

Housing Authority FY 2020-21 Q2 Financial Report



MEMORANDUM

Date: February 22, 2021
To: Housing Authority Commissioners
From: Kate Goldfine, Administrative Services Officer
Subject: Housing Authority FY 2020-21 Q2 Financial report

This memo summarizes Housing Authority (“Authority”) expenditures and funding sources for Quarter 2 of Fiscal Year 2020-21 (July 1, 2020 – December 31, 2020).

Expenditures

The table below shows current budget, including carryover commitments from prior years and changes in the current year; actual expenditures through December 31, 2020; 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	5,969,672	2,314,086	110,990	3,544,596	59%
Housing Assistance Payments	32,425,780	13,686,628	-	18,739,152	58%
Loan Activity	7,861,534	1,446,635	5,405,730	1,009,169	13%
Subrecipient Funding	476,255	148,190	328,065	-	0%
CDBG-DR	38,469,772	4,163	-	38,465,609	100%
Projects	1,860,846	90,712	164,398	1,605,736	86%
TOTAL	87,063,859	17,690,414	6,009,183	63,364,262	73%

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

Housing Assistance Payments are rental subsidy paid directly to landlords for Housing Choice Voucher and Federal HOME-funded Tenant Based Rental Assistance clients.

Loan Activity represents loans to developers for affordable housing production, rehabilitation, conversion and preservation. The expenditures of approx. \$1.4M are for Lantana (\$81K); Cannery at Railroad Square (\$169K); Hearn Veteran’s Village (\$66K); Dutton Flats (\$440K); and Linda Tunis Senior Apartments (\$690K). The commitments of nearly \$5.4M are for the following projects: Disability Legal Services (\$14K); Dutton Flats (\$254K); Hearn Veteran’s Village (\$109K); Boyd Street Apartments (\$200K); DeTurk Winery Village (\$4.2M); Giffen Ave Rehabilitation (\$104K); Earl Street Rehabilitation (\$130K) and Lantana (\$394K). The majority of uncommitted loan product is HOME funding, which will be included in the Notice of Funding Availability (NOFA) in Spring, and a small amount of local funds.

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Subrecipient Funding is committed to two service providers: Face to Face, to provide services to persons living with HIV/AIDS and their families, funded by Federal Housing Opportunities for Persons With HIV/AIDS (HOPWA); and Fair Housing Advocates of Northern California for federally mandated fair housing services, funded locally.

Community Development Block Grant- Disaster Recovery (CDBG-DR) is included in the budget for the first time this quarter. \$116K is allotted to administration and nearly \$38.4M is designated for affordable housing projects. The \$4k expense was administrative staff costs to run the NOFA process.

Projects include Family Self Sufficiency (FSS) Program Incentives (\$38.5K remaining); Veterans Affairs Supportive Housing (VASH) Security Deposits (\$9.8K remaining); HCV Cares Act Admin (\$26.9K expended/ \$847K remaining); CDBG Homeless Programs, which include Homeless Service Center and Family Support Center (\$63K expended/ \$164K committed); and CalHOME Disaster Recovery (\$1.2M remaining).

Funding Sources

Below please find a table showing approved (expected) funding including revenue and transfers; actual funding received through December 31, 2020 by dollar and percentage; and the variance (amount below or above expected).

	<u>\$ Approved Funding</u>	<u>\$ Received</u>	<u>% Received</u>	<u>Variance</u>
Cost Recovery	1,397,323	645,484	46%	(751,839)
Federal Grants (CDBG, HOME, HOPWA)	6,285,222	478,680	8%	(5,806,542)
Federal Grant CDBG-DR	38,469,772	-	0%	(38,469,772)
Property Rental	7,045	4,697	67%	(2,348)
Housing Impact Fees	1,500,000	1,034,394	69%	(465,606)
Compliance Monitoring Fees	125,766	91,481	73%	(34,285)
Loan Repayments	147,686	671,936	455%	524,250
State Grants	1,200,000	-	0%	(1,200,000)
Transfers In	286,469	286,469	100%	-
Federal Grants- HCV (including port in)	34,801,043	14,820,752	43%	(19,980,291)
Other- HCV	10,000	20,121	201%	10,121
Misc.	-	29,238	-	29,238
TOTAL	84,230,326	18,083,252	21%	(66,147,074)

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

Federal Grants are managed by the Housing Trust 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 amount shown in the table above.

As noted above, CDBG-DR funding is included in the budget for the first time this quarter. As with other Federal sources, the City will distribute funding to recipients and request reimbursement from the Federal government.

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, approved by City Council in October 2019, to fund affordable housing demand related to new commercial developments.

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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 of prior Authority loans and are used to fund new loans.

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

Transfers In represent City General Fund Real Property Transfer Tax 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.

Federal Grants-HCV (Housing Choice Vouchers) is funding from HUD to administer the Housing Choice Voucher program, including administrative allowance for staff to run the program, 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.