

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

|          |  |       |                       |
|----------|--|-------|-----------------------|
| To:      | Matthew Fertal   | From: | Susan Emery           |
| Dept:    | Director   | Dept: | Community Development |
| Subject: | GARDEN GROVE HOUSING<br>AUTHORITY ANNUAL BUDGET<br>FOR FISCAL YEAR 2012-13 | Date: | June 26, 2012         |

OBJECTIVE

To request that the Housing Commission 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 to 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.

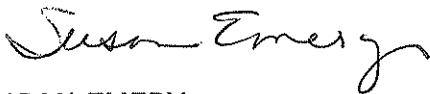
FISCAL IMPACT

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.

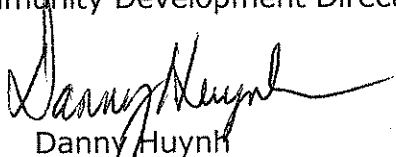
RECOMMENDATION

It is recommended that the Housing Commission:

- 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 Feral  
Director

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<br>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/<br>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 HOUSING AUTHORITY

## RESOLUTION NO.

A RESOLUTION OF THE GARDEN GROVE HOUSING AUTHORITY  
ADOPTING AN ANNUAL BUDGET FOR FISCAL YEAR 2012-13

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

NOW, THEREFORE, BE IT RESOLVED that the Director 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 \$31,921,143 from new appropriations for the planned activities shown below:

Expenditures

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

BE IT FURTHER RESOLVED by the Garden Grove Housing Authority that the total of \$31,921,143 which the Director 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 2012-13.

Funding

|  |                             |
|--|-----------------------------|
| Low/Mod Housing Agency                 | \$ 200,000                  |
| Housing Authority                      | 31,491,143                  |
| Housing Authority – Civic Center Prop. | <u>230,000</u>              |
| <b>TOTAL FUNDING</b>                   | <b><u>\$ 31,921,143</u></b> |

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