

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Matthew J. Fertal	From:	Susan Emery	
Dept:	City Manager	Dept:	Community Development	
Subject:	ADOPTION OF A RESOLUTION APPROVING THE FISCAL YEAR 2014-15 BUDGET FOR THE GARDEN GROVE HOUSING AUTHORITY; AND RECEIVE AND FILE THE FISCAL YEAR 2013-14 GARDEN GROVE HOUSING AUTHORITY ANNUAL REPORT (PUBLIC HEARING)		Date:	June 24, 2014

**OBJECTIVE**

To request that the City Council conduct a Public Hearing on the Garden Grove Housing Authority's proposed Fiscal Year 2014-15 budget; adopt a Resolution approving the budget; and receive and file the Fiscal Year 2013-14 annual report for the Garden Grove Housing Authority.

**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 \$31,975,885, which reflects assistance to 2,337 Section 8 families, plus an additional 300 families through Portability, and the operational costs of administering the program.

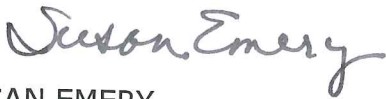
FISCAL IMPACT

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.

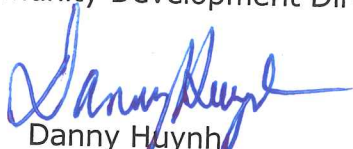
RECOMMENDATION

It is recommended that the City Council:

- Receive and file the Housing Authority Fiscal Year 2013-14 annual report;
- Conduct a Public Hearing on the proposed budget for Fiscal Year 2014-15; and
- Adopt the attached Resolution approving the Authority's budget for Fiscal Year 2014-15



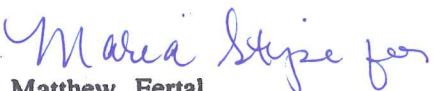
SUSAN EMERY  
Community Development Director



By: Danny Huynh  
Housing Authority Manager

Attachment 1: Housing Authority Annual Budget for Fiscal Year 2014-15  
Attachment 2: Resolution

**Recommended for Approval**



**Matthew Fertal**  
City Manager

FISCAL YEAR 2014-15

PROPOSED BUDGET

HOUSING AUTHORITY BUDGET

CITY OF GARDEN GROVE

FY 2014-15  
PROPOSED HOUSING AUTHORITY BUDGET  
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HOUSING AUTHORITY

FY 2014-15

PROPOSED BUDGET

<u>Program Descriptions</u>	<u>Amount</u>
City Administration	\$ 290,142
Property Management	90,000
Vouchers Program	31,485,177
Family Self-Sufficiency Program	<u>110,566</u>
TOTAL	<u><u>\$ 31,975,885</u></u>

HOUSING AUTHORITY PROPOSED BUDGET  
FY 2014-15

Housing Assistance Grant	14-15 Proposed Budget	Funding Source
Activity:		
Council/Commission		
0010    City Council	\$    3,035	Housing Authority
City Management		
0021    Operations	6,106	Housing Authority
Support Services		
0053    Reprographics	500	Housing Authority
Fiscal Services		
1020    General Accounting	51,674	Housing Authority
1021    Financial Planning	<u>12,300</u>	Housing Authority
Subtotal	63,974	
Community Development Operations		
2000    Community Dev. Management	216,527	Housing Authority
Housing Authority		
2535    Civic Center Property Mgmt.	90,000	Housing Authority - Civic Center Properties
4102    Housing Administration	2,776,779	Housing Authority
4103    Family Self-Sufficiency	110,566	Housing Authority
4104    Housing - Vouchers/HAP	25,108,398	Housing Authority
4107    Housing - HAP Portability	<u>3,600,000</u>	Housing Authority
Subtotal	31,595,743	
Total Program	<u>\$ 31,975,885</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 2014-15

WHEREAS, the Garden Grove City Council has given careful consideration to the adoption of the Garden Grove Housing Authority budget for Fiscal Year 2014-15.

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 \$31,975,885 from new appropriations and reserved fund balances for the planned activities shown below:

Expenditures

Administration	\$ 3,177,487
Property Management	90,000
Housing Assistance Payments	<u>28,708,398</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$31,975,885</u></b>

WHEREAS, the Garden Grove City Council further resolves that the total of \$31,975,885 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 2014-15.

Funding

Housing Authority	\$ 31,885,885
Housing Authority – Civic Center Prop.	<u>90,000</u>
<b>TOTAL FUNDING</b>	<b><u>\$31,975,885</u></b>

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 2014-15 Garden Grove Housing Authority budget.