

Housing Authority FY 2019/20 Quarter 1 Financial Report



MEMORANDUM

Date: January 27, 2019
To: Housing Authority Commissioners
From: Kate Goldfine, Administrative Services Officer
Subject: **Housing Authority FY 2019/20 Quarter 1 Financial Report**

This memo summarizes Housing Authority (“Authority”) expenditures and funding sources for Fiscal Year 2019/20 Quarter 1 (July 1, 2019 – September 30, 2019).

Expenditures

The table below shows current budget, including carryover commitments from prior years and changes in the current year; actual expenditures through September 30, 2019; committed funds, including carryover from prior years; and the dollar amount and percent of remaining budget.

	<u>\$ Current Budget</u>	<u>\$ Expended</u>	<u>\$ Committed Funds</u>	<u>\$ Remaining</u>	<u>% Remaining</u>
Administration / Overhead	6,137,167	1,646,493	44,700	4,445,974	72%
Housing Assistance Payments	31,492,800	8,358,372	0	23,134,428	73%
Loan Activity	9,483,353	495,668	2,953,239	6,034,446	64%
Subrecipient Funding	466,339	96,178	364,502	5,659	1%
Projects	1,447,306	48,028	150,952	1,248,326	86%
TOTAL	49,026,965	10,644,739	3,513,393	34,868,833	71%

Administration includes salaries, benefits, services and supplies for staff assigned to the Authority’s two programs- the Housing Choice Voucher Program and Housing Trust. Overhead includes Housing & Community Services Department and City-wide expenses such as administrative staff; building use and maintenance; the Authority’s share of City Administration expenses; City Attorney support; Finance Department support; and Information Technology services and supplies.

Housing Assistance Payments are rental subsidy paid directly to landlords for Housing Choice Voucher clients.

Loan Activity represents loans to developers for affordable housing production, rehabilitation, conversion and preservation. The expenditures of approx. \$495K include Lantana (\$488K); and Disability Legal Services and Mobilehome Assistance Programs (\$7K). Commitments of nearly \$3M include Lantana (\$2.5M); Disability Legal Services (\$14K); Boyd Street Apartments (\$200K); and Hearn Veteran’s Village (\$285K).

Subrecipient funding represents funding committed to and expended by two service providers: Federal Housing Opportunities for Persons with HIV/AIDS (HOPWA) funding to Face to Face; and local funding to Fair Housing Advocates of Northern California for federally-mandated fair housing services.

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In projects, the \$48K of expenses and \$151K of commitments are Community Development Block Grant (CDBG) Public Services funding for the Homeless Service Center and Family Support Center operated by Catholic Charities. Other projects include the CalHOME Disaster Recovery (State-grant) (\$1.2M remaining); HUD-VASH Security Deposits (\$10K remaining); and Family Self Sufficient Program Incentives (\$39K remaining).

Funding Sources

Below please find a table showing approved (expected) funding, including revenue and transfers; actual funding received through September 30, 2019; the dollar amount difference between approved and received funding; and the percent of funding received through September 30, 2019.

	<u>\$ Current Budget</u>	<u>\$ Received</u>	<u>\$ Difference (Under) /Over Budget</u>	<u>% Received</u>
Cost Recovery	1,439,243	447,032	(992,211)	31%
Federal Grants (CDBG, HOME, HOPWA)	4,213,556	11,929	(4,201,627)	0.3%
Property Rental	9,189	2,280	(6,909)	25%
Housing Impact Fee	1,500,000	1,170,497	(329,503)	78%
Compliance Monitoring Fees	125,297	74,492	(50,805)	59%
Loan Repayments	490,476	150,155	(340,321)	31%
State Grants	1,234,215	0	(1,234,215)	0%
Transfers In	947,015	947,015	0	100%
Federal Grants- HCV (including port in)	34,235,107	9,119,024	(25,116,083)	27%
Other- HCV	10,000	30,617	20,617	306%
Misc.	0	38,729	38,729	-
TOTAL	44,204,098	11,991,770	(32,212,328)	27%

Cost recovery is the portion of Department and City Overhead paid by the Housing Choice Voucher Program and Housing Trust.

Federal Grants (CDBG, HOME, and HOPWA) are managed by the Housing Trust to provide loans to developers (CDBG and HOME) and a grant to Face to Face to provide services for persons living with HIV/AIDS and their families (HOPWA). The City distributes funding to the recipients and is reimbursed by the Federal government.

Property rental is income from the Authority-owned property at Brookwood Ave.

The Housing Impact Fee is paid by housing developers for the impacts their development has on infrastructure and in-lieu of providing affordable housing in their market-rate housing developments.

Compliance monitoring fees were established by the Authority in 2012 to recover costs related to monitoring regulatory agreements, housing allocation plan, bond compliance, Density Increase Program, and Mobilehome ordinance.

Loan repayments are received from borrowers who have received Authority loans in prior years.

State Grants represent reimbursement-based grants for expenses related to the CalHOME Mobilehome loan program and CalHOME Disaster Recovery Grant. The City distributes funding to eligible recipients and is reimbursed by the State government.

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Transfers In represent City General Fund Real Property Transfer Tax allotted annually to the Authority per City Council Policy 000-48. It is transferred from the City to the Authority at the beginning of each fiscal year and is \$749K in FY 19/20. Additionally, as noted in the FY 18/19 Q4 report, the City expended approx. \$198K for the CDBG- Disaster Recovery (DR) consultant contract in FY 18/19. This contract was in the Authority, however due to uncertainty regarding CDBG-DR administrative funding availability, it was moved from the Authority to the City. Further, the City transferred in General Fund funding to the Authority to cover the \$198K expense in FY 19/20.

Federal Grants-HCV (Housing Choice Vouchers) is funding from HUD to administer the Housing Choice Voucher program, including administrative allowance and rental subsidy for Santa Rosa clients and clients who port in to Santa Rosa from other housing jurisdictions.

Other- HCV represents restitution reimbursements from participants who underpaid their portion of the rent and are required to make up these payments to the Authority.

Misc. represents interest earned on the cash in the Authority's funds as a portion of the City's larger pool of funds.