



Stanislaus Regional Housing Authority

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

Date: July 14, 2022

To: Board of Commissioners

From: Jim Kruse, Executive Director

Subject: Action Item #10: Proposed Valley Manor Operating Budget for Fiscal Year 2022-2023

Prepared By: Linh Luong, Director of Finance

Resolution No. 21-22-30

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 2022-2023.

SUMMARY:

Valley Manor is a 48-unit project-based Section 8 complex located in Newman. Attached is the proposed 2022-2023 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 2022-2023 fiscal year is increased by \$8,198 or 2.19% due to increases in rental income, interest income, and offset by lower other revenue. The increase in operating expenses for the 2022-2023 budget is \$3,380 or .81%. The increase in expenses is due to an increase in utilities expense, materials expense, insurance expense, and offset by a decrease in property betterment expense. 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 HVAC replacement. This budget has \$188 projected to go to reserve.

ATTACHMENTS:

1. Proposed fiscal year 2022-2023 Valley Manor operating budget
2. Proposed rental income
3. Resolution 21-22-30



VALLEY MANOR PROJECT
 BUDGET COMPARISON
 2022 VS. 2023

| LINE # | ITEM | BUDGET | BUDGET | BUDGET VS. | DIFF. % | COMMENTS |
|--------|--------------------------------|---------------|---------------|--------------|--------------|---|
| | | 2021-2022 | 2022-2023 | BUDGET | | |
| | | VALLEY MANOR | VALLEY MANOR | DIFF. | | |
| | OPERATING RECEIPTS | | | | | |
| 1 | DWELLING RENTALS | 380142 | 388982 | 8840 | 2.45% | Rent increase is provided by HUD. The projected rent increase is 2.45% for January 2023 through September 2023. |
| 2 | INTEREST | 1300 | 1558 | 258 | 6.72% | Increase due to increase in interest rate |
| 3 | OTHER RECEIPTS | 2900 | 2000 | -900 | -9.94% | Decrease due to lower tenant charges |
| 4 | TOTAL OPERATING REC. | 384342 | 392540 | 8198 | 2.19% | |
| 5 | TOTAL RECEIPTS | 384342 | 392540 | 8198 | 2.19% | |
| | OPERATING EXPENDITURES | | | | | |
| 6 | ADMINISTRATION: | | | | | |
| 7 | SALARIES | 16800 | 16800 | 0 | 0.00% | |
| 8 | FRINGE BENEFITS | 1894 | 1894 | 0 | 0.00% | |
| 9 | OTHER ADMIN. EXP. | 6652 | 6652 | 0 | 0.00% | |
| 10 | MANAGEMENT FEES | 41688 | 41688 | 0 | 0.00% | |
| 11 | TOTAL ADMIN. EXP. | 67034 | 67034 | 0 | 0.00% | |
| | UTILITIES: | | | | | |
| 12 | UTILITIES | 74500 | 77805 | 3305 | 6.24% | Increase due to water, sewer and garbage rates |
| 13 | TOTAL UTILITIES EXP. | 74500 | 77805 | 3305 | 6.24% | |
| | ORDINARY MAINTENANCE: | | | | | |
| 13 | LABOR | 29484 | 29484 | 0 | 0.00% | |
| 14 | FRINGE BENEFITS | 2864 | 2864 | 0 | 0.00% | |
| 15 | MATERIALS | 21900 | 26080 | 4180 | 13.98% | Increase in paint and maintenance materials expenses |
| 16 | CONTRACT COSTS | 53150 | 53150 | 0 | 0.00% | |
| 17 | TOTAL ORDINARY MAINT. | 107398 | 111578 | 4180 | 4.04% | |
| | GENERAL EXPENSE: | | | | | |
| 18 | INSURANCE | 12940 | 13835 | 895 | 7.08% | Increase in property & liability insurance expense, and offset by a decrease in Worker's Compensation |
| 19 | COLLECTION LOSSES | 2100 | 2100 | 0 | 0.00% | |
| 20 | PAYMENTS ON NOTES | 118000 | 118000 | 0 | 0.00% | |
| 21 | TOTAL GENERAL EXPENSES | 133040 | 133935 | 895 | 0.67% | |
| 22 | TOTAL ROUTINE EXPENSES | 381972 | 390352 | 8380 | 2.36% | |
| | NONROUTINE MAINTENANCE: | | | | | |
| 23 | EXTRAORDINARY MAINT. | 0 | 0 | 0 | 0.00% | |
| | CAPITAL EXPENDITURES | | | | | |
| 24 | REPLACEMENT EQUIPMENT | 0 | 0 | 0 | 0.00% | |
| 25 | PROPERTY BETTERMENTS | 45000 | 40000 | -5000 | 100.00% | Budgeted for HVAC replacement |
| 26 | TOTAL CAPITAL EXPEND. | 45000 | 40000 | -5000 | 0.00% | |
| 27 | CONTINGENCY | 2000 | 2000 | 0 | 0.00% | |
| 28 | TOTAL EXPENDITURES | 428972 | 432352 | 3380 | 0.81% | |
| 29 | GAIN OR LOSS | -44630 | -39812 | | | |
| 30 | VALLEY MANOR RESERVE | 45000 | 40000 | | | |
| 31 | NET INCOME | 370 | 188 | | | |



Stanislaus Regional Housing Authority

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

RESOLUTION NO. 21-22-30

**RESOLUTION APPROVING STANISLAUS REGIONAL HOUSING AUTHORITY
VALLEY MANOR OPERATING BUDGET FOR FISCAL YEAR 2022-2023**

WHEREAS, Stanislaus Regional Housing Authority 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 Stanislaus Regional Housing Authority, that

1. 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 the Annual Contributions Contract.
4. The Valley Manor Operating Budget as herein designated be, and the same is hereby ratified, confirmed and approved.
5. Said Valley Manor Operating Budget is filed in the office of Stanislaus Regional Housing Authority and is more particularly identified as follows:

| <u>TERM</u> | <u>PROGRAM</u> | <u>AMOUNT</u> |
|--------------------------|----------------|---------------|
| 10/1/2022 thru 9/30/2023 | Valley Manor | \$432,352 |

DULY AND REGULARLY ADOPTED by the Board of Commissioners of Stanislaus Regional Housing Authority this 14th day of July, 2022. On motion of Commissioner ____, seconded by Commissioner ____, and on the following roll call vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Approved: _____
Chairperson

Attest: _____
Secretary

