1 loan, and 2 deferrals from the former Agency when it dissolved on February 1, 2012. Table 4 shows the total value of real properties and loans receivable. The Housing Asset Transfer Form in Appendix A shows more detailed information about each property and loan receivable.



**Fiscal Year 2014-15 Real Properties and Receivables****Table 4****City of Hawthorne**

Asset	Amount
<b>Real Properties</b>	
12726 Grevillea Avenue	332,928
11529 Gale Avenue	1,575,064
11537 Gale Avenue	828,169
11605 Gale Avenue	883,585
12529 Truro Avenue	729,873
14115 Cordary Avenue	232,460
<i>Subtotal</i>	\$ 4,582,079
<b>Loan Receivables</b>	
SERAF Loan	1,997,099
Housing Set-Aside Deferral	3,534,369
Southern California Housing Development Corp (Hawthorne Terrace)	303,475
<i>Subtotal</i>	\$ 5,834,943
<b>Total</b>	<b>\$ 10,417,022</b>

*Source: City of Hawthorne*

The total statutory value of real properties is \$4,582,079 and outstanding loan receivables total \$5,834,943, for a combined value of \$10,417,022.

## PROPERTY DEVELOPMENT & DISPOSITION

HSC Section 34176(e) requires that all real properties acquired by the Agency prior to February 1, 2012 and transferred to the City be developed for affordable housing purposes or disposed of within five years from the date DOF approved the Housing Asset Transfer Form, or September 30, 2017. However, the law allows for a five-year extension via adoption of a resolution, which the City adopted via No. 7915 on July 25, 2017. The property disposition and development deadline is now August 30, 2022.

The Agency transferred 6 real properties to the City on the Housing Asset Transfer Form, 5 of which are already developed and operating as affordable housing and 1 which is in the process of being sold. The Agency also transferred affordability covenants with 3 properties that are overseen by the City. The properties are described below.

### **12726 GREVILLEA AVENUE**

This multifamily rental property has 8 moderate income units. The former Agency acquired the property in 1991 and recorded a 55-year affordability covenant that expires in 2064.

### **11529 GALE AVENUE**

This multifamily rental property has 12 moderate income units. The former Agency acquired the property in 2008 and recorded a 55-year affordability covenant that expires in 2064.

### **11537 GALE AVENUE**

This multifamily rental property has 5 very low income units. The former Agency acquired the property in 2009 and recorded a 55-year affordability covenant that expires in 2064.

### **11605 GALE AVENUE**

This multifamily rental property has 10 very low income units restricted to seniors. The former Agency acquired the property in 2008 and recorded a 55-year affordability covenant that expires in 2064.

### **12529 TRURO AVENUE**

This multifamily rental property has 3 very low income units. The former Agency acquired the property in 2009 and recorded a 55-year affordability covenant that expires in 2064.

### **14115 CORDARY AVENUE**

This property was acquired in 2011. The City issued an RFP for its sale and development in August 2017. Staff is reviewing responses and will deposit sales proceeds into the Housing Asset Fund.

### **HAWTHORNE TERRACE - 12923 & 12938 KORNBLUM AVENUE**

The City monitors an affordability restriction at this 100-unit multifamily rental property with 54 very low income units and 46 low income units. The 55-year covenant expires in 2059.

### **TELACU GARDENS - 13000 DOTY AVENUE**

The City monitors an affordability restriction at this multifamily rental property. Completed in September 1988, this senior housing development project was completed as a partnership between TELACU, the United States Department of Housing and Urban Development (“HUD”), and the former Agency. Known as Hawthorne Senior Gardens, this property is a 75-unit low and

moderate income facility located on Doty Avenue. The Agency provided funding for an additional elevator and other capital improvements.

### **TELACU TERRACE - 4536 W. 118<sup>TH</sup> STREET**

The City monitors an affordability restriction at this multifamily rental property. Dedicated in October 1992, TELACU Terrace provides affordable housing to low income seniors. The 75-unit complex includes 8 units designated for special-needs seniors. Situated at the corner of 118<sup>th</sup> Street and Grevillea Avenue, this residential complex is centrally located to amenities including shopping areas, and community facilities and services. Agency assistance included funding for the acquisition of land, relocation, and clearance of the property.

