



MEMORANDUM

Date: June 17, 2024
To: Housing Authority Commissioners
From: Kate Goldfine, Administrative Services Officer
Subject: Housing Authority FY 2023/24 Quarter 3 Financial Update

This memo summarizes Housing Authority (“Authority”) expenditures and funding for July 1, 2023 – March 31, 2024.

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 percent of remaining budget.

	<u>\$ Current Budget</u>	<u>\$ Expended</u>	<u>\$ Committed Funds</u>	<u>\$ Remaining</u>	<u>% Remaining</u>
Administration / Overhead	7,092,389	4,679,156	97,684	2,315,549	33%
Subrecipient Funding	609,083	334,980	268,333	5,770	1%
Loan Activity	15,690,154	6,627,505	8,128,836	933,813	6%
Housing Assistance Payments	38,988,917	24,130,583	-	14,858,334	38%
CDBG-DR	8,122,405	6,128	8,116,277	-	0%
Projects*	26,110,862	2,471,082	3,721,557	19,918,223	76%
TOTAL	96,613,810	38,249,434	20,332,687	38,031,689	39%

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.

Subrecipient Funding is committed to service providers or granted to developers. Service providers include: Face to Face, for services benefiting persons living with HIV/AIDS and their families (\$308K expended/\$195K committed) funded by Federal Housing Opportunities for Persons With HIV/AIDS (HOPWA); Fair Housing Advocates of Northern California (\$10K expended; \$35K committed) for federally mandated fair housing services, funded locally; Disability Services and Legal Center for the Housing Accessibility Modification (HAM) program (\$26K committed) funded locally; and, new this year, public services funding for The Living Room homeless services provider, funded locally (\$16K expended; \$13K committed).

Loan Activity is committed to developers for affordable housing production, rehabilitation, conversion, and preservation. Expenditures of \$6.6M include Bennett Valley Apartments (\$1.2M); Stony Point Flats (\$0.2M); Parkwood (\$.2M); and Burbank Ave (\$5.0M). Committed funds, not yet expended of \$8.1M include 3575 Mendocino Ave Phase III (\$2.6M); Vigil Lights (\$3.3M); Parkwood (\$0.3M); Stony Point Flats (\$45K); Burbank Ave (\$0.6M); and Caritas Homes Phase II (\$1.3M).

Housing Authority FY 2023/24 Q2 Financial Report

Housing Assistance Payments are rental subsidy paid to landlords for Housing Choice Voucher (HCV) (\$22.2M expended), Emergency Housing Voucher (EHV) (\$1.5M expended), and HOME-funded Tenant Based Rental Assistance (TBRA) (\$.5M expended) clients.

The City received \$38.4M total of Community Development Block Grant- Disaster Recovery (CDBG-DR) funding and has \$8.1M remaining in FY 23/24. That includes \$6K for administration (\$6K expended; \$0 remaining); and \$8.1M for affordable housing projects. There have been no loan expenditures yet this year. Remaining DR funding is committed to Burbank Avenue (\$5M unexpended); The Cannery at Railroad Square (\$1M unexpended); Caritas Homes Phase I (\$0.9M unexpended); and 3575 Mendocino Avenue, now called Laurel at Perennial Park Phase I, (\$1.2M unexpended).

The Authority budget contains projects directed by the City Council and by the Authority itself. Projects are generally one-time funding allocations or grants but can be ongoing in select situations. Ongoing projects overseen by the City Council include CDBG Public Services funding for Caritas Drop In Center (formerly Homeless Service Center) and Caritas Family Center (formerly Family Support Center) operated by Catholic Charities and The Living Room (\$198K expended; \$9K committed). Projects funded with one-time CARES Act CDBG-CV funding, include Legal Aid of Sonoma County (\$58K expended; \$2K committed). The City was awarded Infill Infrastructure Grant Program funding of over \$26M, of which \$7.5M was moved to the Recreation and Parks Department for specific park and infrastructure improvements, and the rest is designated for specific market rate and affordable housing development projects. \$144K has been expended thus far for The Cannery. The City also received one-time HOME-ARP funding for Administration (\$3K expended/\$350K remaining) and Programs (\$2.3M remaining).

One-time funded projects overseen by the Authority include Family Self Sufficiency (FSS) Program Incentives (\$39K remaining); Veterans Affairs Supportive Housing (VASH) Security Deposits (\$10K remaining); American Rescue Plan Act (ARP) Emergency Housing Voucher Service Fee (\$101K expended/\$355K remaining); the Permanent Local Housing Assistance grant for Hearn Veteran's Village (\$207K expended/ \$203K committed) and Burbank Avenue Apartments (\$1.7 expended/\$0.9M committed); and the Downpayment Assistance Loan Program (\$251K expended/ \$1.7M 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	1,570,902	1,155,299	74%	(415,603)
Federal Grants (CDBG, HOME, HOPWA)	7,804,365	2,249,913	29%	(5,554,452)
Federal Grant- CDBG-DR	10,721,354	2,602,158	24%	(8,119,196)
Federal Grant HOME-ARP	2,680,348	3,316	0%	(2,677,032)
Property Rental	10,400	7,800	75%	(2,600)
Housing Impact Fees	1,600,000	1,358,811	85%	(241,189)
Compliance Monitoring Fees	182,357	158,823	87%	(23,534)
Loan Repayments	247,000	442,415	179%	195,415
State Grants	22,446,196	2,465,632	11%	(19,980,564)
Transfers In	2,175,000	2,175,000	100%	-
Federal Grants- HCV (including port in and EHV)	41,507,046	28,684,981	69%	(12,822,065)
Other	10,000	221,529	2215%	211,529
Total	99,361,237	26,499,294	27%	(72,861,943)

Housing Authority FY 2023/24 Q2 Financial Report

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 grants to Face to Face (HOPWA) 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, which is currently rented to the City’s InResponse team.

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 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. 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 23/24.

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 up these payments to the Authority.