



MEMORANDUM

**Date:** May 18, 2026  
**To:** Chair Smith and Housing Authority Commissioners  
**From:** Kate Goldfine, Administrative Services Officer  
**Subject:** Housing Authority FY 2025/26 Quarter 3 Financial Update

This memo summarizes Housing Authority (“Authority”) expenditures and funding for July 1, 2025 – March 31, 2026.

**Expenditures**

The table below shows the current budget, including carryover commitments from prior years and changes in the current year; actual expenditures through March 31, 2026; committed funds, including carryover from prior years; and the amount and percentage of remaining budget.

	<u>\$ Current Budget</u>	<u>\$ Expended</u>	<u>\$ Committed Funds</u>	<u>\$ Remaining</u>	<u>% Remaining</u>
Administration/Overhead	7,717,226	5,064,397	14,860	2,637,969	34%
Subrecipient Funding	613,007	356,748	256,259	-	0%
Loan Activity	10,137,199	1,001,440	8,358,882	776,877	8%
Housing Assistance Payments	44,614,908	28,587,917	-	16,026,991	36%
CDBG-DR	1,558,879	1,058,879	500,000	-	0%
Projects	18,008,573	916,589	1,242,132	15,849,852	88%
<b>Total</b>	<b>82,649,792</b>	<b>36,985,970</b>	<b>10,372,133</b>	<b>35,291,689</b>	<b>43%</b>

**Administration** includes salaries, benefits, services, and supplies for the Rental Housing Assistance and Housing Trust Divisions. Overhead includes administrative staff salaries and benefits; building operations and maintenance; a share of City administration expenses; City Attorney and Finance Department support; information technology services and supplies; insurance; and other shared costs.

**Subrecipient Funding** is committed to service providers with a budget of \$613,007 which include: Face to Face, for services benefiting persons living with HIV/AIDS and their families (\$309K expended/\$204K committed) funded by federal Housing Opportunities for Persons With HIV/AIDS (HOPWA); Fair Housing Advocates of Northern California (\$24 expended/\$21K committed) for federally mandated fair housing services, funded locally; Disability Services and Legal Center for the Housing Accessibility Modification (HAM) program, funded locally (\$0 expended/\$19.9K committed); and, public services funding for The Living Room homeless services provider, funded locally (\$23K expended/\$12K committed).

**Loan Activity** is committed to developers for affordable housing production, rehabilitation, conversion, and preservation. The current budget of just over \$10.1M includes expenditures of \$1M to West Avenue Apartments and \$1.4K in mobilehome rent deferral payments; and unexpended commitments of \$8.3M for Laurel at Perennial Park Phase III (\$3.4M); Parkwood (\$32K); Caritas Homes Phase II (\$1.3M); Ponderosa Village (\$155K); Ridley Family Apartments (\$1.7M); Apple Valley Scattered Sites rehabilitation (\$1.2M); and Zane-Wolff Veteran’s Village (\$489K).

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**Housing Assistance Payments** are rental subsidy paid to landlords for Housing Choice Voucher (HCV) (\$26.6M expended), Emergency Housing Voucher (EHV) (\$1.6M expended), and HOME-funded Tenant Based Rental Assistance (TBRA) (\$417K expended) clients.

The \$44.6M budget reflects the amount needed from HUD to fully fund all 1,925 HCVs and 107 EHV's allocated to the Housing Authority. However, actual HUD funding is projected to support approximately 1,650 to 1,700 HCVs.

**Community Development Block Grant- Disaster Recovery (CDBG-DR)** funding of \$38.4M total was received by the City in 2021, with only \$1.5M remaining. \$1.06M was expended this quarter for The Cannery at Railroad Square retention payment, and a small amount of administrative budget, leaving only the Burbank Avenue project retention of \$500K.

**Project** funding of \$18M is included in the Authority budget for projects directed by the City Council and by the Authority itself. Projects are generally one-time funding allocations or grants but can be ongoing. Ongoing projects overseen by the City Council include CDBG public services funding for Caritas Family Center and Caritas Drop-In Center, (\$104K expended/\$97K remaining). The City was awarded two rounds of Infill Infrastructure Grant Program (IIG) funding of which \$15.8M remains; \$327K was expended toward The Cannery this fiscal year; remaining funding is designated for specific market-rate and affordable housing development projects which include 425 Humboldt, Caritas Homes Phase II, Ponderosa Village, and 556 Ross Street. The City also received one-time HOME-ARP funding for Administration (\$94K expended/\$0 remaining) and Programs (\$384K expended/\$102K committed).

