

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Maria Stipe
Dept.: City Manager Dept.: City Manager
Subject: Adoption of a Resolution approving the Date: 6/27/2017
Garden Grove Housing Authority annual
budget for Fiscal Year 2017/18 and
Fiscal Year 2018/19. (*Action Item*)

OBJECTIVE

To request that the City Council hold a Public Hearing on the Authority's proposed annual budget for Fiscal Year 2017/18 and Fiscal Year 2018/19; and adopt a Resolution approving the budget.

BACKGROUND

The Section 8 Rental Assistance Program is a federally funded program through the Department of Housing and Urban Development (HUD) that assists very-low income families, seniors and disabled persons in the payment of the rent on privately owned rental units. Under this program, qualified participants pay a percentage of their adjusted income toward the rent and the Housing Authority pays the balance to the owner utilizing federal funds received from HUD. The rental units subsidized under the program are inspected annually to ensure that they are decent, safe, and sanitary and have no building code violations. The Authority ensures that the total monthly rent is comparable to rents being paid on similar non-subsidized units, and owners are encouraged to improve their properties to make them eligible for an annual rent increase.

In addition, as part of the dissolution of the Garden Grove Agency in February 2012, the Housing Authority has taken on the "housing assets" of the former Agency. These assets include land purchased with housing set aside funds.

DISCUSSION

The Authority's annual budget for Fiscal Year 2017/18 is estimated at \$31,971,029 and Fiscal Year 2018/19 is estimated at \$32,046,402 which reflects assistance to 2,337 Section 8 families, plus an additional 300 families through Portability, and the operational costs of administering the program. While the Housing Authority is allocated 2,337 vouchers, it is only able to fulfill approximately 2,220 at the current funding level. Additionally, the Housing Authority is receiving approximately 77 percent of its administrative allocation at this time. Staff continues to administer the program with reduced funding but may be required to make additional program adjustments if funding is not restored or is further reduced.

FINANCIAL IMPACT

The Housing Authority receives all funding for the Section 8 Rental Assistance Program from the Department of Housing and Urban Development (HUD). The level of funding is based on annual appropriations approved by Congress. Revenues generated from rentals and housing agreements will be used to administer affordable housing assets.

RECOMMENDATION

It is recommended that the City Council:

- Conduct a Public Hearing on the proposed budget; and
- Adopt the attached Resolution approving the Authority's budget for Fiscal Year 2017/18 and Fiscal Year 2018/19.

By: Danny Huynh, Housing Manager

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
ADOPTING BUDGETS FOR FISCAL YEAR 2017-18 AND FISCAL
YEAR 2018-19

WHEREAS, the Garden Grove Housing Authority has given careful consideration to the adoption of the Budget for Fiscal Year 2017-18 and Fiscal Year 2018-19.

NOW, THEREFORE, BE IT RESOLVED that the Director is hereby authorized to expend in accordance with Section 34200, et seq., of the Health and Safety Code of the State of California on behalf of the Garden Grove Housing Authority an amount of \$31,971,029 for Fiscal Year 2017-18 and \$32,046,402 for Fiscal Year 2018-19 from new appropriations for the planned activities shown below:

<u>Expenditures</u>	FY 2017-18	FY 2018-19
Administration	\$ 2,992,484	\$ 3,063,988
Property Management	277,301	281,170
Housing Assistance Payments	<u>28,701,244</u>	<u>28,701,244</u>
TOTAL EXPENDITURES	\$ 31,971,029	\$ 32,046,402

BE IT FURTHER RESOLVED by the Garden Grove Housing Authority that the total of \$31,971,029 for Fiscal Year 2017-18 and \$32,046,402 for Fiscal Year 2018-19 which the Director is authorized to expend in accordance with the Laws of the State of California shall be appropriated from the following funds for the Fiscal Year 2017-18 and Fiscal Year 2018-19.

<u>Funding</u>	FY 2017-18	FY 2018-19
Low/Mod Housing Agency	\$ 240,301	\$ 244,170
Housing Authority	31,693,728	31,765,232
Housing Authority - Civic Center Prop.	<u>37,000</u>	<u>37,000</u>
TOTAL FUNDING	\$ 31,971,029	\$ 32,046,402

**FISCAL YEAR 2017-18
AND
FISCAL YEAR 2018-19
PROPOSED BUDGET**

HOUSING AUTHORITY BUDGET

CITY OF GARDEN GROVE

HOUSING AUTHORITY
FY 2017-18 AND FY 2018-19
PROPOSED BUDGET

Program Descriptions	FY 2017-18	FY 2018-19
City Administration	\$ 402,526	\$ 416,860
Property Management	\$ 277,301	281,170
Vouchers Program	31,169,300	31,223,102
Family Self-Sufficiency Program	<u>121,902</u>	<u>125,270</u>
TOTAL	<u>\$ 31,971,029</u>	<u>\$ 32,046,402</u>

**HOUSING AUTHORITY PROPOSED BUDGET
FY 2017-18 AND FY 2018-19**

Housing Assistance Grant	FY 2017-18	FY 2018-19	Funding Source
Activity:			
Council/Commission			
0010 City Council	\$ 8,037	\$ 8,037	Housing Authority
City Management			
0020 Management	92,814	95,380	Housing Authority
0021 Operations	<u>35,688</u>	<u>36,670</u>	Housing Authority
Subtotal	128,502	132,050	
Support Services			
0053 Graphics/Reprographics	500	500	Housing Authority
Community Services			
0042 Election/Voter Asst.	0	7,248	Housing Authority
Intergovernmental Coordination			
0023 Research/Legislation	61,811	63,520	Housing Authority
Real Property			
0030 Real Property	133,117	133,117	Housing Authority
2535 Civic Center Property Mgmt	<u>37,000</u>	<u>37,000</u>	Civic Center Properties
Subtotal	170,117	170,117	
Fiscal Services			
1020 General Accounting	49,282	50,640	Housing Authority
1021 Financial Planning	<u>21,277</u>	<u>21,748</u>	Housing Authority
Subtotal	70,559	72,388	
Community Improvement			
2701 Set Aside Admin	190,301	194,170	Low/Mod Housing Agency
Housing Authority			
4102 Housing Administration	2,468,056	2,521,858	Housing Authority
4103 Family Self-Sufficiency	121,902	125,270	Housing Authority
4104 Housing - Vouchers/HAP	25,101,244	25,101,244	Housing Authority
4107 Housing - HAP Portability	<u>3,600,000</u>	<u>3,600,000</u>	Housing Authority
Subtotal	31,291,202	31,348,372	
Successor Agency Project			
2503 Agency Real Property	50,000	50,000	Low/Mod Housing Agency
Total Program	<u>\$ 31,971,029</u>	<u>\$ 32,046,402</u>	