



MEMORANDUM

Date: October 27, 2025
To: Housing Authority Commissioners
From: Kate Goldfine, Administrative Services Officer
Subject: **Housing Authority FY 2024/25 Quarter 4 (Year End) Unaudited Financial Update**

This memo summarizes Housing Authority ("Authority") expenditures and funding for July 1, 2024 – June 30, 2025.

Expenditures

The table below shows the current budget, including carryover commitments from prior years and changes in the current year; actual expenditures year to date; committed funds, including carryover from prior years; and the amount and percentage of remaining budget

	<u>\$ Current Budget</u>	<u>\$ Expended</u>	<u>\$ Committed Funds</u>	<u>\$ Remaining</u>	<u>% Remaining</u>
Administration / Overhead	7,562,214	6,691,585	38,175	832,454	11%
Subrecipient Funding	3,120,414	3,089,408	19,887	11,119	0%
Loan Activity	7,550,530	776,257	6,061,083	713,190	9%
Housing Assistance Payments	40,006,275	36,233,011	-	3,773,264	9%
CDBG-DR	6,924,566	5,394,566	1,530,000	-	0%
Projects*	21,484,184	4,019,913	1,479,092	15,985,179	74%
TOTAL	86,648,183	56,204,740	9,128,237	21,315,206	25%

Administration includes salaries, benefits, services, and supplies for the Rental Housing Assistance and Housing Trust Divisions. Overhead includes administrative staff salary and benefits; 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. Of the \$832K remaining, approx. \$466K was salaries and benefits as we had several long-term vacancies and benefits came in lower than budgeted; and services and supplies came in under budget by approximately \$366K, mostly in the Rental Assistance Division, as we budget to expend the full amount of our HUD administrative allotment, but rarely use the entirety.

Subrecipient Funding is committed to service providers with a budget of \$3.1M, which includes a \$2.5M pass through expenditure from the State of California to the Casa Roseland project. The other subrecipients include: Face to Face, for services benefiting persons living with HIV/AIDS and their families (total contract \$507K expended) funded by federal Housing Opportunities for Persons With HIV/AIDS (HOPWA); Fair Housing Advocates of Northern California (total contract \$45K expended) for federally mandated fair housing services, funded locally; Disability Services and Legal Center for the Housing Accessibility Modification (HAM) program (\$6K expended/\$19K committed) funded locally; and, public services funding for The Living Room homeless services provider, funded locally (total contract \$32K expended) and \$11K available.

Loan Activity is committed to developers for affordable housing production, rehabilitation, conversion, and preservation. The current budget of over \$7.5M includes expenditures of \$1.9K in mobilehome rent deferral payments,

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\$645K to Stony Point Flats, and \$129K to Parkwood; and unexpended commitments of nearly \$6.1M include Laurel at Perennial Park Phase III (\$3.6M); Parkwood (\$30K); Hearn Veterans Village (\$425.00); Caritas Homes Phase II (\$1.3M); Ponderosa Village (\$154K); and West Avenue Apartments (\$1M).

Housing Assistance Payments are rental subsidy paid to landlords for clients within the Housing Choice Voucher (HCV) program, including port in clients (\$33.4M expended), Emergency Housing Voucher program including port in clients (EHV) (\$2.2M expended), and HOME-funded Tenant Based Rental Assistance program (TBRA) (\$599K expended). Budget is established by using per unit average costs times the total voucher allocation; budget annually exceeds expenditures as we spend within the annual allocation from HUD.

Community Development Block Grant- Disaster Recovery (CDBG-DR) funding of \$38.4M was received by the City several years ago and \$1.5M remains at the end of FY 24/25. The final payments for the Linda Tunis and Laurel at Perennial Phase I projects were made in prior fiscal years and the final retention payment for the Caritas Phase I project was made in FY 24/25. Remaining DR funding is committed to Burbank Avenue (\$4.5M expended/\$500k committed) and The Cannery at Railroad Square (\$1.03M committed). The unexpended funds are retention that will be disbursed at completion of the projects.