Ongoing projects overseen by the Authority include Veterans Affairs Supportive Housing (VASH) Security Deposits (\$7K expended/\$138K remaining) and Family Self Sufficiency Program Forfeited Funds (\$24K remaining). One-time projects include the Permanent Local Housing Assistance (PLHA) grant of \$1.2M, which includes funds for Hearn Vets Village (\$173K committed); Ponderosa Village (\$595K committed), and Ridley Family Apartments (\$273K committed) and \$182K remaining.

### Funding

The table below shows approved (expected) funding including revenue and transfers; actual funding received through March 31, 2026, by dollar and percentage; and the variance. The funding total is lower than the expenditure because one-time project funding was recognized in prior fiscal years.

	<b>\$ Approved Funding</b>	<b>\$ Received</b>	<b>% Received</b>	<b>Variance</b>
Cost Recovery	1,746,191	1,293,331	74%	(452,860)
Federal Grants (CDBG, HOME, HOPWA)	4,944,764	1,003,996	20%	(3,940,768)
Federal Grant- CDBG-DR	3,800,542	1,947,088	51%	(1,853,454)
Federal Grant HOME-ARP	495,787	477,509	96%	(18,278)
Housing Impact Fees	1,300,000	775,755	60%	(524,245)
Compliance Monitoring Fees	208,485	173,603	83%	(34,882)
Loan Repayments	128,000	2,977,881	2326%	2,849,881
State Grants	17,057,973	500,914	3%	(16,557,059)
Transfers In	1,050,000	1,050,000	100%	0
Federal Grants- HCV (including port in and EHV)	47,638,226	31,570,143	66%	(16,068,083)
Other- HCV	14,519	119,613	824%	105,094
Other- Misc	16,068	233,942	1456%	217,874
<b>Total</b>	<b>78,400,555</b>	<b>42,123,775</b>	<b>54%</b>	<b>(36,276,780)</b>

Cost recovery represents overhead paid by the Housing Trust and Rental Assistance Divisions.

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Federal Grants are used 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 “\$ Received” amount shown in the table above. CDBG-DR and HOME-ARP operate in the same manner.

Housing Impact Fees include a fee paid by housing developers in place of providing affordable units in market-rate developments and a Commercial Linkage Fee to fund affordable housing demand related to new commercial developments. The funds are used to provide loans for affordable housing.

Compliance monitoring fees are tied to costs related to monitoring regulatory agreements, Housing Allocation Plan, bond compliance, Density Increase Program, and Mobilehome Rent Control Ordinance.

Loan repayments are received from borrowers of prior Authority loans, are returned to the source of origin, and are used to fund new loans.

State Grants represent reimbursement-based grants for the Permanent Local Housing Allocation grant and Infill and Infrastructure Grant Program. The City distributes funding to eligible recipients and is reimbursed by the State.

Transfers In represent City General Fund Real Property Transfer Tax (RPTT) allotted annually to the Authority per City Council Policy 000-48 for homeless services and affordable housing and was divided equally between the two divisions in FY 25/26. It is transferred from the City to the Authority at the beginning of each fiscal year.

Federal Grants-HCV and EHV include funding from HUD for the Housing Choice Voucher (HCV) and Emergency Housing Voucher (EHV) programs, including administrative allowance and rental subsidy. HUD funds administration and rental assistance on a per unit per month basis based on actual expenditures reported monthly, up to the Authority’s budget and voucher limits. HUD’s budget currently limits the Authority to leasing approximately 86% of its allocated Housing Choice Vouchers, or approximately 1,650 to 1,700 of the Authority’s 1,925 vouchers, in addition to 107 Emergency Housing Vouchers.

Other-HCV represents restitution reimbursements from Rental Assistance Division participants who underpaid their portion of the rent and are required to repay the Authority.

Other- Miscellaneous is interest earned on the cash in the City’s bank accounts that is distributed to the Authority’s funds annually; and property rental income from the Authority-owned building on Brookwood Ave, which is currently rented to the City’s InResponse team.