



MEMORANDUM

Date: June 26, 2023
To: Housing Authority Commissioners
From: Kate Goldfine, Administrative Services Officer
Subject: **Housing Authority FY 2022/23 Quarter 3 Financial Report**

This memo summarizes Housing Authority (“Authority”) expenditures and funding for July 1, 2022 – March 31, 2023.

Expenditures

The table below shows current budget, including carryover commitments from prior years and changes in the current year; actual expenditures through March 31, 2023; committed funds, including carryover from prior years; and the 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	6,952,187	4,840,883	93,784	2,017,520	29%
Subrecipient Funding	5,558,162	331,335	5,210,922	15,905	0%
Loan Activity	16,158,394	4,882,695	10,267,976	1,007,723	6%
Housing Assistance Payments	36,586,721	22,342,063	-	14,244,658	39%
CDBG-DR	29,539,556	14,101,110	15,430,265	8,181	0%
Projects*	16,478,996	3,401,472	2,640,216	10,437,308	63%
TOTAL	111,274,016	49,899,558	33,643,163	27,731,295	25%

Administration includes salaries, benefits, services, and supplies for the Rental Housing Assistance and Housing Trust Divisions. Overhead includes administrative staff; 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 or granted to developers. Service providers include: Face to Face, for services benefiting persons living with HIV/AIDS and their families (\$317K expended/ \$150K committed), funded by Federal Housing Opportunities for Persons With HIV/AIDS (HOPWA); Fair Housing Advocates of Northern California (\$9K expended; \$36K committed) for federally mandated fair housing services, funded locally; and Disability Services and Legal Center for the Housing Accessibility Modification (HAM) program (\$5K expended/ \$26K committed) funded locally. New this quarter is \$5M from the State of California Housing & Community Development Department for Caritas Center, which must be passed through from the State to the City, to Catholic Charities.

Loan Activity goes to developers for affordable housing production, rehabilitation, conversion, and preservation. Expenditures of nearly \$4.9M include the Mobilehome Assistance Program (\$1K); Giffen Ave Rehab (\$7K); Bennett Valley Apartments (\$519K); Mahonia Glen (\$2M); Stony Point Flats (\$909K); 3575 Mendocino Ave (\$1.4M) and Earle Street Rehabilitation (\$41K). Unexpended commitments of nearly \$10.2M include Bennett Valley Apartments (\$3.5M); 3575 Mendocino Ave (\$156K); Vigil Lights (\$2.2M); Parkwood (\$750K); Stony Point Flats (\$291K) and Burbank Ave (\$3.3M).

Housing Authority FY 2022/23 Quarter 2 Financial Report

Housing Assistance Payments are rental subsidy paid to landlords for Housing Choice Voucher (HCV) (\$21M expended), Emergency Housing Voucher (EHV) (\$941K expended), and HOME-funded Tenant Based Rental Assistance (TBRA) (\$483K expended) clients.

The City received \$38.4M of Community Development Block Grant- Disaster Recovery (CDBG-DR) funding and expended nearly \$9M in FY 21/22. The remaining \$29.5M budget includes \$19K for administration (\$11K expended/\$8K committed); and \$29.5M for affordable housing projects. The \$14.1M of project expenditures include \$2.2M for The Cannery (\$8.1M remaining); \$545K for Linda Tunis Senior Apartments (\$220K remaining) \$7.3M for Caritas Homes Phase I (\$900K remaining); and \$4.1M for 3575 Mendocino Ave Phase I (\$1.2M remaining). The Burbank Avenue Apartments project has \$5M committed and is continuing to pursue funding opportunities.

The Authority budget contains projects directed by the City Council and by the Authority itself. Projects overseen by the City Council include CDBG Public Services funding for Homeless Service Center and Family Center (formerly called the Family Support Center) operated by Catholic Charities and The Living Room (\$190K expended/\$46K committed); and projects funded with one-time CARES Act CDBG-CV funding, including Samuel L. Jones Hall Shelter Annex operations run by Catholic Charities (\$708K expended/\$5K committed) and Legal Aid of Sonoma County (\$5K expended). There is approx. \$61K of CDBG-CV remaining, which is expected to be committed to Legal Aid in FY 23/24. The City was allocated Infill Infrastructure Grant Program funding of \$8.5M which is designated for Caritas Homes Phase I and The Cannery at Railroad Square (\$2.3M expended/\$1M committed) projects, two market rate projects, and a \$1.1M street improvement component. The City also received one-time HOME-ARP funding for Administration (\$26.5K expended/\$361K remaining) and Programs (\$2.3M remaining); staff awaiting final approval from HUD on the HOME-ARP Allocation Plan.

Projects overseen by the Authority include Family Self Sufficiency (FSS) Program Incentives (\$38.5K remaining); Veterans Affairs Supportive Housing (VASH) Security Deposits (\$9.8K remaining); American Rescue Plan Act (ARP) Emergency Housing Voucher Service Fee (\$12K expended/\$442K remaining); the Permanent Local Housing Assistance grant for Hearn Veteran's Village (\$194K expended; \$216K committed) and Burbank Avenue Apartments (\$1.363M committed); and the Downpayment Assistance Program (\$2M remaining).

Funding

The table below shows approved (expected) funding including revenue and transfers; actual funding received through March 31, 2023, by dollar and percentage; and the variance.

	\$ Approved Funding	\$ Received	% Received	Variance
Cost Recovery	1,574,740	1,165,008	74%	(409,732)
Federal Grants (CDBG, HOME, HOPWA)	6,076,587	2,371,143	39%	(3,705,444)
Federal Grant- CDBG-DR	24,549,022	12,549,149	51%	(11,999,873)
Federal Grant HOME-ARP	2,714,334	2,857	0%	(2,711,477)
Property Rental	9,965	7,624	77%	(2,341)
Housing Impact Fees	1,400,000	1,966,283	140%	566,283
Compliance Monitoring Fees	150,352	152,934	102%	2,582
Loan Repayments	2,995,802	840,660	28%	(2,155,142)
State Grants	15,241,618	5,000,000	33%	(10,241,618)
Transfers In	2,250,000	2,250,000	100%	0
Federal Grants- HCV (including port in and EHV)	38,967,504	23,512,428	60%	(15,455,076)
Other- HCV	10,000	71,516	715%	61,516
	95,939,924	49,889,602	52%	(46,050,322)

Housing Authority FY 2022/23 Quarter 2 Financial Report

Cost recovery represents overhead paid by the Housing Trust and Housing Choice Voucher programs.

Federal Grants are used to provide loans to developers (CDBG and HOME), tenant based rental assistance (HOME), and grants to Face to Face (HOPWA), Catholic Charities (CDBG-CV) and Legal Aid (CDBG-CV). 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 way.

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 to fund affordable housing demand related to new commercial developments.

Compliance monitoring fees 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 Permanent Local Housing Allocation grant and Infill and Infrastructure Grant Program. The City distributes funding to eligible recipients and is reimbursed by the State. New this quarter, this category includes \$5M from the State of California Housing & Community Development Department for Caritas Center, which must be passed through from the State to the City, to Catholic Charities.

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. It is transferred from the City to the Authority at the beginning of each fiscal year. The City is funding homeless services with its tranche of ARP, so all RPTT is allotted to the Housing Authority in FY 22/23.

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.

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