

Housing Authority FY 2020-21 Q4 (Year End) Unaudited Financial Report



MEMORANDUM

Date: September 27, 2021
To: Housing Authority Commissioners
From: Kate Goldfine, Administrative Services Officer
Subject: Housing Authority FY 2020-21 Q4 (Year End) Unaudited Financial Report

This memo summarizes Housing Authority (“Authority”) expenditures and funding sources for Fiscal Year 2020-21 (July 1, 2020 – June 30, 2021). These numbers are subject to change through the fiscal year end reconciliation and audit process. Final amounts will be shown in the Housing Authority Annual Financial Report which can be accessed at the City’s Finance Department website at srcity.org.

Expenditures

The table below shows current budget, including carryover commitments from prior years and changes in the current year; actual expenditures through June 30, 2021; 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	5,968,248	4,768,640	92,576	1,107,032	19%
Housing Assistance Payments	32,425,780	27,193,900		5,231,880	16%
Loan Activity	7,861,534	1,920,730	5,063,193	877,611	11%
Subrecipient Funding	476,255	458,708	17,547	-	0%
CDBG-DR	38,471,196	20,629	38,353,107	97,460	0.3%
Projects	4,994,854	1,521,230	25,780	3,447,844	69%
TOTAL	90,197,867	35,883,837	43,552,203	10,761,827	12%

Administration includes salaries, benefits, services, and supplies for staff assigned to 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; insurance, and other shared costs. There were as many as six vacancies at one time between all divisions, which contributed to lower salary and benefit expenditures. Additionally, services and supplies costs were lower than budgeted.

Housing Assistance Payments are rental subsidy paid 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. \$1.9M are for Lantana (\$194K); Cannery at Railroad Square (\$169K); Hearn Veteran’s Village (\$170K); Dutton Flats (\$625K); Giffen Avenue Rehabilitation (\$70K); Linda Tunis Senior Apartments

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(\$690K); and Disability Legal Services (\$3K). The commitments of \$5M are for Disability Legal Services (\$11K); Dutton Flats (\$70K); Hearn Veteran’s Village (\$5K); Boyd Street Apartments (\$200K); Giffen Ave Rehabilitation (\$34K); Earl Street Rehabilitation (\$130K); Bennett Valley Apartments (\$3M); Hearn House Emergency Rehabilitation (\$77K); Mahonia Glen (\$1.2M); and Lantana (\$282K).

Subrecipient Funding is committed to two service providers: Face to Face, for 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. The \$17K in remaining committed funding is for Fair Housing Advocates and will be expended by the first quarter of Fiscal Year 2021/22.

Community Development Block Grant- Disaster Recovery (CDBG-DR) includes \$116K for administration and nearly \$38.4M for affordable housing projects. The \$20K expense is administrative staff costs to run the Notice of Funding Availability process, establish loans and funding commitments with the developers, and report to the State. The Housing Authority identified five projects for the \$38.4M of affordable housing funds at the January 25, 2021 meeting including 3575 Mendocino Ave (\$11.9M); Caritas Homes Phase I (\$8.9M); Cannery at Railroad Square (\$10.3M); Burbank Ave. Apartments (\$5M) and Linda Tunis Senior Apartments (\$2.2M). As of July 30, 2021, the projects are under various states of review with loans and funding commitments pending approval from the State.

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 (\$156K expended/ \$719K remaining); CalHOME Disaster Recovery (\$1.2M remaining); and CDBG Homeless Programs. CDBG Homeless Programs include the annual programs funded by CDBG: Homeless Service Center, Family Support Center and The Living Room (\$228K expended) and one-time projects funded with regular CDBG and CARES Act CDBG-CV funding for the Finley Center Safe Social Distancing Program (\$648K expended) and the Samuel L. Jones Hall Shelter Annex (\$467K expended/ \$25.8K remaining). The remaining CDBG-CV funds are designated for Samuel L. Jones Hall Shelter Annex operations for the next few years.

Funding Sources

Below please find a table showing approved (expected) funding including revenue and transfers; actual funding received through June 30, 2021 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	1,338,921	96%	(58,402)
Federal Grants (CDBG, HOME, HOPWA)	7,566,623	1,691,649	22%	(5,874,974)
Federal Grant CDBG-DR	38,469,772	18,827	0%	(38,450,945)
Property Rental	7,045	9,535	135%	2,490
Housing Impact Fees	1,500,000	1,940,108	129%	440,108
Compliance Monitoring Fees	125,766	169,812	135%	44,046
Loan Repayments	147,686	2,159,713	1462%	2,012,027
State Grants	1,200,000	-	0%	(1,200,000)
Transfers In	289,316	289,316	100%	-
Federal Grants- HCV (including port in and EHV)	34,801,043	30,674,699	88%	(4,126,344)
Other- HCV	10,000	87,236	872%	77,236
Misc.	-	95,023	-	95,023
TOTAL	85,514,574	38,474,839	45%	(47,039,735)

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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.

CDBG-DR is like the other Federal sources as the City will distribute funding to recipients and request reimbursement from the State (managers of the CDBG-DR funding) or utilize it for administrative expenses.

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.

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 is funding from HUD for 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 jurisdictions. It also includes preliminary funding for the new Emergency Housing Voucher program provided by the HUD for program startup.

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.