



MEMORANDUM

Date: November 24, 2025
To: Chair Owen and Housing Authority Commissioners
From: Kate Goldfine, Administrative Services Officer
Subject: Housing Authority FY 2025/26 Quarter 1 Financial Update

This memo summarizes Housing Authority (“Authority”) expenditures and funding for July 1, 2025 – September 30, 2025.

Expenditures

The table below shows the current budget, including carryover commitments from prior years and changes in the current year; actual expenditure through September 30, 2025; committed funds, including carryover from prior years; and the amount and percentage of remaining budget.

	<u>\$ Current</u> <u>Budget</u>	<u>\$ Expended</u>	<u>\$ Committed</u> <u>Funds</u>	<u>\$</u> <u>Remaining</u>	<u>%</u> <u>Remaining</u>
Administration / Overhead	7,630,631	1,641,758	38,175	5,950,698	78%
Subrecipient Funding	613,007	80,481	532,526	-	0%
Loan Activity	9,437,335	480	5,905,083	3,531,772	37%
Housing Assistance Payments	44,298,885	9,415,893	-	34,882,992	79%
CDBG-DR	1,533,715	1,032,333	500,000	1,382	0%
Projects*	18,004,334	547,982	1,170,640	16,285,712	90%
TOTAL	81,517,907	12,718,927	8,146,424	60,652,556	74%

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 (\$74K expended/\$438K committed) funded by federal Housing Opportunities for Persons With HIV/AIDS (HOPWA); Fair Housing Advocates of Northern California (\$0 expended/\$45K 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 (\$6 expended/\$29K committed).

Loan Activity is committed to developers for affordable housing production, rehabilitation, conversion, and preservation. The current budget of \$9.4M includes the following: expenditures of \$480.00 in mobilehome rent deferral payments; unexpended commitments of \$5.9M include Laurel at Perennial Park Phase III (\$3.4M); Parkwood (\$32K); Caritas Homes Phase II (\$1.3M); Ponderosa Village (\$155K); and West Avenue Apartments (\$1M). The \$3.5M

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remaining includes the 25/26 Notice of Funding Availability awards that were committed at the 9/22/25 Housing Authority and should be pre-committed by the next quarterly update.

Housing Assistance Payments are rental subsidy paid to landlords for Housing Choice Voucher (HCV) (\$8.7M expended), Emergency Housing Voucher (EHV) (\$521K expended), and HOME-funded Tenant Based Rental Assistance (TBRA) (\$145K expended) clients.

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 as of FY 25/26. \$1.03M was already expended this quarter for The Cannery at Railroad Square project retention payment, leaving only the Burbank Avenue project retention of \$500K, and a small amount of administrative budget.

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, (\$37K expended/\$165K remaining) The City was awarded several rounds of Infill Infrastructure Grant Program 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 (\$38K expended/\$155K remaining) and Programs (\$145K expended/\$238K committed).

Ongoing projects overseen by the Authority include Veterans Affairs Supportive Housing (VASH) Security Deposits (\$145K remaining) and Family Self Sufficiency Program Forfeited Funds (\$24K remaining). One-time projects include the Permanent Local Housing Assistance grant of \$1.2M, which includes funds for Hearn Vets Village (\$173K committed) and Ponderosa Village (\$595K committed), and \$456K remaining.

Funding

The table below shows approved (expected) funding including revenue and transfers; actual funding received through September 30, 2025, by dollar and percentage; and the variance. The funding total is lower than the expenditure because one-time project funding that was recognized in prior fiscal years.

	\$ Approved Funding	\$ Received	% Received	Variance
Cost Recovery	1,746,191	422,246	24%	(1,323,945)
Federal Grants (CDBG, HOME, HOPWA)	2,450,357	17,565	1%	(2,432,792)
Federal Grant- CDBG-DR	0	894,566	-	894,566
Federal Grant HOME-ARP	0	88,007	-	88,007
Housing Impact Fees	1,300,000	229,833	18%	(1,070,167)
Compliance Monitoring Fees	208,485	49,587	24%	(158,898)
Loan Repayments	128,000	148,922	116%	20,922
State Grants	456,230	173,494	38%	(282,736)
Transfers In	1,050,000	1,050,000	100%	0
Federal Grants- HCV (including port in and EHV)	47,638,226	10,536,189	22%	(37,102,037)
Other- HCV	14,519	42,813	295%	28,294
Other- Misc	16,068	4,067	25%	(12,001)
TOTAL	55,008,076	13,657,289	25%	(41,350,787)

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. Funding for CDBG-DR and HOME-ARP was received this fiscal year for funds that were budgeted in prior fiscal years.

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 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 24/25. 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.

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.