

REQUEST FOR COUNCIL ACTION



CITY COUNCIL MEETING DATE:

JUNE 19, 2018

TITLE:

**APPROVE APPROPRIATION
ADJUSTMENT - HOUSING CHOICE
VOUCHER PROGRAM AND HOME
INVESTMENT PARTNERSHIPS PROGRAM
{STRATEGIC PLAN NOS. 4, 1; 5, 3}**

CITY MANAGER

CLERK OF COUNCIL USE ONLY:

APPROVED

- ☐ As Recommended
- ☐ As Amended
- ☐ Ordinance on 1st Reading
- ☐ Ordinance on 2nd Reading
- ☐ Implementing Resolution
- ☐ Set Public Hearing For _____

CONTINUED TO _____

FILE NUMBER _____

RECOMMENDED ACTION

1. Approve an appropriation adjustment recognizing additional Housing Choice Voucher Program funds in the amount of \$2,771,060 in revenue account (nos. 13618002-52000 and 13718002-52000) and appropriating the same amount to expenditure accounts (nos. 13618760-various and 13718760-various).
2. Approve an appropriation adjustment recognizing additional HOME Investment Partnerships Program funds in the amount of \$6,083 in revenue account (no. 13018002-52000) and appropriate same to reserve appropriation account (no. 13018780-69011).

DISCUSSION

The Consolidated Appropriations Act, 2017 ("2017 Act") was signed by the President of the United States on May 5, 2017 to authorize the funding for the federal government for the remainder of fiscal year 2017. This bill made funds available to the United States Department of Housing and Urban Development (HUD) for a variety of programs including the Housing Choice Voucher (HCV) program and the HOME Investment Partnerships Program (HOME). The 2017 Act also established the allocation methodology for calculating housing assistance payments (HAP) renewal funds, new incremental vouchers and administrative fees, based on validated information from the Voucher Management System for the prior calendar year.

The Housing Authority of the City of Santa Ana administers the HCV program as one of four public housing agencies in the county. During the preparation of the Fiscal Year (FY) 2017-18 budget, information regarding the actual allocations of the HAP funds and administrative fees were not available from HUD. A conservative budget approach was utilized and the estimated HAP funds to be received for the period of July through December 2017 was budgeted at \$13.6 million, which was lower than the \$15 million amount actually received from HUD. Furthermore, HUD recently announced funding provisions for the HCV program for the period of January through June 2018 based on the enactment of the Consolidated Appropriations Act, 2018 ("2018

Act"). Pursuant to the 2017 Act and 2018 Act, the Housing Authority will receive and expend housing assistance payment funds for voucher holders who transfer or "port" their rental subsidy when they move from Santa Ana to a different jurisdiction in excess of the estimated FY 2017-18 budget. The appropriation adjustment will align the City's FY 2017-18 budget more closely with HUD's calendar year allocation methodology.

The HOME program is the largest federal grant program designed to create housing for low-income households. Santa Ana uses the funds for a variety of loan programs to enhance existing housing stock through rehabilitation, down payment assistance for first time homebuyers, and to assist in the development of new affordable housing units. In FY 2016-17, the City was allocated \$1,145,144 in HOME funds but the total amount appropriated as part of the adopted City budget for that year was \$1,139,061. The difference of \$6,083 was never recognized for appropriation into the City budget in the prior fiscal year. The appropriation adjustment will adjust the HOME program's budget in the City's financial system to match HUD's federal grant system budget.

STRATEGIC PLAN ALIGNMENT

Approval of these items assists the City in meeting Goal # 4 – City Financial Stability, Objective #1 (Maintain a stable, efficient and transparent financial environment) and Goal #5 – Community Health, Livability, Engagement & Sustainability, Objective #3 (Facilitate diverse housing opportunities and support efforts to preserve and improve the livability of Santa Ana neighborhoods).

FISCAL IMPACT

Approval of the HCV Program appropriation adjustment will recognize \$2,771,060 in revenue account (nos. 13618002-52000 and 13718002-52000) and increase the FY 2017-18 expenditure accounts as follows:

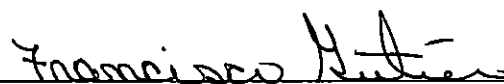
<u>Account Number</u>	<u>Program</u>	<u>Amount</u>
13618760-69158	HCV HAP	\$ 500,855
13618760-69159	HAP-FSS Escrow	41,490
13618760-69162	Port Out HAP	2,101,200
13718760-69162	NED Port Out HAP	127,515
	TOTAL:	\$ 2,771,060

Approval of the HOME Program appropriation adjustment will recognize \$6,083 in revenue account (no. 13018002-52000) and increase the FY 2017-18 reserve appropriation account (no. 13018780-69011) by the same amount.

APPROVED AS TO FUNDS AND ACCOUNT:



Steven A. Mendoza
Executive Director
Community Development Agency



Francisco Gutierrez
Executive Director
Finance and Management Services Agency

AM 130 chg
AM 136/137