



## 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 #7: Proposed Conant Place Operating Budget 2022-2023

PREPARED BY: Linh Luong, Director of Finance

Resolution No. 21-22-27

### **RECOMMENDATION:**

After review and discussion, staff recommends the Board of Commissioners adopt the attached resolution approving the Conant Place Operating Budget for fiscal year 2022-2023.

### **SUMMARY:**

Conant Place is a subsidized affordable housing project financed through the California Housing Finance Agency (CalHFA). CalHFA requires the Authority to submit a budget proposal by August 1 of each year.

Attached is the proposed 2022-2023 Conant Place Operating Budget (See Attachment A). 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 \$6,338 or 1.24% due to a proposed rent increase of 1%, increases in Interest Income and laundry income. The increase in operating expenses for the 2022-2023 budget is \$5,565.00 or 1.09%. The increase in expenses is due to increases in payroll expense, administrative expense, utilities expense, maintenance expense and insurance expense. After meeting our reserve requirements, the budget proposal for 2022-2023 still anticipates \$1,064 to go to reserve.

Attached is a list of proposed maintenance items to be funded from replacement reserves. (See Attachment B).

### **ATTACHMENTS:**

1. Proposed fiscal year 2022-2023 Conant Place operating budget.
2. Proposed Extra Ordinary Maintenance Items.
3. Proposed Rental Income.
4. Resolution 21-22-27



# ATTACHMENT A

## CALIFORNIA HOUSING FINANCE AGENCY

### Proposed Annual Operating Budget

PROJECT NAME: Conant Place

CHFA# 93-007-N

FISCAL YEAR BEGINNING: 10/1/2022

NUMBER OF UNITS # 81

Budget Line Item:	10/21 - 9/22 Proposed	10/22 - 9/23 Proposed	Diff.	% Chg	COMMENTS
<b>INCOME:</b>					
<b>Gross Potential Rental Income</b>	529,980.00	535,608.00	5,628.00	1.06%	Proposed rent increase of 1%
<b>Interest Income</b>	125.00	186.00	61.00	48.80%	Due to projected increase in interest rate
Laundry Income	3,900.00	4,790.00	890.00	22.82%	Due to increase over the past 12 months
Tenant Charges	450.00	450.00	0.00	0.00%	
Other Income (Specify)					
<b>Total Gross Income</b>	534,455.00	541,034.00	6,579.00	1.23%	
Less:					
Vacancy Loss	15,899.00	16,068.00	169.00	1.06%	
Employee Apartment Rents	7,788.00	7,860.00	72.00	0.92%	
<b>TOTAL NET REVENUE</b>	510,768.00	517,106.00	6,338.00	1.24%	
<b>DISBURSEMENTS:</b>					
Payroll:					
Office Administrative	14,187.00	14,400.00	213.00	1.50%	Increase due to COLA Increase
On Site Manager	14,400.00	14,400.00	0.00	0.00%	
Maintenance Janitorial	0.00	0.00	0.00	0.00%	
Other Services (Specify)					
<b>Subtotal Payroll</b>	28,587.00	28,800.00	213.00	0.75%	
<b>Payroll Taxes Workers Comp</b>	3,446.00	3,403.00	-43.00	-1.25%	Decrease in workers compensation
<b>Employee Benefits</b>	13,715.00	13,902.00	187.00	1.36%	Increase in PERS Retirement
<b>Total Payroll</b>	45,748.00	46,105.00	357.00	0.78%	
<b>Administrative Expenses:</b>					
Renting expenses					
Office Expenses	10,285.00	10,315.00	30.00	0.29%	Increase in payment processing fees
Management fee	63,666.00	65,124.00	1,458.00	2.29%	Increase per HUD Multifamily Mgmt. Fee Schedule

