

Housing Authority FY 2018/19 Quarter 4 (Year End) Financial Report**MEMORANDUM**

Date: October 28, 2019

To: Housing Authority Commissioners

From: Kate Goldfine, Administrative Services Officer

Subject: **Housing Authority FY 2018/19 Quarter 4 (Year End) Financial Report**

This memo summarizes Housing Authority expenditures and funding sources for Fiscal Year 2018/19 (July 1, 2018 – June 30, 2019).

Expenditures

Below please find a table showing current budget, including carryover commitments from prior years and increases/decreases in the current year; actual expenditures through June 30, 2019; 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	5,671,454	4,997,615	33,548	640,291	11%
Housing Assistance Payments	24,271,800	23,956,247	-	315,553	1%
Loan Activity	7,983,933	4,199,182	3,448,267	336,484	4%
Subrecipient Funding	476,331	464,331	-	12,000	3%
Projects	4,066,966	1,519,555	1,299,085	1,248,326	31%
TOTAL	42,470,484	35,136,930	4,780,900	2,552,654	6%

Administration/Overhead includes salaries, benefits, services and supplies for Housing and Community Services staff assigned to the Housing Authority, plus Department and City-wide overhead for expenses such as building use, City Attorney and Finance Department support, and IT costs. Expenses came in under budget due to vacancies in the Housing Choice Voucher Program and most services and supplies coming in lower than budgeted in both divisions.

Housing Assistance Payments are rental subsidy paid directly to landlords for Housing Choice Voucher clients.

Loan Activity represents loans to developers for affordable housing production, rehabilitation, conversion and preservation. The expenditures of approx. \$4.2M include Lantana (\$450K); CalHOME Mobilehome loan program (\$242K); Apple Valley (\$744K); Parkwood (\$2.4M); Papago Court (\$18K); Crossings (\$335K); and Disability Legal Services and Mobilehome Assistance Programs (\$10K). Commitments of approx. \$3.4M include Lantana (\$2.9M); Disability Legal Services (\$20K); Boyd Street Apartments (\$200K); and Hearn Veteran's Village (\$285K).

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Subrecipient funding includes Federal Housing Opportunities for Persons with AIDS (HOPWA) funding committed to service provider Face to Face; and local funding committed to Fair Housing Advocates of Northern California for federally-mandated fair housing services. \$12K was removed from the Habitat for Humanity for the Aging in Place program and is available for use in FY 2019/20.

Project expenditures include \$396K for the City Council's Housing Action Plan for Benton Veteran's Village (\$254K) and Harris Village (\$142K). \$1.6M was uncommitted from the Housing Action Plan in FY 2018/19 from two projects that could not move forward, and in June 2019, the City Council utilized it for improvements at the Samuel L. Jones Hall homeless shelter. \$200K of Community Development Block Grant (CDBG) Public Services funding was expended for the Homeless Service and Family Support Centers operated by Catholic Charities and approximately \$7K was expended for HUD-VASH client security deposits. \$200K was expended for the City's CDBG- Disaster Recovery (DR) consultant and \$1.3M shows as committed in this report, however this changed in September 2019. Due to uncertainty regarding CDBG-DR administrative funding availability, City General Fund funding was transferred to the Housing Authority to cover the \$200K expense and the \$1.3M commitment was moved from the Housing Authority to the City General Fund. Should CDBG-DR administrative funding become available, it will reimburse the General Fund. Available funding includes \$1.2M for the CalHOME Disaster Recovery funding, and approx. \$48K for Family Self Sufficiency Program Incentives and HUD-VASH client security deposits.

Funding Sources

Below please find a table showing approved (expected) funding, including revenue and transfers; actual funding received through June 30, 2019; the dollar amount difference between approved and received funding; and the % of funding received through June 30, 2019.

	<u>\$ Current Budget</u>	<u>\$ Received</u>	<u>\$ Difference (Under) /Over Budget</u>	<u>% Received</u>
Cost Recovery	1,468,864	1,386,184	(82,680)	94%
Federal Grants (CDBG, HOME, HOPWA)	4,402,964	2,729,908	(1,673,056)	62%
Federal Grant (CDBG-DR)	1,497,100	0	(1,497,100)	0%
Property Rental	8,922	8,988	66	101%
Housing Impact Fee	1,497,000	2,386,385	889,385	159%
Compliance Monitoring Fees	125,039	302,042	177,003	242%
Loan Repayments	65,000	1,494,998	1,429,998	2300%
State Grants	1,395,500	162,246	(1,233,254)	12%
Transfers In	749,000	749,000	0	100%
Federal Grants- HCV (including Port In)	27,094,596	26,301,835	(792,761)	97%
Other- HCV	10,000	174,752	164,752	1748%
Misc.	0	152,892	152,892	-
TOTAL	38,313,985	35,849,230	(2,464,755)	94%

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Cost recovery is administrative expenses (overhead) paid by the Housing Choice Voucher 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 pays the developers and service provider and is reimbursed by the Federal government. Federal Grant (CDBG-DR) is CDBG - Disaster Recovery funding expected from the Federal government, which was moved from the Housing Authority's CDBG fund to the City General Fund in September 2019 as described above in the expense portion of this document.

Property rental is the rent paid by the tenant in the Housing Authority-owned property at Brookwood Ave.

The 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.

Compliance monitoring fees were established by the Housing 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 who have received Housing Authority loans in prior years.

State Grants represent reimbursement-based grants for expenses related to the CalHOME Mobilehome loan program and CalHOME Disaster Recovery Grant. The City pays eligible recipients and is reimbursed by the State government.

Transfers In represent City General Fund Real Property Transfer Tax allotted annually to the Housing Authority per City Council Policy 000-48. It is transferred from the City to the Housing Authority at the beginning of each fiscal year.

Federal Grants-HCV (Housing Choice Vouchers) is funding from HUD to administer the Housing Choice Voucher and Mod Rehab programs, including administrative allowance and rental subsidy for Santa Rosa clients and clients who port-in to Santa Rosa from other housing jurisdictions. The Mod Rehab program ended in July 2018.

Other- HCV represents restitution reimbursements from clients who underpaid their portion of the rent and are required to make up these payments to the Housing Authority.

Misc. represents interest earned on the cash in the Housing Authority's funds as a portion of the City's larger pool of funds.