

Housing Authority of the County of Stanislaus

...also serving Alpine ▪ Amador ▪ Calaveras ▪ Inyo ▪ Mariposa ▪ Mono ▪ Tuolumne Counties.

To: Board of Commissioners
From: Barbara S. Kauss, Executive Director
Date: September 14, 2017
Subject: Action Item: Proposed Budget HUD Project Based Section 8
Valley Manor Apartments in Newman

Prepared By: Linh Luong, Director of Finance

Resolution No. 16-17-26

RECOMMENDATION:

After review and discussion, staff recommends the Board of Commissioners adopt the attached resolution approving the United States Department of Housing & Urban Development (HUD) Project Based Section 8 Valley Manor Operating Budgets for Fiscal Year 2017-2018.

SUMMARY:

Valley Manor is a 48 unit project based Section 8 project located in Newman. Attached is the proposed 2017-2018 Valley Manor Operating Budget. The proposal shows next year's estimated expenses along with a comparison of last year's operating budget.

The total revenue for the 2017-2018 fiscal year is decreased by \$2,637 or .72% due to decreases in rental income and other receipts, and offset by an increase in interest income. The decrease in rental income is due to a rent reduction from HUD which took effect in January 2017. The decrease in operating expenses for the 2017-2018 budget is \$675 or .19%. The decrease in expenses is due to a decrease in maintenance materials, and offset by increases in temporary maintenance staff salary, payroll taxes and insurance. The Valley Manor project was acquired in July 2004 and will require additional rehabilitation work over the next few years. Staff anticipates the work on the interior of the units can be accomplished as unit turnover. This budget has \$2,063 projected to go to reserve.

ATTACHMENTS:

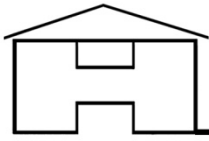
1. Proposed fiscal year 2017-2018 Valley Manor operating budget
2. Proposed rental income
3. Resolution 16-17-26

**VALLEY MANOR PROJECT
BUDGET COMPARISON
2017 VS. 2018**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. %	COMMENTS
		2016-2017 V. MANOR	2017-2018 V. MANOR	BUDGET DIFF.		
	OPERATING RECEIPTS					
1	DWELLING RENTALS	353785	350938	-2847	-0.80%	Decrease due to the rent reduction from HUD in January 2017
2	INTEREST	780	2020	1240	158.97%	Increase due to increase in interest rate and reserve
3	OTHER RECEIPTS	10080	9050	-1030	-10.22%	Lower tenant charges in the prior 12 months of operation
4	TOTAL OPERATING REC.	364645	362008	-2637	-0.72%	
5	TOTAL RECEIPTS	364645	362008	-2637	-0.72%	
	OPERATING EXPENDITURES					
6	ADMINISTRATION:					
7	SALARIES	15600	15600	0	0.00%	
8	FRINGE BENEFITS	1550	1550	0	0.00%	
9	OTHER ADMIN. EXP.	9010	9010	0	0.00%	
10	MANAGEMENT FEES	38880	38880	0	0.00%	
11	TOTAL ADMIN. EXP.	65040	65040	0	0.00%	
	UTILITIES:					
12	UTILITIES	52980	52980	0	0.00%	
13	TOTAL UTILITIES EXP.	52980	52980	0	0.00%	
	ORDINARY MAINTENANCE:					
13	LABOR	23400	25345	1945	8.31%	Increase in rate for parttime maintenance staff to HUD required maintenance wage rate.
14	FRINGE BENEFITS	2140	2290	150	7.01%	Increase in payroll taxes due to increase in maintenance salary
15	MATERIALS	33600	29700	-3900	-11.61%	Decrease in plumbing and building materials expense
16	CONTRACT COSTS	44130	44130	0	0.00%	
17	TOTAL ORDINARY MAINT.	103270	101465	-1805	-1.75%	
	GENERAL EXPENSE:					
18	INSURANCE	11600	12730	1130	9.74%	Increase in Workers Compensation insurance due to increase in rate and maintenance salary
19	COLLECTION LOSSES	0	0	0	0.00%	
19	PAYMENTS ON NOTES	118000	118000	0	0.00%	
20	TOTAL GENERAL EXPENSES	129600	130730	1130	0.87%	
	TOTAL ROUTINE EXPENSES	350890	350215	-675	-0.19%	
	NONROUTINE MAINTENANCE:					
21	EXTRAORDINARY MAINT.	0	0	0	0.00%	
	CAPITAL EXPENDITURES					
22	REPLACEMENT EQUIPMENT	0	0	0	0.00%	
23	PROPERTY BETTERMENTS	0	0	0	0.00%	
24	TOTAL CAPITAL EXPEND.	0	0	0	0.00%	
25	CONTINGENCY	9730	9730	0	0.00%	
26	TOTAL EXPENDITURES	360620	359945	-675	-0.19%	
27	GAIN OR LOSS	4025	2063			

DWELLING RENT
 VALLEY MANOR PROJECT
 FISCAL YEAR 10/1/2017 TO 9/30/2018

# OF UNITS	BEDROOM SIZE	2016			2017			NEW ANNUAL RENT	2016 MARKET RATE	% OF MARKET RATE	
		3 Oct-Dec 2016	9 Jan-Sept 2017	12 ANNUAL RENT	3 1.000 Oct-Dec 2017	9 1.000 Jan-Sept 2018	12 PROPOSED RENT				
8	1	\$608	\$589	\$57,000	\$589	\$589	\$56,544	\$717	82.15%		
32	2	\$666	\$645	\$249,696	\$645	\$645	\$247,680	\$936	68.91%		
7	3	\$801	\$776	\$65,709	\$776	\$776	\$65,184	\$1,337	58.04%		
47											
TOTAL RENT				\$372,405	TOTAL RENT				\$369,408		
VACANY LOSS 5.0%				\$18,620	VACANY LOSS 5.0%				\$18,470		
NET RENT				\$353,785	NET RENT				\$350,938		



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RESOLUTION NO. 16-17-26

RESOLUTION APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS VALLEY MANOR OPERATING BUDGET FOR FISCAL YEAR 2017/2018

WHEREAS, the Housing Authority of the County of Stanislaus is administering and will continue to administer Valley Manor project; and

WHEREAS, it is necessary in the operation of said program that Valley Manor Operating Budget, therefore, be approved and adopted; and

WHEREAS, the budget has been prepared for said project.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Housing Authority of the County of Stanislaus, that

1. That proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low income families.
2. That the financial plan is reasonable in that:
 - a. It indicates a source of funding adequate to cover all proposed expenditures.
 - b. It does not provide for funding in excess of income.
3. That all proposed charges and expenditures will be consistent with provisions of law and the Annual Contributions Contract.
4. That the Valley Manor Operating Budget as herein designated be, and the same is hereby ratified, confirmed and approved.
5. That said Valley Manor Operating Budget is filed in the office of the Housing Authority of the County of Stanislaus and is more particularly identified as follows:

<u>TERM</u>	<u>PROGRAM</u>	<u>AMOUNT</u>
10/1/2017 thru 9/30/2018	Valley Manor	\$359,945

DULY AND REGULARLY ADOPTED by the Board of Commissioners of the Housing Authority of the County of Stanislaus this 14th day of September, 2017.

On motion of Commissioner _____, seconded by Commissioner _____, and on the following roll call vote:



AYES:

NAYS:

ABSTAIN:

ABSENT:

Approved: _____
Chairman

Attest: _____
Secretary