



MEMORANDUM

Date: January 25, 2021
To: Housing Authority Commissioners
From: Kate Goldfine, Administrative Services Officer
Subject: Housing Authority FY 2020-21 Q1 Financial report

This memo summarizes Housing Authority (“Authority”) expenditures and funding sources for Quarter 1 of Fiscal Year 2020-21 (July 1, 2020 – September 30, 2020).

Expenditures

The table below shows current budget, including carryover commitments from prior years and changes in the current year; actual expenditures through September 30, 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 | 5,975,919 | 1,133,445 | 103,990 | 4,738,484 | 79% |
| Housing Assistance Payments | 32,425,780 | 6,882,052 | 0 | 25,543,728 | 79% |
| Loan Activity | 7,861,534 | 69,373 | 6,782,511 | 1,009,650 | 13% |
| Subrecipient Funding | 470,445 | 0 | 470,445 | 0 | 0% |
| Projects | 1,860,846 | 20,722 | 231,038 | 1,609,086 | 86% |
| TOTAL | 5,975,919 | 1,133,445 | 103,990 | 4,738,484 | 79% |

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 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. \$69K are for Lantana (\$46K) and Cannery at Railroad Square (\$23K). The commitments of nearly \$6.8M are for the following projects: Disability Legal Services (\$14K); Dutton Flats (\$694K); Hearn Veteran’s Village (\$175K); Cannery at Railroad Square (\$145K); Boyd Street Apartments (\$200K); DeTurk Winery Village (\$4.2M); Linda Tunis Senior Apartments (\$690K); Giffen Ave Rehabilitation (\$104K); Earl Street Rehabilitation (\$130K) and Lantana (\$430K). The majority of uncommitted loan product is HOME funding, which will be included in the Notice of Funding Availability (NOFA) in Spring, along with small amounts from several local funds.

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Subrecipient Funding is 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. (Payments to subrecipients for the first quarter were paid in the second quarter and will be reflected on that report.)

In Projects, approx. \$21K was expended for the Homeless Service Center and Family Support Center operated by Catholic Charities and funded by Community Development Block Grant (CDBG) Public Services funding. \$218K remains on that project, and other projects with committed funding are: Family Self Sufficiency Program Incentives (\$38K); HUD-VASH Security Deposits (\$10K); HCV Program CARES Act Admin (\$362K); and CalHOME Disaster Recovery (\$1.2M).

Funding Sources

Below please find a table showing approved (expected) funding including revenue and transfers; actual funding received through September 30, 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 | 321,250 | 23% | (1,076,073) |
| Federal Grants (CDBG, HOME, HOPWA) | 6,285,659 | 0 | 0% | (6,285,659) |
| Property Rental | 7,045 | 2,349 | 33% | (4,696) |
| Housing Impact Fees | 1,500,000 | 427,208 | 28% | (1,072,792) |
| Compliance Monitoring Fees | 125,766 | 37,003 | 29% | (88,763) |
| Loan Repayments | 147,686 | 226,860 | 154% | 79,174 |
| State Grants | 1,200,000 | 0 | 0% | (1,200,000) |
| Transfers In | 286,469 | 286,469 | 100% | 0 |
| Federal Grants- HCV (including port in) | 34,312,207 | 7,878,895 | 23% | (26,433,312) |
| Other- HCV | 10,000 | (460) | -5% | (10,460) |
| Misc. | 0 | 0 | - | - |
| TOTAL | 45,272,155 | 9,179,574 | 20% | (36,092,581) |

Cost recovery is overhead paid by the HCV 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, which is the amount of funding received in the table above. The City did not draw Federal funding to reimburse expenditures in Quarter 1.

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

A 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. In October 2019, the Council approved a Commercial Linkage Fee, with revenue designated for affordable housing, which is also included in the Impact Fee category.

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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) are 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. The negative amount represents invoices that have been sent to collections.

Misc. represents interest earned on the cash in the Authority's funds as a portion of the City's larger pool of funds. The City's Accounting Division had not yet reconciled FY 2019/20 year end with FY 2020/21 Quarter 1 as of September 30.