



## Stanislaus Regional Housing Authority

ALPINE | AMADOR | CALAVERAS | INYO | MARIPOSA  
MONO | STANISLAUS | TUOLUMNE COUNTIES

DATE: July 27, 2020  
TO: Board of Commissioners  
FROM: Barbara S. Kauss, Executive Director  
SUBJECT: Action Items #1-3 Proposed Budget HUD Conventional Public Housing, Housing Choice Voucher and Shelter Plus Care for Fiscal Year 2020-2021  
PREPARED BY: Linh Luong, Director of Finance  
RESOLUTION NO. 19-20-28, 19-20-29, 19-20-30

### RECOMMENDATION

After review and discussion, staff recommends the Board of Commissioners adopt the attached resolutions approving the United States Department of Housing & Urban Development (HUD) Conventional Public Housing, Housing Choice Voucher and Shelter Plus Care operating budgets for fiscal year 2020-2021.

### SUMMARY

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

1. The interest rate for investment returns for all programs is .9% for fiscal year 2020-2021.
2. The inflation factor used in estimating the budget proposal is 4%.
3. Fringe Benefits - PERS retirement expense estimate is 12.4%.
4. Insurance – The rate for Workers' Compensation, property and liability decrease for 2020-2021 fiscal year.
5. Utilities – The rate increase for water of 19%, 10% in sewer and 10% in electric.
6. Employee benefits included employee wellness program.

The following are recaps of the Authority's proposed budgets for the Fiscal Year 2020-2021 as compared to the 2010-2020 budgets.



**CONVENTIONAL PUBLIC HOUSING AMP#1 (CA26-5, 6A, 6B & 8) NEWMAN, PATTERSON & WESTLEY), 66 Units**

Asset Management Project #1 consists of only 66 units. HUD's required asset based management standard of separating Public Housing properties in terms of budget makes it difficult for this AMP to achieve any economy of scale. Please note that over all Public Housing properties have reserve based funding.

Operating Funding Subsidy – the projected Operating Fund Subsidy for the 2020-2021 fiscal year is \$151,430. Staff estimated that HUD will fund 83% 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 increased by \$41,540 or 10.84% due to increases in rental income and offset by a decrease interest income. The total expenditures increased by \$40,331 or 7.19%. This is due to the increase in administrative expense, utilities expense, maintenance expense and general expense. This budget is projected to utilize reserves from Public Housing of \$33,386.

**CONVENTIONAL PUBLIC HOUSING AMP#2 (CA26-1, 2, 4, 7 & 10) OAKDALE, TURLOCK, CERES & HUGHSON, 149 Units**

Operating Funding Subsidy – the projected Operating Fund Subsidy for the 2019-2020 fiscal year is \$355,193. Staff estimated that HUD will fund 83% 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 2020.

The total revenue decreased by \$14,292 or 1.69% due to decreases in interest income and offset by an increase in rental revenue. The total expenditures increased by \$33,469 or 2.99%. This is due to the increases in administrative expense, utilities expense, maintenance expense and offset by a decrease in general expense. This budget has \$12,759 projected to go to reserve.

**CONVENTIONAL PUBLIC HOUSING AMP#3 (CA26-3 & 27) MODESTO, 180 Units**

Operating Funding Subsidy – the projected Operating Fund Subsidy for the 2020-2021 fiscal year is \$397,230. Staff estimated that HUD will fund 83% 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 increased by \$23,710 or 2.30% due to increases in rental revenue and offset by a decrease in interest income. The total expenditures increased by \$36,712 or 2.64%. This is due to increases in administrative expense, utilities expense, maintenance expense and general expense. This budget has \$3,732 projected to go to reserve.

### **CONVENTIONAL PUBLIC HOUSING AMP#4 (CA26-18 & 26) MODESTO, 111 Units**

Operating Funding Subsidy – the projected Operating Fund Subsidy for the 2020-2021 fiscal year is \$194,690. Staff estimated that HUD will fund 83% 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 increased by \$41,340 or 6.68% due to increases in rental income and offset by a decrease in interest income. The total expenditures increased by \$41,791 or 5.27%. This is due to increases in administrative expense, utilities expense, maintenance expense and general expense. This budget has \$7,681 projected to go to reserve.

### **CONVENTIONAL PUBLIC HOUSING AMP#5 (CA26-17 & 19) MODESTO, 141 Units**

Operating Funding Subsidy – the projected Operating Fund Subsidy for the 2020-2021 fiscal year is \$255,260. Staff estimated that HUD will fund 83% 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 increased by \$64,090 or 7.45% due to increases in rental income and offset by a decrease in interest income. The total expenditures increased by \$60,342 or 5.53%. This is due to increases in administrative expense, utilities expense, maintenance expense and general expense. This budget has \$11,615 projected to go to reserve.

### **CONVENTIONAL PUBLIC HOUSING - CENTRAL OFFICE COST CENTER (COCC)**

The total revenue decreased by \$5,933 or .63% due to decreases in interest income, other receipts and offset by an increase in admin fees. The total expenditures increased by \$36,750 or 3.26%. This is due to the increases in administrative expense, utilities expense, maintenance expense and offset by a decrease in insurance expense. This budget has \$18,575 projected to go to reserve.

### **HOUSING CHOICE VOUCHER (SECTION 8)**

The HAP (Housing Assistance Payments) budgeted at 99% funding proration and is based on anticipated voucher utilization.

Admin. Fee – This fee is calculated based on a 96% lease up of vouchers, and 81% funding level from HUD for October 2020, 79% from November through December 2020 and a 78% funding level for January through September 2021. This fee could change for calendar year 2021.

The total revenue for the 2020-2021 fiscal year is decreased by \$507,283 or 1.35% due to the decrease in HAP Contribution, and offset by an increase in administrative fees from HUD. The decrease in expenditure is \$581,160 or 1.54% due to decreases in HAP expense, insurance expense and offset by an increase in administrative expense. This budget is projected to utilize reserves from HCV administrative fee of \$101,470.

## **HOUSING CHOICE VOUCHER (SECTION 8) - CENTRAL OFFICE COST CENTER**

The total revenue for the 2020-2021 fiscal year is increased by \$6,900 or .64% due to an increase in management fee. The increase in expenditures is \$8.930 or .83% due to increases in administrative expense, offset by decreases in materials, contract costs and general expense. This budget has \$150 projected to go to reserve.

## **SHELTER PLUS CARE PROGRAM**

The Shelter Plus Care is a program which has been administered by the Housing Authority since 1997. The program is designed to provide rental assistance along with supportive services to single persons or families who are homeless and who have a disabling condition related to either mental illness, substance abuse, and/or HIV/AIDS.

The total income projected is \$846,860 for fiscal year 2020-2021. The total expense for 2020-2021 budget is \$846,760 for operating expense and HAP (Housing Assistance Payments) expense.

## **ATTACHMENTS**

1. Proposed fiscal year 2020-2021 operating budgets
2. Resolutions 19-20-28, 19-20-29, 19-20-30