



## MEMORANDUM

**Date:** September 23, 2024  
**To:** Housing Authority Commissioners  
**From:** Kate Goldfine, Administrative Services Officer  
**Subject:** **Housing Authority FY 2023/24 Quarter 4 (Year End) Unaudited Financial Report**

This memo summarizes Housing Authority ("Authority") expenditures and funding for July 1, 2023 – June 30, 2024.

### **Expenditures**

The table below shows the current budget, including carryover commitments from prior years and changes in the current year; actual expenditures year to date; committed funds, including carryover from prior years; and the amount and percent of remaining budget.

	<u><b>\$ Current Budget</b></u>	<u><b>\$ Expended</b></u>	<u><b>\$ Committed Funds</b></u>	<u><b>\$ Remaining</b></u>	<u><b>% Remaining</b></u>
<b>Administration / Overhead</b>	6,675,983	6,097,275	45,105	533,603	8%
<b>Subrecipient Funding</b>	609,083	577,626	25,687	5,770	1%
<b>Loan Activity</b>	15,199,412	10,699,563	4,057,259	442,590	3%
<b>Housing Assistance Payments</b>	38,989,342	32,876,299	-	6,113,043	16%
<b>CDBG-DR</b>	8,122,405	1,197,840	6,924,565	-	0%
<b>Projects*</b>	26,091,226	3,956,262	2,436,914	19,698,050	75%
<b>TOTAL</b>	95,687,451	55,404,865	13,489,530	26,793,056	28%

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. The remaining balance is approximately \$534K: salaries and benefits came in under budget by approximately \$64K due to vacancies in the Rental Assistance Division; services and supplies came in under budget by approximately \$470K, mostly in the Rental Assistance Division, as we budget to expend the full amount of our HUD administrative allotment, but rarely use the entirety.

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 (\$503K expended) funded by Federal Housing Opportunities for Persons With HIV/AIDS (HOPWA) grant; Fair Housing Advocates of Northern California (\$45K expended) for federally mandated fair housing services, funded locally; Disability Services and Legal Center for the Housing Accessibility Modification (HAM) program (\$26K committed) funded locally; and, public services funding for The Living Room homeless services provider, funded locally (\$30K expended). The remaining funds of \$5.7K go back to reserves and will be used in an upcoming fiscal year.

Loan Activity is committed to developers for affordable housing production, rehabilitation, conversion, and preservation. Expenditures of \$10.7M include Bennett Valley Apartments (\$1.2M); Stony Point Flats (\$0.2M); Vigil Lights (\$3.3M); Parkwood (\$.4M); and Burbank Ave (\$5.6M). Committed funds, not yet expended of \$4.5M include

Laurel at Perennial Park Phase III (also known as 3575 Mendocino Ave Phase III) (\$2.6M); Parkwood (\$0.2M); Stony Point Flats (\$45K); and Caritas Homes Phase II (\$1.3M). The remaining \$442K will become available through loan programs in FY 24/25.

Housing Assistance Payments are rental subsidy paid to landlords to assist income-qualifying households for the following programs: Housing Choice Voucher (HCV) (\$30.2M expended), Emergency Housing Voucher (EHV) (\$2M expended), and HOME-funded Tenant Based Rental Assistance (TBRA) (\$669K expended).

The City received \$38.4M of Community Development Block Grant- Disaster Recovery (CDBG-DR) funding and has \$6.9M committed to projects as of June 2024. Expenses include administration (\$6K expended; \$0 remaining) and Laurel at Perennial Park Phase III (also known as 3575 Mendocino Ave Phase III) \$1.2M. Remaining DR funding is committed to Burbank Avenue (\$5M unexpended); The Cannery at Railroad Square (\$1M unexpended); and Caritas Homes Phase I (\$0.9M unexpended).

