

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Matthew Fertal	From:	Susan Emery
Dept:	City Manager	Dept:	Community Development
Subject:	GARDEN GROVE HOUSING AUTHORITY ANNUAL BUDGET FOR FISCAL YEAR 2012-13	Date:	June 26, 2012

OBJECTIVE

To request that the City Council review the attached annual budget for Fiscal Year 2012-13.

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 upkeep of those units.

DISCUSSION

The Authority's annual budget is estimated at \$31,921,143, which reflects assistance to 2,337 Section 8 families and the operational costs of administering assets.

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:

- Adopt the attached Resolution approving the Authority's budget for Fiscal Year 2012-13


SUSAN EMERY
Community Development Director


By: Danny Huynh
Housing Authority Manager

Attachment 1: Housing Authority Annual Budget for Fiscal Year 2012-13
Attachment 2: Resolution

Approved for Agenda Listing


Matthew Ferial
City Manager

FISCAL YEAR 2012-13

PROPOSED BUDGET

HOUSING AUTHORITY BUDGET

CITY OF GARDEN GROVE

FY 2012-13
PROPOSED HOUSING AUTHORITY BUDGET
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HOUSING AUTHORITY

DESCRIPTION AND OBJECTIVES

PROGRAM DESCRIPTION

The Garden Grove Housing Authority provides Section 8 rental assistance to 2,337 very-low income households. The program is funded by federal grants through the Department of Housing and Urban Development. Qualified families are issued a voucher, which can be used in the privately owned rental unit, provided the unit meets Housing Quality Standards for health and safety. The rental subsidy is based on the tenant's income and family size. The Authority also administers a Family Self-Sufficiency Program, which assists housing participants to achieve economic self-sufficiency through education, training and employment.

The Garden Grove Housing Authority also administers the assets of the former Garden Grove Agency for Community Development, including vacant land, low and moderate-income rental properties, and affordable housing agreements for various projects throughout the city.

FISCAL YEAR 2012-2013 PROGRAM OBJECTIVES

1. Provide monthly rental subsidies for 2,337 very-low income families.
2. Conduct initial and annual inspections to ensure subsidized units are meeting the Housing Quality Standards.
3. Continue to implement the Family Self-Sufficiency Program to help housing tenants toward economic self-sufficiency.
4. Provide outreach activities to tenants, landlords, and other agencies.
5. Continue to monitor and maintain properties in the Civic Center area.
6. Monitor affordable housing agreements of the former Agency for Community Development.

HOUSING AUTHORITY

FY 2012-13

PROPOSED BUDGET

<u>Program Descriptions</u>	<u>Amount</u>
City Administration	\$ 280,085
Property Management	430,000
Vouchers Program	31,115,871
Family Self-Sufficiency Program	<u>95,187</u>
TOTAL	<u><u>\$ 31,921,143</u></u>

HOUSING AUTHORITY PROPOSED BUDGET
FY 2012-13

Housing Assistance Grant	12-13 Proposed Budget	Funding Source
Activity:		
Council/Commission		
0010 City Council	\$ 3,299	Housing Authority
City Management		
0021 Operations	5,835	Housing Authority
Support Services		
0053 Reprographics	500	Housing Authority
Fiscal Services		
1020 General Accounting	40,546	Housing Authority
1021 Financial Planning	<u>11,915</u>	Housing Authority
Subtotal	52,461	
Community Development Operations		
2000 Community Dev. Management	217,990	Housing Authority
Housing Authority		
2535 Civic Center Property Mgmt.	230,000	Housing Authority/ Civic Center Properties
2536 Low Mod. Housing	<u>200,000</u>	Low/Mod Housing/Agency
Subtotal	430,000	
4102 Housing Administration	2,672,054	Housing Authority
4103 Family Self-Sufficiency	95,187	Housing Authority
4104 Housing - Vouchers/HAP	25,443,817	Housing Authority
4107 Housing - HAP Portability	<u>3,000,000</u>	Housing Authority
Subtotal	31,211,058	
Total Program	<u><u>\$ 31,921,143</u></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 2012-13

WHEREAS, the Garden Grove City Council has given careful consideration to the adoption of the Garden Grove Housing Authority budget for Fiscal Year 2012-13.

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 \$31,921,143 from new appropriations and reserved fund balances for the planned activities shown below:

Expenditures

Administration	\$ 3,047,326
Property Management	430,000
Housing Assistance Payments	<u>28,443,817</u>
 TOTAL EXPENDITURES	 <u>\$31,921,143</u>

WHEREAS, the Garden Grove City Council further resolves that the total of \$31,921,143 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 fund of the Housing Authority for the Fiscal Year 2012-13.

Funding

Low/Mod Housing Agency	\$ 200,000
Housing Authority	31,491,143
Housing Authority – Civic Center Prop.	<u>230,000</u>
 TOTAL FUNDING	 <u>\$31,921,143</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 2012-13 Garden Grove Housing Authority budget.