

## 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 Garden Grove Housing Authority Annual Budget for Fiscal Year 2016-17. ( <i>Action Item</i> )	Date:	6/28/2016

OBJECTIVE

To request that the City Council hold a Public Hearing on the Authority's proposed annual budget for Fiscal Year 2016-17; 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, several homes that are being rented to low-moderate income households, and several affordable housing agreements. Revenues from these rentals and housing agreements will be used for the maintenance of those units.

DISCUSSION

The Authority's annual budget is estimated at \$31,899,735, 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 2,300 at the current funding level. Additionally, the Housing Authority is receiving approximately 80% 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 2016-17

By: Danny Huynh, Housing Manager

FISCAL YEAR 2016-17

PROPOSED BUDGET

HOUSING AUTHORITY BUDGET

CITY OF GARDEN GROVE

FY 2016-17  
PROPOSED HOUSING AUTHORITY BUDGET  
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HOUSING AUTHORITY

FY 2016-17

PROPOSED BUDGET

<u>Program Descriptions</u>	<u>Amount</u>
City Administration	\$ 411,127
Property Management	287,000
Vouchers Program	31,084,918
Family Self-Sufficiency Program	<u>116,690</u>
TOTAL	<u>\$ 31,899,735</u>

HOUSING AUTHORITY PROPOSED BUDGET  
FY 2016-17

Housing Assistance Grant	16-17 Proposed Budget	Funding Source
Activity:		
Council/Commission		
0010    City Council	\$      4,802	Housing Authority
City Management		
0020    Management	90,092	Housing Authority
0021    Operations	40,091	Housing Authority
Subtotal	<u>130,183</u>	
Support Services		
0053    Reprographics	500	Housing Authority
Community Services		
0042    Election/Voter Asst.	10,200	Housing Authority
Intergovernmental Coordination		
0023    Research/Legislation	61,176	Housing Authority
Real Property		
0030    Real Property	134,028	Housing Authority
2535    Civic Center Property Mgmt.	37,000	Housing Authority - Civic Center Properties
Subtotal	<u>171,028</u>	
Information Systems		
9983    Information Systems	2,574	Housing Authority
Fiscal Services		
1020    General Accounting	46,291	Housing Authority
1021    Financial Planning	21,373	Housing Authority
Subtotal	<u>67,664</u>	
Community Improvement		
2701    Set Aside Administration	200,000	Low/Mod Housing Agency
Housing Authority		
4102    Housing Administration	2,383,674	Housing Authority
4103    Family Self-Sufficiency	116,690	Housing Authority
4104    Housing - Vouchers/HAP	25,101,244	Housing Authority
4107    Housing - HAP Portability	3,600,000	Housing Authority
Subtotal	<u>31,201,608</u>	
Successor Agency Project		
2503    Agency Real Property	50,000	Low/Mod Housing Agency
Total Program	<u>\$ 31,899,735</u>	

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE  
ADOPTING AN ANNUAL BUDGET FOR THE GARDEN GROVE HOUSING  
AUTHORITY FOR FISCAL YEAR 2016-17

WHEREAS, the Garden Grove City Council has given careful consideration to the adoption of the Garden Grove Housing Authority budget for Fiscal Year 2016-17.

WHEREAS, the Garden Grove City Council resolves that the Director of the Garden Grove Housing Authority is 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 \$31,899,735 from new appropriations and reserved fund balances for the planned activities shown below:

Expenditures

Administration	\$ 2,911,491
Property Management	287,000
Housing Assistance Payments	<u>28,701,244</u>
TOTAL EXPENDITURES	<u>\$31,899,735</u>

WHEREAS, the Garden Grove City Council further resolves that the total of \$31,899,735 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 special funds of the Housing Authority for the Fiscal Year 2016-17.

Funding

Low/Mod Housing Agency	\$ 250,000
Housing Authority	31,612,735
Housing Authority - Civic Center Prop.	<u>37,000</u>
TOTAL FUNDING	<u>\$31,899,735</u>

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Garden Grove approves the above mentioned appropriations and expenditures as the Annual 2016-17 Garden Grove Housing Authority budget.