The Authority budget contains projects directed by the City Council and by the Authority. Projects are generally one-time funding allocations or grants but can be ongoing in select situations. Of the \$26M budgeted, projects overseen by the City Council include CDBG Public Services funding for Caritas Drop-In Center (formerly Homeless Service Center) and Caritas Family Center (formerly Family Support Center) operated by Catholic Charities and The Living Room (\$207K expended; \$0 remaining). The City used the last of its one-time CARES Act CDBG-CV funding in FY 23/24 to fund Legal Aid of Sonoma County (\$61K expended; \$0 remaining). The City was awarded Infill Infrastructure Grant (IIG) Program funding of nearly \$18M. \$144K was expended for The Cannery at Railroad Square (\$327K unexpended) and the remainder is designated for specific market rate and affordable housing development projects. The City also received \$2.7M one-time HOME-ARP funding for Administration (\$13K expended; \$340K remaining) and homeless services programs (\$4M expended; \$1.9M committed). One-time funded projects overseen by the Authority include Veterans Affairs Supportive Housing (VASH) Security Deposits (\$10K remaining); FSS Forfeited Funds (\$19K remaining); American Rescue Plan Act (ARP) Emergency Housing Voucher Service Fee (\$101K expended/\$355K remaining); the Permanent Local Housing Assistance grant for Hearn Veteran's Village (\$222K expended/ \$187K committed) and Burbank Avenue Apartments (\$2.6 expended/\$0 remaining); and the Downpayment Assistance Loan Program (\$.4M expended/ \$1.6M remaining), funded by PG&E settlement funds from the 2017 Tubbs/Nuns Fire.

### **Funding**

The table below shows approved (expected) funding including revenue and transfers; actual funding received year to date by dollar and percentage; and the variance.

	<b><u>\$ Approved Funding</u></b>	<b><u>\$ Received</u></b>	<b><u>% Received</u></b>	<b><u>Variance</u></b>
<b>Cost Recovery</b>	1,570,902	1,524,672	97%	(46,230)
<b>Federal Grants (CDBG, HOME, HOPWA)</b>	7,804,365	4,217,034	54%	(3,587,331)
<b>Federal Grant- CDBG-DR</b>	10,721,354	3,795,814	35%	(6,925,540)
<b>Federal Grant HOME-ARP</b>	2,680,348	419,574	16%	(2,260,774)
<b>Property Rental</b>	10,400	9,077	87%	(1,323)
<b>Housing Impact Fees</b>	1,600,000	1,935,965	121%	335,965
<b>Compliance Monitoring Fees</b>	182,357	237,965	130%	55,608
<b>Loan Repayments</b>	247,000	628,689	255%	381,689
<b>State Grants</b>	22,446,196	4,544,726	20%	(17,901,470)
<b>Transfers In</b>	2,175,000	2,175,000	100%	0
<b>Federal Grants- HCV (including port in and EHV)</b>	41,525,983	35,813,359	86%	(5,712,624)
<b>Other</b>	10,000	240,606	2406%	230,606
<b>TOTAL</b>	<b>90,973,905</b>	<b>55,542,481</b>	<b>61%</b>	<b>(35,431,424)</b>

Cost recovery represents overhead paid by the Housing Trust and Rental Assistance Divisions, and is not actual revenue.

Federal Grants provide loans to developers (CDBG and HOME), tenant based rental assistance (HOME), and grants to Face to Face (HOPWA) 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. The Authority was fully paid by the lessee, InResponse, the discrepancy is due to the timing of accounting entries in the Authority's ledger.

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 Rent Control Ordinance.

Loan repayments are received from borrowers of prior Authority loans and are used to fund new loans in future fiscal years.

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. It is transferred from the City to the Authority at the beginning of each fiscal year. The City funded homeless services with its tranche of ARPA in FY 23/24, so all RPTT was allotted to the Housing Authority.

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 represents restitution reimbursements from Rental Assistance Division participants who underpaid their portion of the rent and are required to make up these payments to the Authority; and interest earned on the cash in the City's bank accounts that is distributed to the Authority's funds annually.