



MEMORANDUM

**Date:** February 23, 2026  
**To:** Chair Smith and Housing Authority Commissioners  
**From:** Kate Goldfine, Administrative Services Officer  
**Subject:** **Housing Authority FY 2025/26 Quarter 2 Financial Update**

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

**Expenditures**

The table below shows the current budget, including carryover commitments from prior years and changes in the current year; actual expenditures through December 31, 2025; 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	7,703,433	3,259,479	27,281	4,416,673	57%
Subrecipient Funding	613,007	181,384	431,623	-	0%
Loan Activity	10,151,137	1,120	9,358,883	791,134	8%
Housing Assistance Payments	44,614,908	18,933,578		25,681,330	58%
CDBG-DR	1,540,095	1,040,095	500,000	-	0%
Projects*	18,008,429	737,342	1,397,710	15,873,377	88%
<b>TOTAL</b>	<b>82,631,009</b>	<b>24,152,998</b>	<b>11,715,497</b>	<b>46,762,514</b>	<b>57%</b>

**Administration** includes salaries, benefits, services, and supplies for the Rental Housing Assistance and Housing Trust Divisions. Overhead includes administrative staff salary and benefits; building use/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 (\$159K expended/\$354K committed) funded by federal Housing Opportunities for Persons With HIV/AIDS (HOPWA); Fair Housing Advocates of Northern California (\$11 expended/\$34K 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 (\$12K expended/\$23K 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 \$1.12K in mobilehome rent deferral payments; and unexpended commitments of over \$9.3M for Laurel at Perennial Park Phase III (\$3.4M); Parkwood (\$32K); Caritas Homes Phase II (\$1.3M); Ponderosa Village (\$155K); West Avenue Apartments (\$1M); Ridley Family Apartments (\$1.7M); Apple Valley Scattered Sites rehabilitation (\$1.2M); and Zane-Wolff Veteran’s Village (\$489K).

## Housing Authority FY 2025/26 Quarter 1 Financial Update

**Housing Assistance Payments** are rental subsidy paid to landlords for Housing Choice Voucher (HCV) (\$17.6M expended), Emergency Housing Voucher (EHV) (\$1M expended), and HOME-funded Tenant Based Rental Assistance (TBRA) (\$285K expended) clients.

The budget of \$44.6M is the amount needed from HUD to fund all 1,925 HCVs and 107 EHV's allotted to the Housing Authority, however HUD funding will only support 1,650-1,700 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. \$1.04M 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, (\$82K expended/\$119K 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 (\$73K expended/\$21K remaining) and Programs (\$251K expended/\$236K committed).

Ongoing projects overseen by the Authority include Veterans Affairs Supportive Housing (VASH) Security Deposits (\$4K expended/ \$140K 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 December 31, 2025, 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	862,574	49%	(883,617)
Federal Grants (CDBG, HOME, HOPWA)	4,944,764	424,678	9%	(4,520,086)
Federal Grant- CDBG-DR	3,800,542	1,947,088	51%	(1,853,454)
Federal Grant HOME-ARP	495,787	261,795	53%	(233,992)
Housing Impact Fees	1,300,000	381,301	29%	(918,699)
Compliance Monitoring Fees	208,485	129,716	62%	(78,769)
Loan Repayments	128,000	2,987,733	2334%	2,859,733
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	20,982,714	44%	(26,655,512)
Other- HCV	14,519	78,791	543%	64,272
Other- Misc	16,068	95,803	596%	79,735
<b>TOTAL</b>	<b>78,400,555</b>	<b>29,703,107</b>	<b>38%</b>	<b>(48,697,448)</b>

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

## Housing Authority FY 2025/26 Quarter 1 Financial Update

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%, between 1650-1700 of its 1925 housing choice vouchers, and 107 of its 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- Misc 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.