



## MEMORANDUM

**Date:** February 27, 2023  
**To:** Housing Authority Commissioners  
**From:** Kate Goldfine, Administrative Services Officer  
**Subject:** Housing Authority FY 2022/23 Quarter 2 Financial Report

This memo summarizes Housing Authority ("Authority") expenditures and funding for July 1 – December 31, 2022.

### Expenditures

The table below shows current budget, including carryover commitments from prior years and changes in the current year; actual expenditures through December 31, 2022; committed funds, including carryover from prior years; and the amount and percent of remaining budget.

	<u>\$ Current</u> <u>Budget</u>	<u>\$ Expended</u>	<u>\$ Committed</u> <u>Funds</u>	<u>\$</u> <u>Remaining</u>	<u>%</u> <u>Remaining</u>
<b>Administration / Overhead</b>	7,018,878	2,946,692	140,185	3,932,001	56%
<b>Subrecipient Funding</b>	558,162	224,403	328,759	5,000	1%
<b>Loan Activity</b>	16,158,394	4,800,395	7,300,056	4,057,943	25%
<b>Housing Assistance Payments</b>	36,586,721	14,675,333		21,911,388	60%
<b>CDBG-DR</b>	24,548,161	7,327,877	17,210,222	10,062	0.04%
<b>Projects*</b>	16,478,996	1,665,067	3,276,030	11,537,899	70%
<b>TOTAL</b>	101,349,312	31,639,767	28,255,252	41,454,293	41%

Administration includes salaries, benefits, services, and supplies for the Rental Housing Assistance and Housing Trust Divisions. Overhead includes administrative staff; building use/maintenance; a share of City Administration expenses; City Attorney and Finance Department support; Information Technology services and supplies; insurance, and other shared costs.

Subrecipient Funding is committed to service providers: Face to Face, for services benefiting persons living with HIV/AIDS and their families (\$210K expended/ \$268K committed), funded by Federal Housing Opportunities for Persons With HIV/AIDS (HOPWA); Fair Housing Advocates of Northern California (\$9K expended; \$36K committed) for federally mandated fair housing services, funded locally; and Disability Services and Legal Center for the Housing Accessibility Modification (HAM) program (\$5K expended/ \$26K committed) funded locally.

Loan Activity is loans to developers for affordable housing production, rehabilitation, conversion, and preservation. Expenditures of \$4.8M were for the Mobilehome Assistance Program (\$1K); Giffen Ave Rehab (\$3K); Bennett Valley Apartments (\$483K); Mahonia Glen (\$2M); Stony Point Flats (\$909K) and 3575 Mendocino Ave (\$1.4M). Unexpended commitments of nearly \$7.3M include Hearn Veteran's Village (\$500.00); Giffen Ave Rehabilitation (\$3.8K); Earl Street Rehabilitation (\$42K); Bennett Valley Apartments (\$3.8M); and 3575 Mendocino Ave (\$156K); Vigil Lights (\$2.2M); Parkwood (\$750K); and Stony Point Flats (\$291K). Of the approx. \$4.1M remaining, over \$3.3M was designated for the Burbank Avenue Apartments project by the Authority at the June 2022 meeting and the commitment is pending.

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Housing Assistance Payments are rental subsidy paid to landlords for Housing Choice Voucher (HCV), Emergency Housing Voucher (EHV), and HOME-funded Tenant Based Rental Assistance (TBRA) for over 2,200 clients.

The City received \$38.4M of Community Development Block Grant- Disaster Recovery (CDBG-DR) funding and expended nearly \$14M in FY 21/22. The remaining \$24.5M budget includes \$19K for administration (\$9K expended/\$10K committed); and \$24.5M for affordable housing projects. The \$7.3M of project expenditures include \$396K for The Cannery (\$9.9M remaining); \$5.5M for Caritas Homes Phase I (\$900K remaining); and \$1.1M for 3575 Mendocino Ave (\$1.2M remaining). The Linda Tunis Senior Apartment project has no expense this fiscal year and \$220K remaining committed. The Burbank Avenue Apartments project has \$5M committed and is continuing to pursue funding opportunities.

