

# Housing Authority of the



# City of Riverbank

*Burney Villa Homes • Henrietta F. Rossi Apts. • Fred W. Scheala Apts*

Date: April 27, 2020

To: Board of Commissioners

From: Barbara S. Kauss, Executive Director

Subject: Action Item #1: Proposed Budget HUD Conventional Public Housing

Prepared By: Linh Luong, Director of Finance

Resolution No. 19-20-01

## **RECOMMENDATION**

Staff recommends the Commission adopt the attached resolution approving the United States Department of Housing & Urban Development (HUD) Conventional Public Housing operating budget for fiscal year 2020-2021.

## **SUMMARY**

The 2020-2021 Fiscal Year Budget was prepared with the following assumptions:

1. The projected interest rate for investment returns is 1.3% for fiscal year 2020-2021.
2. The inflation factor used in estimating the budget proposal is 4%.
3. Utilities – There is a proposed 10% in electric, gas and 5% in garbage.
4. The annual management fee expense paid to the Housing Authority of the County of Stanislaus (HACS) is \$99,816, per service agreement approved resolution 720 on June 13, 2017.

The following are recaps of the Authority's proposed budget for the Fiscal Year 2020-2021 as compared to the 2019-2020 budget:

The projected Operating Fund Subsidy for the 2020- 2021 fiscal year is \$90,170. Staff estimated that HUD will fund 82% of the calculated subsidy amount. This estimated subsidy is subject to HUD approval. The actual subsidy amount will be calculated later in the year and will apply for the calendar year 2021.

The total revenue decreased by \$6,450 or 1.48% is due to the decrease in interest, other revenue and offset by an increase in rental income. The total expenditures increased by \$13,570 or 1.97% is due to increases in utilities expense, maintenance expense and general expense. This budget has \$9,324 projected to go to reserve.

## **ATTACHMENTS**

Proposed fiscal year 2020-2021 budget  
Resolution No. 19-20-01

**CONVENTIONAL PUBLIC HOUSING BUDGET  
HOUSING AUTHORITY CITY OF RIVERBANK  
BUDGET COMPARISON  
2020 VS. 2021**

LINE #	ITEM	BUDGET	BUDGET	BUDGET	BUDGET	COMMENTS
		2019-2020	2020-2021	DIFF.	DIFF.	
		90 UNITS	90 UNITS	\$	%	
	<b>OPERATING RECEIPTS</b>					
1	DWELLING RENTALS	\$402,100	\$408,400	\$6,300	1.57%	Calculated based on the current actual rental income with a vacancy allowance of 3%
2	INTEREST	\$30,470	\$18,690	-\$11,780	-38.66%	Decrease is due to decrease in interest rate
3	OTHER RECEIPTS	\$3,680	\$2,710	-\$970	-26.36%	Decrease in number of tenant charges and laundry income
4	TOTAL OPERATING REC.	\$436,250	\$429,800	-\$6,450	-1.48%	
5	<b>TOTAL RECEIPTS</b>	<b>\$436,250</b>	<b>\$429,800</b>	<b>-\$6,450</b>	<b>-1.48%</b>	
	<b>OPERATING EXPENDITURES</b>					
	ADMINISTRATION:					
6	CONTRACTED SALARIES	\$139,810	\$140,660	\$850	0.61%	
7	OTHER ADMIN. EXP.	\$27,540	\$27,540	\$0	0.00%	
8	TOTAL ADMIN. EXP.	\$167,350	\$168,200	\$850	0.51%	
	UTILITIES:					
9	UTILITIES	\$89,420	\$90,540	\$1,120	1.25%	Increase cost in garbage expense
10	TOTAL UTILITIES EXP.	\$89,420	\$90,540	\$1,120	1.25%	
	ORDINARY MAINTENANCE:					
11	CONTRACTED LABOR	\$54,700	\$55,790	\$1,090	1.99%	
12	MATERIALS	\$30,030	\$36,130	\$6,100	20.31%	Increase in hardward supplies, flooring materials and appliances replacement due to end of their useful life
13	CONTRACT COSTS	\$76,060	\$78,090	\$2,030	2.67%	Increase in plumbing contract expenses
14	TOTAL ORDINARY MAINT.	\$160,790	\$170,010	\$9,220	5.73%	
	PROTECTIVE SERVICES :					
15	CONTRACT COSTS	\$1,220	\$1,220	\$0	0.00%	
16	TOTAL SERVICES	\$1,220	\$1,220	\$0	0.00%	
	GENERAL EXPENSE:					
17	INSURANCE	\$29,460	\$28,080	-\$1,380	-4.68%	The decrease is due to decreases in Workers Compensation insurance
18	P.I.L.O.T.	\$31,270	\$31,790	\$520	1.66%	Increase due to increase in rental income
19	CONTRACTED EMPLOYEE BENEFIT CONT.	\$42,540	\$46,780	\$4,240	9.97%	The increase due to increase in payroll taxes and PERS expense
20	COLLECTION LOSSES	\$6,000	\$6,000	\$0	0.00%	
21	OTHER GENERAL EXPENSES	\$0	\$0	\$0	0.00%	
22	TOTAL GENERAL EXPENSES	\$109,270	\$112,650	\$3,380	3.09%	
23	TOTAL ROUTINE EXPENSES	\$528,050	\$542,620	\$14,570	2.76%	
	NONROUTINE MAINTENANCE:					
24	EXTRAORDINARY MAINT.	\$0	\$0	\$0	0.00%	