### **OUTSTANDING INCLUSIONARY AND REPLACEMENT HOUSING OBLIGATIONS**

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The former Agency had a surplus of over 100 affordable housing units when it dissolved in February 2012. There are no outstanding inclusionary or replacement housing obligations of the former Agency to be fulfilled by the City.

### **SENIOR HOUSING EXPENDITURE PROPORTIONALITY**

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This report must include an accounting of deed-restricted senior rental units that were produced over the last 10 years. The City may use Housing Asset Funds to assist no more than 50% of the aggregate total number of senior housing units produced by either the City or former Agency during the past 10 years. Exceeding this limitation will prohibit the use of Housing Asset Funds to subsidize any senior rental units in the future.

As shown in Table 5, the City and former Agency assisted 9 properties in the last ten years, of which 5% are restricted to seniors. The City may spend more money subsidizing senior rental units in the future; however, it must ensure that no more than 50% of the total aggregate number of rental units at all affordability levels produced within the preceding 10 years are restricted to seniors.

Deed-Restricted Rental Units Assisted since FY 2005-06

Table 5

City of Hawthorne

Property Address	# Restricted Units	# Senior Restricted Units	Acquired/ Assisted	Covenant Recorded	Covenant Expires
12726 Grevillea Avenue	8	0	12/30/1991	10/29/2009	10/29/2064
11529 Gale Avenue	12	0	11/14/2008	10/29/2009	10/29/2064
11537 Gale Avenue	5	0	4/30/2009	10/29/2009	10/29/2064
11605 Gale Avenue	10	10	11/14/2008	10/29/2009	10/29/2064
12529 Truro Avenue	3	0	9/28/2009	10/29/2009	10/29/2064
11519 Cedar Ave	5	0	6/16/2015	6/16/2015	15 years
14135 Cerise	127	0	6/21/2015	1/21/2015	55 years after first occupancy
14105-14137 Chadron Ave	28	0	9/15/2014	11/21/2012	30 years after first occupancy
14004 Doty Ave	7	0	8/4/2014	11/12/2013	30 years after first occupancy
<b>Total</b>	<b>205</b>	<b>10</b>			
<b>% Senior Units</b>		<b>5%</b>			

Source: City of Hawthorne

## EXCESS SURPLUS

Excess surplus is defined by HSC Section 34176.1(d) as, "An unencumbered amount in the account that exceeds the greater of one million dollars, or the aggregate amount deposited into the account during the housing successor agency's preceding four fiscal years, whichever is greater." Excess surplus calculations were once performed by redevelopment agencies on an annual basis, and are intended to ensure that funds are expended to benefit low-income households in an expeditious manner. Generally speaking, funds should be encumbered within four years of receipt. SB 341 reinstated this calculation for housing successor agencies.

The first meaningful calculation of excess surplus total cannot be performed until June 30, 2017. This is the close of the fifth fiscal year since housing assets were transferred from the former Agency in February 2012. Once four years of deposits have been established, the City will perform an excess surplus calculation comparing the unencumbered fund balance as of June 30, 2017 to the amount of deposits made in the prior four years (Fiscal Year 2012-13 through Fiscal Year 2016-17). As the general purpose of the excess surplus calculation is to ensure that money is expended for low-income purposes, the best action for the City is to use the next two years to encumber or expend money currently on deposit.

## INVENTORY OF HOMEOWNERSHIP UNITS

AB 1793 requires this report to include an inventory of homeownership units assisted by the former Agency or the Housing Successor Agency that are subject to covenants or restrictions or to an adopted program that protects the former Agency's investment of moneys from the Low

and Moderate Income Housing Fund. No homeownership properties were assisted by the former Agency that are subject to homeownership affordability covenants.

## **DEPOSITS FROM CITY TO AGENCY LOAN REPAYMENTS**

HSC Section 34191.4(b)(3)(C) requires that 20 percent of any loan repayment made from a redevelopment successor agency to a city, for a loan that a city made to a former redevelopment agency, be deducted from the loan repayment amount and transferred to the Housing Asset Fund. The Hawthorne Redevelopment Successor Agency has an outstanding loan owed to the City, but it has not yet been approved for repayment by the DOF.