The Authority budget contains projects overseen by the City Council and by the Authority itself. Projects overseen by the City Council include CDBG Public Services funding for Homeless Service Center and Family Support Center operated by Catholic Charities and The Living Room (\$130K expended/\$68K committed); and projects funded with one-time CARES Act CDBG-CV funding, including Samuel L. Jones Hall Shelter Annex operations run by Catholic Charities (\$530K expended/\$183K committed) and Legal Aid of Sonoma County (\$5K expended). There is approx. \$61K of CDBG-CV remaining, which is expected to be committed to either Legal Aid or the Samuel L. Jones Hall Shelter Annex in FY 23/24. The City was allocated Infill Infrastructure Grant Program funding of \$8.5M which is designated for Caritas Homes Phase I and The Cannery at Railroad Square projects, as well as two market rate projects, and has an additional \$1.1M component in the City's CIP budget for street improvements in the area. The City also received one-time HOME-ARP funding for Administration (\$8.5K expended/\$379K remaining) and Programs (\$2.3M remaining); staff are working with HUD to complete and submit the HOME-ARP Allocation Plan.

Projects overseen by the Authority include Family Self Sufficiency (FSS) Program Incentives (\$38.5K remaining); Veterans Affairs Supportive Housing (VASH) Security Deposits (\$9.8K remaining); American Rescue Plan Act (ARP) Emergency Housing Voucher Service Fee (\$9K expended/\$449K remaining); the Permanent Local Housing Assistance grant for Hearn Veteran's Village (\$187K expended; \$228K committed) and Burbank Avenue Apartments, with \$284K committed and another \$1.1M commitment pending; and the Downpayment Assistance Program (\$2M remaining).

### Funding

The table below shows approved (expected) funding including revenue and transfers; actual funding received through December 31, 2022, by dollar and percentage; and the variance.

	<u>\$ Approved Funding</u>	<u>\$ Received</u>	<u>% Received</u>	<u>Variance</u>
<b>Cost Recovery</b>	1,574,740	770,886	49%	(803,854)
<b>Federal Grants (CDBG, HOME, HOPWA)</b>	6,076,587	1,960,040	32%	(4,116,547)
<b>Federal Grant- CDBG-DR</b>	24,549,022	6,895,700	28%	(17,653,322)
<b>Federal Grant HOME-ARP</b>	2,714,334	2,857	0%	(2,711,477)
<b>Property Rental</b>	9,965	5,058	51%	(4,907)
<b>Housing Impact Fees</b>	1,400,000	1,491,068	107%	91,068
<b>Compliance Monitoring Fees</b>	150,352	94,541	63%	(55,811)
<b>Loan Repayments</b>	2,995,802	548,189	18%	(2,447,613)
<b>State Grants</b>	10,241,618	0	0%	(10,241,618)
<b>Transfers In</b>	2,250,000	2,250,000	100%	0
<b>Federal Grants- HCV (including port in and EHV)</b>	38,977,504	15,529,994	40%	(23,447,510)
<b>Other- HCV</b>	10,000	39,269	393%	29,269
	<b>90,949,924</b>	<b>29,587,602</b>	<b>33%</b>	<b>(61,362,322)</b>

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Cost recovery represents overhead paid by the Housing Trust and Housing Choice Voucher programs.

Federal Grants are used to provide loans to developers (CDBG and HOME), tenant based rental assistance (HOME), and grants to Face to Face (HOPWA), Catholic Charities (CDBG-CV) and Legal Aid (CDBG-CV). The City distributes funding to recipients and is reimbursed by the Federal government, which is the “\$ Received” amount shown in the table above. CDBG-DR and HOME-ARP operate in the same way.

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

Housing Impact Fees include a fee paid by housing developers for the impacts their project has on infrastructure and in place of providing affordable units in their market-rate developments and a Commercial Linkage Fee to fund affordable housing demand related to new commercial developments.

Compliance monitoring fees recover costs related to monitoring regulatory agreements, housing allocation plan, bond compliance, Density Increase Program, and Mobilehome ordinance.

Loan repayments are received from borrowers of prior Authority loans and are used to fund new loans.

State Grants represent reimbursement-based grants for the Permanent Local Housing Allocation grant and Infill and Infrastructure Grant Program. The City distributes funding to eligible recipients and is reimbursed by the State.

Transfers In represent City General Fund Real Property Transfer Tax (RPTT) allotted annually to the Authority per City Council Policy 000-48 for homeless services and affordable housing. It is transferred from the City to the Authority at the beginning of each fiscal year. The City is funding homeless services with its tranche of ARP, so all RPTT is allotted to the Housing Authority in FY 22/23.

Federal Grants-HCV and EHV include funding from HUD for the Housing Choice Voucher (HCV) and Emergency Housing Voucher (EHV) programs, including administrative allowance and rental subsidy.

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