**CONVENTIONAL PUBLIC HOUSING BUDGET**  
**HOUSING AUTHORITY CITY OF RIVERBANK**  
**BUDGET COMPARISON**  
**2020 VS. 2021**

LINE #	ITEM	BUDGET	BUDGET	BUDGET	BUDGET	COMMENTS
		2019-2020	2020-2021	DIFF.	DIFF.	
		90 UNITS	90 UNITS	\$	%	
25	CAPITAL FUND EXPENSE	\$155,000	\$154,000	-\$1,000	-0.65%	Budgeted for Tree removal, two additional garage bays, Administrative Office Rehabilitation, flooring abatement services, gutters replacement at Burney, kitchen and bathroom upgrade
	CAPITAL EXPENDITURES:					
26	REPLACEMENT EQUIPMENT	\$0	\$0	\$0	0.00%	
27	PROPERTY BETTERMENTS	\$0	\$0	\$0	0.00%	
28	TOTAL CAPITAL EXPEND.	\$0	\$0	\$0	0.00%	
29	CONTINGENCY	\$7,500	\$7,500	\$0	0.00%	
30	<b>TOTAL EXPENDITURES</b>	<b>\$690,550</b>	<b>\$704,120</b>	<b>\$13,570</b>	<b>1.97%</b>	Routine expenses increased by 5.71% and Capital Fund expenses increased by 30.49%
31	GAIN OR LOSS	-\$254,300	-\$274,320	-\$20,020		
32	OPERATING SUBSIDY	\$77,830	\$90,170	\$12,340	15.86%	Projected at 82% funding level and an increase in utilities inflation factor from HUD
33	CAPITAL FUND	\$185,754	\$193,474	\$7,720		Capital Fund Program (CFP) line item 1406 operations
34	NET GAIN OR LOSS	\$9,284	\$9,324	\$40		

# Housing Authority of the



# City of Riverbank

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## RESOLUTION NO. 19-20-01

### RESOLUTION APPROVING THE CONVENTIONAL PUBLIC HOUSING OPERATING BUDGET FOR FISCAL YEAR 2020-2021

**WHEREAS**, the Housing Authority of the City of Riverbank is administering and will continue to administer Conventional Public Housing designated as CA17-1,17-2 and 17-3 and located in the City of Riverbank; and

**WHEREAS**, an operating budget has been prepared for said projects.

**NOW THEREFORE BE IT RESOLVED**, by the Commissioners of the Housing Authority of the City of Riverbank, that;

1. The proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low income families.
2. 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. All proposed charges and expenditures will be consistent with provisions of law and Annual Contributions Contract.
4. That no PHA employee reflected in the Operating Budget is serving in a variety of positions which will exceed a 100% allocation of his/her time.
5. The Conventional Public Housing Operating Budget as herein designated be, and the same is hereby ratified, confirmed and approved.
6. That the Management Agreement with the Housing Authority of the County of Stanislaus is extended for an additional year and that the management fee and asset management fee under the Agreement is \$99,816.00.
7. Said Conventional Public Housing Operating Budget is on file 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>
07/01/2020 through 06/30/2021 \$704,120	Conventional Public Housing	

**DULY AND REGULARLY ADOPTED** by the Board of Commissioners of the Housing Authority of the City of Riverbank this 27th day of April, 2020

On a motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and of the following roll call vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Attest: \_\_\_\_\_  
Secretary

Approved: \_\_\_\_\_  
Chairman