The repayment of loans made from low and moderate income housing set aside funds are payable 100 percent to the Housing Asset Fund. There were \$1,173,137 in loan repayments made by the Hawthorne Redevelopment Successor Agency to the Housing Asset Fund in Fiscal Year 2014-15, as detailed in Table 1.

## **APPENDIX A – HOUSING ASSET TRANSFER FORM**

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**DEPARTMENT OF FINANCE  
HOUSING ASSETS LIST  
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484  
(Health and Safety Code Section 34176)**

Former Redevelopment Agency: Redevelopment Agency of the City of Hawthorne

Successor Agency to the Former Redevelopment Agency: Successor Agency to the Redevelopment Agency of the City of Hawthorne

Entity Assuming the Housing Functions of the former Redevelopment Agency: City of Hawthorne

Entity Assuming the Housing Functions Contact Name: Arnold Shadbehr Title Interim City Manager Phone (310) 349-2910 E-Mail Address [ashadbehr@cityofhawthorne.org](mailto:ashadbehr@cityofhawthorne.org)

Entity Assuming the Housing Functions Contact Name: \_\_\_\_\_ Title \_\_\_\_\_ Phone \_\_\_\_\_ E-Mail Address \_\_\_\_\_

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

- Exhibit A - Real Property
- Exhibit B- Personal Property
- Exhibit C - Low-Mod Encumbrances
- Exhibit D - Loans/Grants Receivables
- Exhibit E - Rents/Operations
- Exhibit F- Rents
- Exhibit G - Deferrals

<b>X</b>
<b>X</b>
<b>X</b>

Prepared By: Kim Wong, Rosenow Spevacek Group, Inc.

Date Prepared: 1-Aug-12

**City of Hawthorne  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of Asset a/	Legal Title and Description	Carrying Value of Asset <sup>1</sup>	Total square footage <sup>2</sup>	Square footage reserved for low-mod housing <sup>3</sup>	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Date of transfer to Housing Successor Agency	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	Low-Mod Housing	12726 Grevillea Avenue, TR=9913 Lots 1 and 2 (APN: 4041-014-913)		14,399	Unknown	Yes	CRL	February 1, 2012		\$550,000		December 30, 1991 Acquisition, October 29, 2009 Covenant	Property Ownership, Affordability Covenant
2	Low-Mod Housing	11529 Gale Avenue, TR=1543 S 65 Ft of Lot 17 (APN: 4044-001-903)		10,267	10,267	Yes	CRL	February 1, 2012	\$1,740,000			November 14, 2008 Acquisition, October 29, 2009 Covenant	Property Ownership, Affordability Covenant
3	Low-Mod Housing	11537 Gale Avenue, TR=1543 N 44 Ft of Lot 16 (APN: 4044-001-013)		5,398	5,398	Yes	CRL	February 1, 2012	\$855,227			April 30, 2009 Acquisition, October 29, 2009 Covenant	Property Ownership, Affordability Covenant
4	Low-Mod Housing	11605 Gale Avenue, TR=1543 N 55.48 Ft of S 105.48 Ft of Lot (APN: 4044-002-900)		8,063	5,760	Yes	CRL	February 1, 2012	\$1,140,000			November 14, 2008 Acquisition, October 29, 2009 Covenant	Property Ownership, Affordability Covenant
5	Low-Mod Housing	12529 Truro Avenue, PM 193-67 Lot 1 (APN: 4041-009-072)		3,340	3,340	Yes	CRL	February 1, 2012	\$750,000			September 28, 2009 Acquisition, October 29, 2009 Covenant	Property Ownership, Affordability Covenant
6	Low-Mod Housing	12923 & 12938 Kornblum Avenue (Hawthorne Terrace), PM-194-88-90 Lot 3		N/A	N/A	Yes	CRL	February 1, 2012	\$250,000 (Promissory Note Loan)		\$5,413,500	November 12, 2009 Covenant	Affordability Covenant, Promissory Note Loan
7	Low-Mod Housing	13000 Doty Avenue (TELACU Gardens), TR=874 Division A Lot 20 N		N/A	N/A	Yes	CRL, HUD Section 202, Section 8	February 1, 2012					Affordability Covenant
8	Low-Mod Housing	4536 W 118th Street (TELACU Terrace), Hawthorne E 252.6 Ftex of St of Lot 1 An		N/A	N/A	Yes	CRL, HUD Section 202, Section 8	February 1, 2012					Affordability Covenant
9	Low-Mod Housing	14115 Cordary Avenue (APN: 4051-030-016)		39,000	N/A	No	CRL	February 1, 2012	\$858,355.50			August 25, 2011	Property Ownership
10													
11													
12													
13													

