



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 Item #4: Proposed USDA Farm Labor Budget for Fiscal Year 2020-2021
PREPARED BY: Linh Luong, Director of Finance
RESOLUTION NO. 19-20-31

RECOMMENDATION

After review and discussion, staff recommends the Board of Commissioners adopt the attached resolution approving the United States Department of Agriculture (USDA) Farm Labor operating budget for fiscal year 2019-2020.

SUMMARY

USDA Farm Labor is a subsidized housing project financed through USDA. USDA requires the Authority to submit budget proposal by August 1 of each year.

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 our Authority proposed budgets for the Fiscal Year 2020-2021 as compared to the 2019-2020 budgets.



The Total Revenue increased by \$77,340 or 2.81% due to the increase in rental income and offset by a decrease in interest income. The increase in rental income is due to a proposed rent increase of 3% and a decrease in the vacancy rate. The total increase in spending is \$417,926 or 16.99%. The increase in expense was due to increase in administrative, utilities, maintenance expenses and offset by lower insurance expense. The reserve fund will be used for the tree removal, fence and gate replacement, painting, parking slurry seal/stripping, replacement of clothesline pads, irrigation and landscaping improvements. The net increase for operating expense is \$80,926 or 3.29%. This budget has \$1,476 projected to go to reserve.

ATTACHMENTS

1. Proposed fiscal year 2020-2021 operating budget
2. Proposed rental income
3. Resolution 19-20-31

FARM LABOR
BUDGET COMPARISON
2020 VS. 2021

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2019-2020	2020-2021	BUDGET		
		FARM LABOR	FARM LABOR	DIFF.		
	OPERATING RECEIPTS					
1	DWELLING RENTALS	\$2,550,651	\$2,676,289	\$125,638	4.93%	The increase is due to a proposed 3% rent increase and a decrease in the vacancy rate
2	INTEREST	\$93,700	\$45,402	-\$48,298	-51.55%	Decrease due to a decrease in reserve and a decrease in the interest rate
3	OTHER RECEIPTS	\$105,305	\$105,305	\$0	0.00%	
4	TOTAL OPERATING REC.	\$2,749,656	\$2,826,996	\$77,340	2.81%	
5	ADMIN. FEE					
6	MONITORING FEE					
7	TOTAL RECEIPTS	\$2,749,656	\$2,826,996	\$77,340	2.81%	
	OPERATING EXPENDITURES					
	ADMINISTRATION:					
8	SALARIES	\$436,960	\$447,140	\$10,180	2.33%	Increase due to COLA and merit increases
9	FRINGE BENEFITS	\$221,560	\$233,800	\$12,240	5.52%	Increase due to increase in employer PERS contribution and increase in payroll expense
10	OTHER ADMIN. EXP.	\$75,860	\$77,100	\$1,240	1.63%	Increase in expense over the last 12 months of operations
11	TOTAL ADMIN. EXP.	\$734,380	\$758,040	\$23,660	3.22%	
	UTILITIES:					
12	UTILITIES	\$650,700	\$698,250	\$47,550	7.31%	Increase due to increases in water and sewer charges
13	TOTAL UTILITIES EXP.	\$650,700	\$698,250	\$47,550	7.31%	
	ORDINARY MAINTENANCE:					
14	LABOR	\$284,440	\$292,840	\$8,400	2.95%	Increase due to COLA and merit increases
15	FRINGE BENEFITS	\$122,250	\$127,200	\$4,950	4.05%	Increase due to increase in employer PERS contribution and increase in payroll expense
16	MATERIALS	\$156,040	\$156,600	\$560	0.36%	Increase in paint and maintenance materials
17	CONTRACT COSTS	\$153,260	\$154,000	\$740	0.48%	Increase in painting & sewer services/plumbing contract and planned tree removal
18	TOTAL ORDINARY MAINT.	\$715,990	\$730,640	\$14,650	2.05%	
	GENERAL EXPENSE:					
19	INSURANCE	\$120,110	\$115,176	-\$4,934	-4.11%	Decrease in Workers Compensation
20	PAYMENTS ON NOTES	\$238,614	\$238,614	\$0	0.00%	
21	TOTAL GENERAL EXPENSES	\$358,724	\$353,790	-\$4,934	-1.38%	
22	TOTAL ROUTINE EXPENSES	\$2,459,794	\$2,540,720	\$80,926	3.29%	
	NONROUTINE MAINTENANCE:					

FARM LABOR
 BUDGET COMPARISON
 2020 VS. 2021

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	COMMENTS	
		2019-2020	2020-2021	BUDGET		
		FARM LABOR	FARM LABOR	DIFF.		
23	EXTRAORDINARY MAINT.	\$0	\$0	\$0	0.00%	
	CAPITAL EXPENDITURES					
24	REPLACEMENT EQUIPMENT	\$0	\$0	\$0		Mower attachment for tractor & portable jetter
25	PROPERTY BETTERMENTS	\$0	\$337,000	\$337,000		For budgeted tree removal, fence and gate replacement, painting, parking slurry seal/stripping, replacement of clothesline pads, irrigation and landscaping improvements
26	TOTAL CAPITAL EXPEND.	\$0	\$337,000	\$337,000		
27	TOTAL EXPENDITURES	\$2,459,794	\$2,877,720	\$417,926	16.99%	
28	GAIN OR LOSS	\$289,862	-\$50,724			
29	RESERVE REQUIREMENTS	\$284,800	\$284,800	\$0		
30	FARM LABOR RESERVE	\$0	\$337,000			
31		\$5,062	\$1,476			

