

CITY OF SANTA ROSA  
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS  
FROM: KATE GOLDFINE, ADMINISTRATIVE SERVICES OFFICER  
SUBJECT: FISCAL YEAR 2025/26 HOUSING AUTHORITY BUDGET  
ADOPTION

AGENDA ACTION: RESOLUTION

---

RECOMMENDATION

It is recommended by the Housing & Community Services Department that the Housing Authority, by resolution, adopt the proposed budget for Fiscal Year 2025/26.

---

EXECUTIVE SUMMARY

The purpose of this action is for the Housing Authority (Authority) to adopt the Fiscal Year (FY) 2025/26 Housing Authority revenue, transfer, and expenditure budget.

BACKGROUND

The Authority's annual budget process runs concurrently with the City's process from January through June. The Executive Director of the Authority must submit an expenditure, revenue, and transfer budget for all Authority programs for approval by the Authority Commissioners, which then becomes the formal budget for the next fiscal year. Annually, the Authority is asked to adopt the budget at their June meeting in advance of City Council budget approval; the City Council will review the Citywide FY 2025/26 budget on June 17, 2025.

PRIOR HOUSING AUTHORITY REVIEW

On January 27, 2025, the Authority conducted a Study Session to provide commentary and receive comments from the public on the annual budget process.

On April 28, 2025, the Authority conducted a study session to review the proposed FY 2025/26 budget and initiatives and FY 2024/25 accomplishments.

## ANALYSIS

The Authority has two operational Divisions- the Santa Rosa Housing Trust (SRHT) and Rental Housing Assistance. Additionally, an Administrative cost center is budgeted in the Housing Authority.

There have been slight changes to the SRHT Division and Rental Assistance Division budgets since the Authority reviewed the draft budget at its April Study Session, which are described below.

### **Administration**

The Administrative cost center is funded by the programs it supports. Each division that utilizes administrative staff and shared resources pays a portion of the costs. These costs appear as allocated costs within each program budget and as cost recovery in the Administrative budget.

There have been no changes to the Administrative budget since the April Study Session.

### **Santa Rosa Housing Trust (SRHT)**

The SRHT is funded by multiple sources including Federal and State grants, and local funding generally comprised of compliance fees, impact fees, loan repayments, and a portion of the City's Real Property Transfer Tax. Each funding source has varying levels of restriction, with Federal and State being the most heavily regulated. The three ongoing Federal programs, overseen by the Federal Housing and Urban Development Department (HUD), are Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Housing Opportunities for Persons with AIDS (HOPWA). Each program provides an administrative allowance, none of which covers the cost to administer the funds. The State of California Permanent Local Housing Allocation Grant is a five-year grant for affordable housing development and has no administrative allowance. Local funds must be used to cover administrative costs including salaries, benefits, services and supplies, and allocated costs. Once those costs have been covered and the SRHT reserve policy has been met, remaining local funding is budgeted to loan activity for affordable housing development, production, rehabilitation, and conversion.

### SRHT Division Changes

HUD announced CDBG, HOME, and HOPWA allocations in May 2025. CDBG and HOME revenue decreased 2% and HOPWA increased 1%; services and supplies were reduced slightly and subrecipient funding to the HOPWA services provider increased

since the April Study Session.

**Rental Housing Assistance**

The Rental Housing Assistance Division is funded by HUD and is comprised of two programs: 1) Housing Choice Vouchers (HCV), the longstanding housing voucher program; and 2) Emergency Housing Vouchers (EHV), created in 2021 as part of the American Rescue Plan Act. The Authority receives funding for rental assistance that it passes directly to landlords. HUD allots a per voucher administrative allowance annually for staff to administer the programs. Additionally, Rental Housing Assistance staff manage the HOME-funded tenant-based rental assistance program.

Rental Housing Assistance Division Changes

HUD updated the calendar year 2025 administrative allowance for the HCV and EHV programs and EHV port in client rental assistance increased slightly. The increased administrative allowance revenue was budgeted to services and supplies and EHV rental assistance, since the April Study Session.

**FY 2025/26 Final Budget Summary**

The updated FY 2025/26 total revenue and expenditure budgets, including the changes noted above, is summarized and compared to the adopted FY 2024/25 budget on the tables below and shown in detail in the Staff Report Attachment.

<b>Funding Sources</b>	<b><u>2024/25 Adopted</u></b>	<b><u>2025/26 Proposed</u></b>	<b><u>\$ Change</u></b>
Cost Recovery	1,737,800	1,746,191	8,391
Revenue	47,476,033	52,207,366	4,731,333
Transfers In (City Real Property Transfer Tax)	1,100,000	1,050,000	(50,000)
<b>Subtotal New Funding</b>	<b>50,313,833</b>	<b>55,003,557</b>	<b>4,689,724</b>
Carryover Funding	1,772,179	2,255,093	482,914
<b>Total Funding</b>	<b>52,086,012</b>	<b>57,258,650</b>	<b>5,172,638</b>

<b>Expenditures</b>	<b><u>2024/25 Adopted</u></b>	<b><u>2025/26 Proposed</u></b>	<b><u>\$ Change</u></b>
Administration	1,737,800	1,746,191	8,391
Rental Assistance Program	42,765,584	47,638,224	4,872,640
SRHT Division	7,061,864	7,271,443	209,579
<b>Total Expenditures</b>	<b>51,565,248</b>	<b>56,655,858</b>	<b>5,090,610</b>

### FISCAL IMPACT

The Housing Authority is asked to approve the revenue, transfer, and expenditure budget for FY 2025/26, so staff may receive revenue and transfers funding and expend funds for their intended purposes.

### ENVIRONMENTAL IMPACT

The Housing Authority finds that pursuant to CEQA Guidelines Section 15378, the proposed action is not a “project” subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

### NOTIFICATION

Not applicable.

### ATTACHMENTS

- Attachment 1 - FY 2025/26 Housing Authority Proposed Budget Summary
- Resolution

### PRESENTER

Kate Goldfine, Administrative Services Officer, [kgoldfine@srcity.org](mailto:kgoldfine@srcity.org)