

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: KATE GOLDFINE, ADMINISTRATIVE SERVICES OFFICER
HOUSING AND COMMUNITY SERVICES DEPARTMENT

SUBJECT: BUDGET APPROPRIATION OF FUNDS IN THE AMOUNT OF
\$325,000.00 FOR AFFORDABLE HOUSING PURPOSES

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, appropriate \$325,000.00 in Fiscal Year 2021/2022 Fund 2296 Impact Fee Fund revenue and loan repayments for affordable housing purposes.

EXECUTIVE SUMMARY

Annually, the Housing Authority's budget for loan activity is developed with anticipated allocations from the federal government, impact fee revenue, loan repayments, unused appropriations from past fiscal years and other sources. As of June 30, 2022, \$325,000.00 in impact fee revenue and loan repayments received in Fund 2296 in Fiscal Year 2021/2022 is available for appropriation to the Fiscal Year 2022/2023 budget. It is necessary to appropriate these funds so they can be committed to loans that had been committed to a source that is not available.

BACKGROUND

1. The Authority had budgeted approximately \$334,000 in bond repayment funds from the Chanate Lodge project. The \$334,000 was budgeted in FY 2021/2022 new revenue and due to an error in Accounting, was also included in the FY 2020/2021 available funds calculation. This resulted in the budget being higher than the actual available funds.
2. The Chanate Lodge bond proceeds were budgeted in Fund 2294 Mortgage Revenue Bond Fund and were committed to portions of two loans for affordable housing projects, for a combined total of \$324,942.54.

3. As this budget is not available from Fund 2294, the Housing Trust would like to utilize a different source- impact fee revenue and loan repayments received in excess of budget in Fund 2296 received in Fiscal Year 2021/2022, to fund these two loans.

PRIOR HOUSING AUTHORITY REVIEW

The Housing Authority took similar actions to appropriate funds on March 28, 2016, July 11, 2017, and November 28, 2022 to increase the amount of funding available to loan to affordable housing projects. This situation is slightly different as it is to replace funding for two loans that is not available, but the action is consistent with the Authority's practice of appropriating funds mid-year.

ANALYSIS

1. Upon review and confirmation with the City's Finance Department, there is available funding of approximately \$2.4M in Fund 2296, comprised of unused appropriations from prior years (actual expense was below budget); impact and commercial linkage fee revenue that came in over budget; and loan repayments that came in over budget.
2. The funds in Fund 2296 can be used in place of the funds that are not available in Fund 2294 for the two loans. If the \$325,000.00 in Fund 2296 funds are not appropriated by the Housing Authority as requested, the Housing Trust will need to look for another source of local funds to keep its commitment to the developers.
2. Appropriation of the funds now will reduce available funds in Fund 2296 in Fiscal Year 2023/2024 from \$2.4M to \$2.1M.

FISCAL IMPACT

Appropriation of the funds provides the Authority with funds needed to maintain two of its existing commitments.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

None

CONTACT

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