

CITY OF SANTA ROSA  
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS  
FROM: KATE GOLDFINE, ADMINISTRATIVE SERVICES OFFICER  
HOUSING & COMMUNITY SERVICES  
SUBJECT: FISCAL YEAR 2020/21 HOUSING AUTHORITY BUDGET  
ADOPTION

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Housing & Community Services Department that the Housing Authority, by resolution, adopt the proposed budget for Fiscal Year (FY) 2020/21.

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EXECUTIVE SUMMARY

The purpose of this action is for the Housing Authority (Authority) to adopt the FY 2020/21 Housing Authority revenue, transfer, and expenditure budget.

BACKGROUND

The Authority's annual budget preparation process runs concurrently with the City's process from January through June each year. The Executive Director of the Authority must submit an expenditure, revenue, and transfer budget for all Authority programs for approval by the Authority Commissioners, which then becomes the formal budget for the next fiscal year. Annually, the Authority is asked to adopt the budget at their June meeting.

The Authority has two programs- the Santa Rosa Housing Trust (SRHT) and the Housing Choice Voucher (HCV) program. Additionally, an Administrative cost center is budgeted in the Housing Authority.

The Administrative cost center is funded by the programs it supports. Each division that utilizes administrative staff and shared resources pays a portion of the costs. These costs appear as allocated costs within each program budget and as cost recovery in the Administrative budget.

The HCV Program is funded by the U.S. Housing and Urban Development Department (HUD), a federal agency. The Authority receives funding for rental assistance that is passed directly to landlords. HUD allots a per voucher administrative allowance for staff to administer the program annually.

The SRHT receives funding from 13 different sources: three Federal, one State, and nine local funds. Each funding source has varying levels of restriction, with Federal and State being the most heavily regulated. The three Federal programs, administered by HUD, are Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Housing Opportunities for Persons With AIDS (HOPWA). Each program provides an administrative allowance, none of which cover the cost to administer the funds. The State fund (CalHOME) provides no administrative allowance. Local funds must be used to cover costs to administer the programs including salaries, benefits, services and supplies, and allocated costs. Once those costs have been covered and the SRHT reserve policy has been met, all local funding is budgeted to loan activity for affordable housing development, production, rehabilitation and conversion.

#### PRIOR HOUSING AUTHORITY REVIEW

On January 27, 2020 the Authority conducted a study session to provide commentary and hear from the public on the annual budget process.

On June 3, 2020, the Authority reviewed the proposed FY 2019/20 budget in study session.

#### ANALYSIS

There have been no changes to the budget since the Authority reviewed it on June 3, 2020.

#### **1. FY2020/21 Budget Summary**

The proposed FY 2020/21 funding source budget is \$44,522,875 as summarized on the table below and shown in detail on Attachment 1.

<b>Funding Sources</b>	<b>FY 2020/21</b>
Revenue	\$38,796,786
Cost Recovery	\$1,397,323
Real Property Transfer Tax Transfer In	\$286,469
Carryover Funding	\$4,042,297
<b>Total</b>	<b>\$44,522,875</b>

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The proposed FY 2020/21 expenditure budget is \$44,124,137 as summarized on the table below and shown in detail on Attachments 1 and 2.

<b>Expenditures</b>	<b>FY 2020/21</b>
Administration	\$1,397,323
HCV Program	\$34,240,207
SRHT Division	\$8,486,607
<b>Total</b>	<b>\$44,124,137</b>

The Housing Authority reserve policy for the SRHT is 15% of its operational budget. The proposed FY 2020/21 SRHT budget meets this requirement with a budgeted reserve of \$313,566.

**2. Budgeted Full Time Employees (FTE)**

<b>Budgeted Employees in FTE</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>Change</b>
Administration	1.2	1.15	(0.05)
HCV Program	12.85	12.75	(0.10)
SRHT Division	6.45	6.5	0.05
<b>Total</b>	<b>20.5</b>	<b>20.4</b>	<b>(0.10)</b>

In June 2019, the City reorganized into three portfolios. The HCV Program and SRHT Division are in the Community Development and Engagement (CDE) Portfolio with the Planning, Engineering, Building, Economic Development, Homeless Services, Community Engagement, Violence Prevention Partnership, and Recreation Divisions. Positions were reallocated throughout the CDE portfolio as part of the reorganization.

FTE in Administration decreased by 0.05 FTE. More of the Director's time was allocated to Homeless Services, partially offset by the addition of Marketing & Outreach Coordinator support.

FTE in the HCV Program decreased by 0.10 FTE, notably for the Deputy Director position. Prior to the reorganization, the Deputy Director oversaw Code Enforcement, the Neighborhood Revitalization Program, and the HCV Program. In the reorganization, Code Enforcement and the Neighborhood Revitalization Program were moved to the Building Division. The Deputy Director position now oversees the HCV Program, SRHT Division, and General Fund housing activities, so the General Fund and SRHT bear more of its cost.

In the SRHT, FTE increased by 0.05 FTE, due to the Deputy Director increase described above. This is partially offset by a decrease in Administrative Technician time

moved to Homeless Services.

#### FISCAL IMPACT

The Housing Authority is asked to approve the revenue, transfer, and expenditure budget for FY 2020/21, so staff may receive revenue and transfers funding and expend funds for their intended purposes.

#### ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

#### COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

#### NOTIFICATION

Not applicable.

#### ATTACHMENTS

- Attachment 1 - FY 2020/21 Housing Authority Proposed Budget Summary
- Attachment 2- City of Santa Rosa FY 2019/20 Budget Document – Housing Authority Section
- Resolution

#### CONTACT

Kate Goldfine, Administrative Services Officer  
KGoldfine@srcity.org; 543-3313