DWELLING RENT
 FARM LABOR 91 CENTER
 FISCAL YEAR 10/1/2020 TO 9/30/2021

# OF UNITS	BEDROOM SIZE	CURRENT MONTHLY RENT	12 ANNUAL RENT	1.0300 RENT INCREASE	RENT INC. PER UNIT	12 NEW ANNUAL RENT	2020 FMR	% OF MARKET RENT
12	1	\$537	\$77,328	\$553	\$16	\$79,632	\$885	62.49%
37	2	\$605	\$268,620	\$623	\$18	\$276,612	\$1,105	56.38%
31	3	\$675	\$251,100	\$695	\$20	\$258,540	\$1,567	44.35%
11	4	\$733	\$96,756	\$755	\$22	\$99,660	\$1,846	40.90%
		TOTAL RENT	\$693,804	TOTAL RENT		\$714,444		
		VACANY LOSS 4.9%	\$33,996	VACANY LOSS 3.1%		\$22,148		
91		NET RENT	\$659,808	NET RENT		\$692,296		

DWELLING RENT FARM LABOR 265
 FISCAL YEAR 10/1/2020 to 9/30/2021

# OF UNITS	BEDROOM SIZE	MONTHLY RENT	12 ANNUAL RENT	1.0300 NEW MONTHLY RENT	MONTHLY RENT INCREASE	12 NEW RENT TOTAL	2020 FMR	% OF MARKET RENT
CERES								
8	2	\$680 new	\$65,280	\$700	\$20	\$67,200	\$1,105	63.35%
16	3	\$788 new	\$151,296	\$812	\$24	\$155,904	\$1,567	51.82%
25	3	\$620 rehab	\$186,000	\$639	\$19	\$191,700	\$1,567	40.78%
28	3	\$553	\$185,808	\$570	\$17	\$191,520	\$1,567	36.38%
14	2	\$515	\$86,520	\$530	\$15	\$89,040	\$1,105	47.96%
12	4	\$613	\$88,272	\$631	\$18	\$90,864	\$1,846	34.18%
			\$763,176			\$786,228		
PATTERSON								
4	2	\$680 new	\$32,640	\$700	\$20	\$33,600	\$1,105	63.35%
2	3	\$788 new	\$18,912	\$812	\$24	\$19,488	\$1,567	51.82%
60	3	\$620 rehab	\$446,400	\$639	\$19	\$460,080	\$1,567	40.78%
10	3	\$620 rehab	\$74,400	\$639	\$19	\$76,680	\$1,567	40.78%
			\$572,352			\$589,848		
WESTLEY								
40	3	\$620 rehab	\$297,600	\$639	\$19	\$306,720	\$1,567	40.78%
13	2	\$558 rehab	\$87,048	\$575	\$17	\$89,700	\$1,105	52.04%
9	2	\$515	\$55,620	\$530	\$15	\$57,240	\$1,105	47.96%
1	4	\$675 rehab	\$8,100	\$695	\$20	\$8,340	\$1,846	37.65%
15	4	\$609	\$109,620	\$627	\$18	\$112,860	\$1,846	33.97%
2	3	\$788 new	\$18,912	\$812	\$24	\$19,488	\$1,567	51.82%
5	2	\$680 new	\$40,800	\$700	\$20	\$42,000	\$1,105	63.35%
			\$617,700			\$636,348		
20 TRAILER PADS (WESTLEY)		\$146	\$35,040	\$146		\$35,040		
TOTAL			\$1,988,268	TOTAL		\$2,047,464		
VACANCY LOSS 4.9%			\$97,425	VACANCY LOSS 3.1%		\$63,471		
NET RENT			\$1,890,843	NET RENT		\$1,983,993		



Stanislaus Regional Housing Authority

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

**RESOLUTION NO. 19-20-31
RESOLUTION APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF
STANISLAUS PERMANENT FARM LABOR CENTERS LC- 28, 29, 30 AND 31
OPERATING BUDGET FOR FISCAL YEAR 2020-2021**

WHEREAS, the Housing Authority of the County of Stanislaus is administering and will continue to administer Permanent Farm Labor Housing Projects, LC-28, 29, 30 and 31, located in Ceres, Patterson, Westley and Modesto, respectively; and

WHEREAS, it is necessary in the operation of said program that Permanent Farm Labor Housing Projects Operating Budget, therefore, be adopted, subject to approval of the United States Department of Agriculture; and

WHEREAS, a budget has been prepared for said projects.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of Stanislaus, 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 State and Local law for Permanent Farm Labor.
4. The Operating Budget as herein designated be, and the same is hereby ratified, confirmed and approved.
5. Said permanent Farm Labor Operating Budget is filed in the office of the Housing Authority of the County of Stanislaus and is more particularly identified as follows:

TERM	PROGRAM	AMOUNT
10/01/2020 thru 9/30/2021	Farm Labor LC-28, 29, 30 & 31	\$2,877,720



DULY AND REGULARLY ADOPTED by the Board of Commissioners of the Stanislaus Regional Housing Authority this 27th day of July 2020

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

AYES:

NAYS:

ABSTAIN:

ABSENT:

Approved: _____
Chairperson

Attest: _____
Secretary