a/ Asset types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

<sup>1</sup> Carrying value unknown.

<sup>2</sup> Property square footage per Tax Roll or property agreements/exhibits.

<sup>3</sup> Building/livable square footage per Tax Roll or property agreements/exhibits.



**City of Hawthorne**  
**Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of Asset a/	Description	Carrying Value of Asset	Date of transfer to Housing Successor Agency	Acquisition cost funded with Low-Mod Housing Fund monies	Acquisition costs funded with other RDA funds	Acquisition costs funded with non-RDA funds	Date of acquisition by the former RDA
1	None							
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a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

**City of Hawthorne**  
**Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of housing built or acquired with enforceably obligated funds a/	Date contract for Enforceable Obligation was executed	Contractual counterparty	Total amount currently owed for the Enforceable Obligation	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Current owner of the property	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition of the property
1	None										
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a/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit D - Loans/Grants Receivables

**City of Hawthorne**  
**Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
1	Loan <sup>1</sup>	\$250,000	October 1, 2004	Southern California Housing Development Corporation	Financing operating reserves for the Hawthorne Terrace Project (APN: 4050-013-032, -033).	Yes	October 1, 2059		\$ 165,950
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<sup>1</sup> As of June 30, 2011, the balance of the loan receivable was \$165,950.

**City of Hawthorne**  
**Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of payment a/	Type of property with which they payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent/operation is associated with (if applicable)
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a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit F - Rents

**City of Hawthorne**  
**Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent is associated with (if applicable)
1	Rents - 12726 Grevillea Avenue	Low-Mod Housing	Redevelopment Agency of the City of Hawthorne	Finance Department - Licensing and Cashiering Division	City of Hawthorne Housing Successor Agency	Personnel costs and property maintenance	Yes	CRL	1
2	Rents - 11529 Gale Avenue	Low-Mod Housing	Redevelopment Agency of the City of Hawthorne	Finance Department - Licensing and Cashiering Division	City of Hawthorne Housing Successor Agency	costs and property maintenance	Yes	CRL	2
3	Rents - 11537 Gale Avenue	Low-Mod Housing	Redevelopment Agency of the City of Hawthorne	Finance Department - Licensing and Cashiering Division	City of Hawthorne Housing Successor Agency	Personnel costs and property maintenance	Yes	CRL	3
4	Rents - 11605 Gale Avenue	Low-Mod Housing	Redevelopment Agency of the City of Hawthorne	Finance Department - Licensing and Cashiering Division	City of Hawthorne Housing Successor Agency	Personnel costs and property maintenance	Yes	CRL	4
5	Rents - 12529 Truro Avenue	Low-Mod Housing	Redevelopment Agency of the City of Hawthorne	Finance Department - Licensing and Cashiering Division	City of Hawthorne Housing Successor Agency	Personnel costs and property maintenance	Yes	CRL	5
6									

a/ May include rents or home loan payments.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

Exhibit G - Deferrals

**City of Hawthorne**  
**Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
1	SERAF	2009-10	\$ 3,170,236	0%	\$ 3,170,236	June 30, 2015
2	Plaza Project Area Housing Set-Aside Fund Deferral <sup>1</sup>	1985-86	\$ 3,534,369	0%	\$3,534,369	When funds are available
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<sup>1</sup> Resolution No. 179 pursuant to CRL 33334.6(d)