



## 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 #8: Proposed Budget HUD Project Based Section 8  
Valley Manor Apartments in Newman  
PREPARED BY: Linh Luong, Director of Finance  
RESOLUTION NO. 19-20-35

### **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 Budget for Fiscal Year 2020-2021.

### **SUMMARY:**

Valley Manor is a 48-unit project-based Section 8 project located in Newman. Attached is the proposed 2020-2021 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 2020-2021 fiscal year is increased by \$604 or .16% due to increases in rental income, offset by lower interest income and other revenue. The increase in operating expenses for the 2020-2021 budget is \$50,219 or 12.1%. The increase in expenses is due to an increase in maintenance expenses. 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. The reserve fund will be used for the front entrance remodel, HVAC replacement and balcony repair. This budget has \$892 projected to go to reserve.

### **ATTACHMENTS:**

1. Proposed fiscal year 2020-2021 Valley Manor operating budget
2. Proposed rental income
3. Resolution 19-20-35



**VALLEY MANOR PROJECT  
BUDGET COMPARISON  
2020 VS. 2021**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. %	COMMENTS
		2019-2020	2020-2021	BUDGET		
	VALLEY MANOR	VALLEY MANOR	DIFF.			
	<b>OPERATING RECEIPTS</b>					
1	DWELLING RENTALS	367661	374313	6652	1.84%	Rent increase is provided by HUD. The projected rent increase is 2.02% for January 2020 through September 2020.
2	INTEREST	9918	4670	-5248	-136.67%	Decrease due to lower interest rate
3	OTHER RECEIPTS	7500	6700	-800	-8.84%	Decrease due to lower tenant charges
4	<b>TOTAL OPERATING REC.</b>	<b>385079</b>	<b>385683</b>	<b>604</b>	<b>0.16%</b>	
5	<b>TOTAL RECEIPTS</b>	<b>385079</b>	<b>385683</b>	<b>604</b>	<b>0.16%</b>	
	<b>OPERATING EXPENDITURES</b>					
6	<b>ADMINISTRATION:</b>					
7	SALARIES	16800	16800	0	0.00%	
8	FRINGE BENEFITS	1894	1894	0	0.00%	
9	OTHER ADMIN. EXP.	9010	9010	0	0.00%	
10	MANAGEMENT FEES	40040	40040	0	0.00%	
11	<b>TOTAL ADMIN. EXP.</b>	<b>67744</b>	<b>67744</b>	<b>0</b>	<b>0.00%</b>	
	<b>UTILITIES:</b>					
12	UTILITIES	52980	64710	11730	22.14%	Increase due to Water, Sewer, Garbage rates
13	<b>TOTAL UTILITIES EXP.</b>	<b>52980</b>	<b>64710</b>	<b>11730</b>	<b>22.14%</b>	
	<b>ORDINARY MAINTENANCE:</b>					
13	LABOR	29484	29484	0	0.00%	
14	FRINGE BENEFITS	2864	2864	0	0.00%	
15	MATERIALS	29910	29910	0	0.00%	
16	CONTRACT COSTS	44990	51990	7000	15.28%	Budgeted for Tree Trimming and drywell cleaning
17	<b>TOTAL ORDINARY MAINT.</b>	<b>107248</b>	<b>114248</b>	<b>7000</b>	<b>6.77%</b>	
	<b>GENERAL EXPENSE:</b>					
18	INSURANCE	11770	11259	-511	-4.04%	Decrease due to lower workers comp rate
19	COLLECTION LOSSES	2100	2100	0	0.00%	
19	PAYMENTS ON NOTES	118000	118000	0	0.00%	
20	<b>TOTAL GENERAL EXPENSES</b>	<b>131870</b>	<b>131359</b>	<b>-511</b>	<b>-0.38%</b>	
	<b>TOTAL ROUTINE EXPENSES</b>	<b>359842</b>	<b>378061</b>	<b>18219</b>	<b>5.13%</b>	
	<b>NONROUTINE MAINTENANCE:</b>					
21	EXTRAORDINARY MAINT.	0	0	0	0.00%	
	<b>CAPITAL EXPENDITURES</b>					
22	REPLACEMENT EQUIPMENT	0	0	0	0.00%	
23	PROPERTY BETTERMENTS	50000	82000	32000	100.00%	Budgeted for front entrance remodel, balcony repair and HVAC replacement
24	<b>TOTAL CAPITAL EXPEND.</b>	<b>50000</b>	<b>82000</b>	<b>32000</b>	<b>0.00%</b>	
25	CONTINGENCY	6730	6730	0	0.00%	
26	<b>TOTAL EXPENDITURES</b>	<b>416572</b>	<b>466791</b>	<b>50219</b>	<b>12.10%</b>	
27	<b>GAIN OR LOSS</b>	<b>-31493</b>	<b>-81108</b>			
28	<b>VALLEY MANOR RESERVE</b>	<b>50000</b>	<b>82000</b>			
29	<b>NET INCOME</b>	<b>18507</b>	<b>892</b>			

DWELLING RENT  
 VALLEY MANOR PROJECT  
 FISCAL YEAR 10/1/2020 TO 9/30/2021

# OF UNITS	BEDROOM SIZE	2019			2020			NEW ANNUAL RENT	2020 MARKET RATE	% OF MARKET RATE	
		3 Oct-Dec 2019	9 Jan-Sept 2020	12 ANNUAL RENT	3 Oct-Dec 2020	9 Jan-Sept 2021	1.76%				
8	1	\$608	\$620	\$59,232	\$620	\$631	\$60,312	\$885	70.06%		
32	2	\$666	\$679	\$259,488	\$679	\$691	\$264,192	\$1,105	61.45%		
7	3	\$801	\$817	\$68,292	\$817	\$831	\$69,510	\$1,567	52.14%		
47											
TOTAL RENT				\$387,012	TOTAL RENT			\$394,014			
VACANY LOSS 5.0%				\$19,351	VACANY LOSS 5.0%			\$19,701			
NET RENT				\$367,661	NET RENT			\$374,313			



**Stanislaus Regional Housing Authority**

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

**RESOLUTION NO. 19-20-35  
RESOLUTION APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF  
STANISLAUS VALLEY MANOR OPERATING BUDGET FOR FISCAL YEAR  
2020/2021**

**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:

<b>TERM</b>	<b>PROGRAM</b>	<b>AMOUNT</b>
10/1/2020 thru 9/30/2021	Valley Manor	\$466,791



**DULY AND REGULARLY ADOPTED** by the Board of Commissioners of Stanislaus Regional Housing Authority this 27<sup>th</sup> day of July, 2020.

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

AYES:

NAYS:

ABSTAIN:

ABSENT:

Attest: \_\_\_\_\_  
Chairperson

Approved: \_\_\_\_\_  
Secretary