

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: 6/25/2019
Garden Grove Housing Authority Annual
budget for Fiscal Year 2019-20 and
Fiscal Year 2020-21. (*Action Item*)

OBJECTIVE

To request that the Housing Authority and City Council hold a Public Hearing on the Authority's proposed annual budget for Fiscal Year 2019-20 and Fiscal Year 2020-21; 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 2019-20 is estimated at \$35,794,529 and Fiscal Year 2020-21 is estimated at \$35,974,742 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 79% 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 Housing Authority and City Council:

- Conduct a Public Hearing on the proposed budget; and
- Adopt the attached Resolution approving the Authority's budget for Fiscal Year 2019-20 and Fiscal Year 2020-21.

By: Danny Huynh, Housing Manager

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
ADOPTING THE GARDEN GROVE HOUSING AUTHORITY BUDGET FOR FISCAL YEAR
2019-20 AND FISCAL YEAR 2020-21

WHEREAS, the Garden Grove City Council has given careful consideration to the adoption of the Garden Grove Housing budget for Fiscal Year 2019-20 and Fiscal Year 2020-21.

NOW, THEREFORE, BE IT RESOLVED that the Director of the Garden Grove Housing Authority 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 \$35,794,529 for Fiscal Year 2019-20 and \$35,974,742 for Fiscal Year 2020-21 from new appropriations for the planned activities shown below:

<u>Expenditures</u>	FY 2019-20	FY 2020-21
Administration	\$ 2,949,106	\$ 3,115,019
Property Management	142,890	147,120
Family Self-Sufficiency Program	133,070	143,140
Housing Assistance Payments	<u>32,569,463</u>	<u>32,569,463</u>
TOTAL EXPENDITURES	\$ 35,794,529	\$ 35,974,742

BE IT FURTHER RESOLVED by the Garden Grove City Council that the total of \$35,794,529 for Fiscal Year 2019-20 and \$35,974,742 for Fiscal Year 2020-21 which the Director of the Garden Grove Housing Authority 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 2019-20 and Fiscal Year 2020-21:

<u>Funding</u>	FY 2019-20	FY 2020-21
Low/Mod Housing Agency (507)	\$ 105,890	\$ 110,120
Housing Authority-Sec 8 Admin (508)	3,082,176	3,258,159
Housing Authority (509)	32,569,463	32,569,463
Housing Authority – Civic Center Prop. (510)	<u>37,000</u>	<u>37,000</u>
TOTAL FUNDING	\$ 35,794,529	\$ 35,974,742

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Garden Grove approves the above mentioned Garden Grove Housing Authority budget for Fiscal Year 2019-20 and Fiscal Year 2020-21.

FISCAL YEAR 2019-20
AND
FISCAL YEAR 2020-21

PROPOSED BUDGET

HOUSING AUTHORITY

CITY OF GARDEN GROVE

HOUSING AUTHORITY
FY 2019-20 and FY 2020-21
PROPOSED BUDGET

Program Descriptions	FY 2019-20	FY 2020-21
City Administration	\$ 2,949,106	\$ 3,115,019
Property Management	142,890	147,120
Family Self-Sufficiency Program	133,070	143,140
Vouchers Program	<u>32,569,463</u>	<u>32,569,463</u>
TOTAL	<u>\$ 35,794,529</u>	<u>\$ 35,974,742</u>

HOUSING AUTHORITY PROPOSED BUDGET
FY 2019-20 & FY 2020-21

Housing Assistance Grant		Propoosed FY 2019-20	Proposed FY 2020-21	Funding Source
Activity:				
Council/Commission				
0010	City Council	\$ 5,795	\$ 5,795	Housing Authority
City Management				
0020	Management	113,730	122,340	Housing Authority
0021	Operations	20,210	21,740	Housing Authority
0023	Research/Legislation	32,050	34,480	Housing Authority
0040	City Clerk	7,820	8,410	Housing Authority
0042	Elect/Voter Assist	-	7,137	
	Subtotal	<u>173,810</u>	<u>194,107</u>	
Real Property				
0030	Real Property	133,117	133,117	Housing Authority
2535	Civic Center Property Mgmt	37,000	37,000	Civic Center Properties
	Subtotal	<u>170,117</u>	<u>170,117</u>	
Fiscal Services				
1010	Budget/Special Proj	4,820	5,180	
1020	General Accounting	55,790	60,010	Housing Authority
1021	Financial Planning	39,365	42,317	Housing Authority
	Subtotal	<u>99,975</u>	<u>107,507</u>	
Community Improvement				
2701	Set Aside Admin	105,890	110,120	Low/Mod Housing Agency
Housing Authority				
4102	Housing Administration	2,536,409	2,674,493	Housing Authority
4103	Family Self-Sufficiency	133,070	143,140	Housing Authority
4104	Housing - Vouchers/HAP	28,569,463	28,569,463	Housing Authority
4107	Housing - HAP Portability	4,000,000	4,000,000	Housing Authority
	Subtotal	<u>35,238,942</u>	<u>35,387,096</u>	
Total Program		<u>\$ 35,794,529</u>	<u>\$ 35,974,742</u>	