Budget Line Item:	10/21 - 9/22 Proposed	10/22 - 9/23 Proposed	Diff.	% Chg	COMMENTS
Legal	2,275.00	2,500.00	225.00	9.89%	Increase in actual costs over the past 12 months
Audit Exp (Project Related Only)	1,420.00	1,420.00	0.00	0.00%	
Accounting / Bookkeeping	9,234.00	9,234.00	0.00	0.00%	
Misc (Specify) (Forms & Copies)	1,500.00	1,500.00	0.00	0.00%	
<b>Total Administrative</b>	<b>88,380.00</b>	<b>90,093.00</b>	<b>1,713.00</b>	<b>1.94%</b>	
<b>Utilities:</b>					
Electricity	13,200.00	13,490.00	290.00	2.20%	Increase in actual cost over the last 12 months
Water and Sewer	53,600.00	53,600.00	0.00	0.00%	
Gas	2,850.00	3,100.00	250.00	8.77%	Increase in actual cost over the last 12 months
Other (Specify)					
<b>Total Utilities</b>	<b>69,650.00</b>	<b>70,190.00</b>	<b>540.00</b>	<b>0.78%</b>	
<b>Operating and Maintenance</b>					
Maintenance Supplies	15,100.00	15,100.00	0.00	0.00%	
Maintenance & Repair Contracts	120,450.00	120,450.00	0.00	0.00%	
Trash Removal	10,850.00	11,330.00	480.00	4.42%	Increase in actual cost over the last 12 months
Heating & A/C Services	2,100.00	3,000.00	900.00	42.86%	Increase in actual cost over the last 12 months
<b>Total Operating and Maint.</b>	<b>148,500.00</b>	<b>149,880.00</b>	<b>1,380.00</b>	<b>0.93%</b>	
<b>Insurance and Taxes:</b>					
Property & Liability Insurance	18,184.00	19,759.00	1,575.00	8.66%	Increase in property, liability insurance, and earthquake insurance
Other Taxes (Specify)					
<b>Total Insurance and Taxes</b>	<b>18,184.00</b>	<b>19,759.00</b>	<b>1,575.00</b>	<b>8.66%</b>	
<b>Financial Expenses:</b>					
Mortgage Payments (1st Loan)	81,290.00	81,290.00	0.00	0.00%	
Other Mortgages					
Reserve for Replacement Deposits	58,725.00	58,725.00	0.00	0.00%	
Other (Specify)					
<b>Total Financial</b>	<b>140,015.00</b>	<b>140,015.00</b>	<b>0.00</b>	<b>0.00%</b>	
<b>TOTAL OPERATING DISBURS.</b>	<b>510,477.00</b>	<b>516,042.00</b>	<b>5,565.00</b>	<b>1.09%</b>	
<b>NET REVENUE OR DEFICIT</b>	<b>291.00</b>	<b>1,064.00</b>	<b>773.00</b>	<b>265.64%</b>	

## ATTACHMENT B

### CONANT PLACE Fiscal Year 2022-2023 Extra Ordinary Maintenance

**1. Landscape Improvements (ongoing)**

Continued repairs of sprinklers damaged by tree roots, replant slow growing; less invasive tree variety after removal of trees identified as requiring removal; planting of shrubbery that will provide sound barrier from street.

Estimated cost is \$25,000.00

**2. Replace flooring in office & community center**

Flooring needs to be replaced in the office and community center.

Estimated Cost is \$30,000.00

**ATTACHMENT C**

CONANT PLACE  
 DWELLING RENT  
 FISCAL YEAR 2022-2023

# OF UNITS	BEDROOM SIZE	MONTHLY RENT	ANNUAL RENT	INCREASE 1.0%	<b>PROPOSED ANNUAL RENT</b>	DIFF	FAIR MARKET RENT	% OF MARKET	CALHFA RENT	% OF CALHFA
15	1	\$468	\$84,240	\$473	<b>\$85,140</b>	\$5	\$1,001	47.25%	\$747	63.32%
55	1	\$550	\$363,000	\$556	<b>\$366,960</b>	\$6	\$1,001	55.54%	\$747	74.43%
2	2	\$527	\$12,648	\$532	<b>\$12,768</b>	\$5	\$1,250	42.56%	\$897	59.31%
9	2	\$649	\$70,092	\$655	<b>\$70,740</b>	\$6	\$1,250	52.40%	\$897	73.02%
TOTAL RENT			\$529,980		<b>\$535,608</b>					
VACANCY LOSS 3%			\$15,899		<b>\$16,068</b>					
EMPLOYEE RENT			<b>\$7,788</b>		<b>\$7,860</b>					
NET RENT			\$506,293		<b>\$511,680</b>	\$5,387				



**Stanislaus Regional Housing Authority**

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MONO | STANISLAUS | TUOLUMNE COUNTIES

**RESOLUTION NO. 21-22-27**

**RESOLUTION APPROVING THE STANISLAUS REGIONAL HOUSING AUTHORITY  
CONANT PLACE OPERATING BUDGET FOR FISCAL YEAR 2022/2023**

**WHEREAS**, Stanislaus Regional Housing Authority is administering and will continue to administer elderly housing project Conant Place; and

**WHEREAS**, it is necessary in the operation of said program that Conant Place Operating Budget, therefore, be adopted, subject to approval of California Housing Finance Agency (CalHFA); 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. 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 Conant Place Operating Budget as herein designated be, and the same is hereby ratified, confirmed and approved.
5. That said Conant Place Operating Budget is filed in the office of Stanislaus Regional Housing Authority and is more particularly identified as follows:

<b>TERM</b>	<b>PROGRAM</b>	<b>AMOUNT</b>
10/1/2022 thru 9/30/2023	Conant Place	\$516,042

**DULY AND REGULARLY ADOPTED** by the Board of Commissioners of Stanislaus Regional Housing Authority this 14<sup>th</sup> 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