



## MEMORANDUM

**Date:** July 28, 2025  
**To:** Chair Newton and Housing Authority Commissioners  
**From:** Kate Goldfine, Administrative Services Officer  
**Subject:** **Housing Authority FY 2024/25 Quarter 3 Financial Update**

This memo summarizes Housing Authority ("Authority") expenditures and funding for July 1, 2024 – March 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 March 31, 2025; 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>	7,582,214	5,092,373	38,175	2,451,666	32%
<b>Subrecipient Funding</b>	3,120,414	2,853,792	255,502	11,119	0%
<b>Loan Activity</b>	7,778,743	775,777	6,061,083	941,883	12%
<b>Housing Assistance Payments</b>	39,778,062	27,050,095	-	12,727,967	32%
<b>CDBG-DR</b>	6,924,566	5,394,566	1,530,000	-	0%
<b>Projects*</b>	21,484,184	3,342,419	2,038,367	16,103,398	75%
<b>TOTAL</b>	86,668,183	44,509,022	9,923,127	32,236,033	37%

**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 \$3.1M, and new this quarter includes a \$2.5M pass through expenditure from the State of California to the Casa Roseland project. The other subrecipients include: Face to Face, for services benefiting persons living with HIV/AIDS and their families (\$308K expended/\$198K committed) funded by federal Housing Opportunities for Persons With HIV/AIDS (HOPWA); Fair Housing Advocates of Northern California (\$21K expended/\$24K committed) for federally mandated fair housing services, funded locally; Disability Services and Legal Center for the Housing Accessibility Modification (HAM) program (\$6K expended/\$19K committed) funded locally; and, public services funding for The Living Room homeless services provider, funded locally (\$19K expended/ \$13K committed) and \$11K available.

**Loan Activity** is committed to developers for affordable housing production, rehabilitation, conversion, and preservation. The current budget of nearly \$7.8M includes expenditures of \$1.4K in mobilehome rent deferral payments, \$645K to Stony Point Flats, and \$129K to Parkwood; and unexpended commitments of nearly \$6.1M include Laurel at Perennial Park Phase III (\$3.6M); Parkwood (\$30K); Hearn Veterans Village (\$425.00); Caritas Homes Phase II (\$1.3M); Ponderosa Village (\$154K); and West Avenue Apartments (\$1M).

**Housing Assistance Payments** are rental subsidy paid to landlords for clients within the Housing Choice Voucher (HCV) (\$25M expended), Emergency Housing Voucher (EHV) (\$1.6M expended), and HOME-funded Tenant Based Rental Assistance (TBRA) (\$450K expended) programs.

**Community Development Block Grant- Disaster Recovery (CDBG-DR)** funding of \$38.4M was received by the City several years ago and \$6.9M remains in FY 24/25 for affordable housing projects. The Caritas Home Phase I project received its final payment this quarter of \$895K. Remaining DR funding is committed to Burbank Avenue (\$4.5M expended/\$500k committed) and The Cannery at Railroad Square (\$1.03M committed). The unexpended funds are retention that will be disbursed at completion of the projects.

**Project** funding of nearly \$21.5M 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, Caritas Drop-In Center, and The Living Room (\$179K expended/\$25K committed). The City was awarded several rounds of Infill Infrastructure Grant Program funding of which \$17M remains; \$1.9M was expended toward the Caritas Homes Phase I project this quarter and remaining funding is designated for specific market rate and affordable housing development projects which include The Cannery at Railroad Square, 425 Humboldt, Caritas Homes Phase II, Ponderosa Village, and 556 Ross Street. The City also received one-time HOME-ARP funding for Administration (\$103K expended/\$236K remaining) and Programs (\$1M expended/\$915K committed).

Ongoing projects overseen by the Authority include Veterans Affairs Supportive Housing (VASH) Security Deposits (\$10K remaining) and Family Self Sufficiency Program Forfeited Funds (\$100.00 expended/\$19K remaining). One-time projects include the American Rescue Plan Act (ARP) Emergency Housing Voucher Service Fee (\$3.7K expended/\$331K remaining); the Permanent Local Housing Assistance grant of \$783K, which includes funds for Hearn Vets Village (\$13K expended / \$175K committed) and Ponderosa Village (\$595K committed); and the Downpayment Assistance Loan Program (\$103K expended/\$0 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 through March 31, 2025, by amount and percentage; and the variance. The funding total is lower than expenditures because one-time project funding that was recognized in prior fiscal years.

	<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>	1,737,800	1,263,599	73%	(474,201)
<b>Federal Grants (CDBG, HOME, HOPWA)</b>	3,774,322	986,662	26%	(2,787,660)
<b>Federal Grant- CDBG-DR</b>	8,117,250	4,316,708	53%	(3,800,542)
<b>Federal Grant HOME-ARP</b>	2,260,774	1,055,300	47%	(1,205,474)
<b>Property Rental</b>	10,712	10,478	98%	(234)
<b>Housing Impact Fees</b>	1,300,000	1,721,313	132%	421,313
<b>Compliance Monitoring Fees</b>	186,151	188,939	101%	2,788
<b>Loan Repayments</b>	128,000	1,026,547	802%	898,547
<b>State Grants</b>	23,273,437	4,714,163	20%	(18,559,274)
<b>Transfers In</b>	1,150,000	1,150,000	100%	0
<b>Federal Grants- HCV (including port in and EHV)</b>	42,770,725	29,593,678	69%	(13,177,047)
<b>Other</b>	10,598	183,551	1732%	172,953
<b>Total</b>	84,719,769	46,210,938	55%	(38,508,831)

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

Federal Grants are used to provide loans to developers (CDBG and HOME), tenant based rental assistance (HOME), and grants 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 similar manner.

Property rental is income from the Authority-owned building on Brookwood Ave, which is currently rented to the City’s InResponse team.

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, and this quarter, includes the \$2.5M pass through payment from the State of California to the Casa Roseland project. 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 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.