Project funding of nearly \$21.5M is included in the Authority budget for projects directed by the City Council and by the Authority itself. Projects are generally one-time funding allocations or grants but can be ongoing. Ongoing projects overseen by the City Council include CDBG public services funding for Caritas Family Center, Caritas Drop-In Center, and The Living Room (total contracts \$205K expended). The City was awarded several rounds of Infill Infrastructure Grant Program funding of which \$17.7M remains; \$1.9M was expended toward the Caritas Homes Phase I project this fiscal year and remaining funding is designated for specific market rate and affordable housing development projects which include The Cannery at Railroad Square, 425 Humboldt, Caritas Homes Phase II, Ponderosa Village, and 556 Ross Street. The City also received one-time HOME-ARP funding for Administration (\$217K expended/\$123K remaining) and Programs (\$1.5M expended/\$382K committed).

Ongoing projects overseen by the Authority include Veterans Affairs Supportive Housing (VASH) Security Deposits (\$8K remaining) and Family Self Sufficiency Program Forfeited Funds (\$100.00 expended/\$19K remaining). One-time projects include the American Rescue Plan Act (ARP) Emergency Housing Voucher Service Fee (\$5K expended/\$329K remaining); the Permanent Local Housing Assistance grant of \$783K, which includes funds for Hearn Vets Village (\$14K expended / \$173K committed) and Ponderosa Village (\$595K committed); and the Downpayment Assistance Loan Program (\$103K expended/\$0 remaining), funded by PG&E settlement funds from the 2017 Tubbs Nuns Fire.

Funding

The table below shows approved (expected) funding including revenue and transfers; actual funding received year to date by dollar and percentage; and the variance.

	<u>\$ Approved Funding</u>	<u>\$ Received</u>	<u>% Received</u>	<u>Variance</u>
Cost Recovery	1,737,800	1,673,160	96%	(64,640)
Federal Grants (CDBG, HOME, HOPWA)	3,774,322	1,477,549	39%	(2,296,773)
Federal Grant- CDBG-DR	8,117,250	4,316,708	53%	(3,800,542)
Federal Grant HOME-ARP	2,260,774	1,685,170	75%	(575,604)
Housing Impact Fees	1,300,000	1,989,484	153%	689,484
Compliance Monitoring Fees	186,151	242,348	130%	56,197
Loan Repayments	128,000	1,315,345	1028%	1,187,345
State Grants	23,273,437	6,474,061	28%	(16,799,376)
Transfers In	1,150,000	1,150,000	100%	0
Federal Grants- HCV (including port in and EHV)	42,770,425	39,880,018	93%	(2,890,407)

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Other	21,310	434,010	2037%	412,700
Total	84,719,469	60,637,853	72%	(24,081,616)

Cost recovery represents overhead paid by the Housing Trust and Rental Assistance Divisions.

Federal Grants are used to provide loans to developers (CDBG and HOME), tenant based rental assistance (HOME), and a grant to Face to Face (HOPWA). 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 manner.

Housing Impact Fees include a fee paid by housing developers in place of providing affordable units in market-rate developments and a Commercial Linkage Fee to fund affordable housing demand related to new commercial developments. The funds are used to provide loans for affordable housing.

Compliance monitoring fees are tied to costs related to monitoring regulatory agreements, Housing Allocation Plan, bond compliance, Density Increase Program, and Mobilehome Rent Control 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, and this year, includes the \$2.5M pass through payment from the State of California to the Casa Roseland project. 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 and was divided equally between the two divisions in FY 24/25. It is transferred from the City to the Authority at the beginning of each fiscal year.

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. HUD funds administration and rental assistance on a per unit per month basis based on actual expenditures reported monthly, up to the Authority's budget and voucher limits.

Other represents restitution reimbursements from Rental Assistance Division participants who underpaid their portion of the rent and are required to make these payments to the Authority; interest earned on the cash in the City's bank accounts that is distributed to the Authority's funds annually; and property rental income from the Authority-owned building on Brookwood Ave, which is currently rented to the City's InResponse team.