



Stanislaus Regional Housing Authority

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

Date: July 20, 2023

To: Board of Commissioners

From: Jim Kruse, Executive Director

Subject: Action Item #4: Proposed Housing Choice Voucher Program
Operating Budget for Fiscal Year 2023-2024

Prepared By: Linh Luong, Director of Finance

Resolution No. 22-23-36

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) Housing Choice Voucher Operating Budget for Fiscal Year 2023-2024.

SUMMARY

The 2023-2024 Fiscal Year Budget was prepared with the following assumptions:

1. The interest rate for investment returns for all programs is 3% for fiscal year 2023-2024.
2. The inflation factor used in estimating the budget proposal is 4%.
3. Fringe Benefits - PERS retirement expense estimate is 13.9%.
4. Insurance – The rate for liability insurance increased 31.3% for 2023-2024 fiscal year.
5. Employee benefits included employee wellness program.

The following are recap of the Authority's proposed budget for the Fiscal Year 2023-2024 as compared to the 2022-2023 budget.



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 98% lease up of vouchers, and 89% funding level from HUD from October 2023 through December 2023 and a 80% funding level for January through September 2024. This fee could change for calendar year 2024.

The total revenue for the 2023-2024 fiscal year is increased by \$1,482,804 or 3.26% due to the increase in HAP Contribution, and administrative fees from HUD. The increase in expenditure is \$1,436,610 or 3.17% due to increases in HAP expense, administrative expense, contract cost, and insurance expense. This budget has \$225,895 projected to go to reserve.

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

The total revenue for the 2023-2024 fiscal year is increased by \$25,540 or 2.28% due to an increase in management fee. The increase in expenditures is \$28,680 or 2.57% due to increase in administrative expense, contract costs, and insurance expense. This budget has \$2,860 projected to go to reserve.

ATTACHMENTS

1. Proposed Fiscal Year 2023-2024 Operating Budget
2. Resolutions 22-23-36

**HOUSING CHOICE VOUCHER
BUDGET COMPARISON
2023 VS. 2024**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2022-2023	2023-2024	BUDGET		
		HCV	HCV	DIFF.		
	OPERATING RECEIPTS					
1	OTHER RECEIPTS	\$42,170	\$42,170	\$0	0.00%	
2	TOTAL OPERATING REC.	\$42,170	\$42,170	\$0	0.00%	
3	HAP CONTRIBUTION	\$40,723,200	\$41,948,580	\$1,225,380	3.01%	HAP projected based on 99% funding level.
4	ADMIN. FEE HUD	\$4,684,411	\$4,941,835	\$257,424	5.50%	Increase due to additional vouchers and increase in admin fee rate from HUD for Oct - Dec 2023
5	TOTAL RECEIPTS	\$45,449,781	\$46,932,585	\$1,482,804	3.26%	
	OPERATING EXPENDITURES					
	ADMINISTRATION:					
6	SALARIES	\$1,818,340	\$1,872,990	\$54,650	3.01%	Increase due to COLA and merit increases
7	FRINGE BENEFITS	\$900,360	\$897,040	-\$3,320	-0.37%	Decrease in PERS unfunded liability contribution and offset by an increase in payroll taxes
8	OTHER ADMIN. EXP.	\$258,200	\$279,270	\$21,070	8.16%	Increase cost in GoSection8 subscription, advertising expense and translation services
9	MANAGEMENT FEE EXP.	\$1,122,470	\$1,148,010	\$25,540	2.28%	Increase due to additional vouchers
10	TOTAL ADMIN. EXP.	\$4,099,370	\$4,197,310	\$97,940	2.39%	
	ORDINARY MAINTENANCE:					
11	MATERIALS	\$9,410	\$9,410	\$0	0.00%	
12	CONTRACT COSTS	\$350,990	\$469,630	\$118,640	33.80%	Increase due to budgeted annual re-certification service contract and inspection service
13	TOTAL ORDINARY MAINT.	\$360,400	\$479,040	\$118,640	32.92%	
	GENERAL EXPENSE:					
14	INSURANCE	\$62,200	\$65,120	\$2,920	4.69%	The increase is due to increases in liability insurance expense and offset by a decrease in Workers' Compensation
15	OTHER GENERAL EXPENSES	\$24,910	\$16,640	-\$8,270	-33.20%	Decrease was due to decrease in actual administrative fee paid for outgoing portable vouchers that are administered by other Housing Authorities
16	TOTAL GENERAL EXPENSES	\$87,110	\$81,760	-\$5,350	-6.14%	
17	TOTAL ROUTINE EXPENSES	\$4,546,880	\$4,758,110	\$211,230	4.65%	
18	HOUSING ASSISTANCE PAYMENTS	\$40,723,200	\$41,948,580	\$1,225,380	3.01%	Based on current average per unit month HAP expense and 98% voucher utilization
19	TOTAL EXPENSES	\$45,270,080	\$46,706,690	\$1,436,610	3.17%	
	NONROUTINE MAINTENANCE:					
20	EXTRAORDINARY MAINT.	\$0	\$0	\$0	0.00%	

**HOUSING CHOICE VOUCHER
BUDGET COMPARISON
2023 VS. 2024**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2022-2023 HCV	2023-2024 HCV	BUDGET DIFF.		
	CAPITAL EXPENDITURES					
21	REPLACEMENT EQUIPMENT	\$0	\$0	\$0	0.00%	
22	PROPERTY BETTERMENTS	\$0	\$0	\$0	0.00%	
23	TOTAL CAPITAL EXPEND.	\$0	\$0	\$0	0.00%	
24	TOTAL EXPENDITURES	\$45,270,080	\$46,706,690	\$1,436,610	3.17%	
25	RESERVE TRANSFER FROM HCV ADMIN FEE					
26	GAIN OR LOSS	\$179,701	\$225,895			

**HOUSING CHOICE VOUCHER COCC
BUDGET COMPARISON
2023 VS. 2024**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2022-2023	2023-2024	BUDGET		
		HCV	HCV	DIFF.		
	OPERATING RECEIPTS					
1	MANAGEMENT FEE	\$1,122,470	\$1,148,010	\$25,540	2.28%	Increase due to additional vouchers
2	TOTAL RECEIPTS	\$1,122,470	\$1,148,010	\$25,540	2.28%	
	OPERATING EXPENDITURES					
	ADMINISTRATION:					
3	SALARIES	\$713,770	\$735,880	\$22,110	3.10%	Increase due to COLA and merit increases
4	FRINGE BENEFITS	\$270,940	\$274,340	\$3,400	1.25%	Increase is due to an increase in payroll taxes and offset by a decrease in PERS unfunded liability contribution
5	OTHER ADMIN. EXP.	\$97,460	\$99,480	\$2,020	2.07%	Increase in expense over the last 12 months of operations
6	TOTAL ADMIN. EXP.	\$1,082,170	\$1,109,700	\$27,530	2.54%	
	ORDINARY MAINTENANCE:					
7	MATERIALS	\$3,440	\$3,440	\$0	0.00%	
8	CONTRACT COSTS	\$10,520	\$10,720	\$200	1.90%	Increase in expense over the last 12 months of operations
9	TOTAL ORDINARY MAINT.	\$13,960	\$14,160	\$200	1.43%	
	GENERAL EXPENSE:					
10	INSURANCE	\$20,340	\$21,290	\$950	4.67%	The increase is due to increases in liability insurance expense and offset by a decrease in Workers' Compensation
11	TOTAL GENERAL EXPENSES	\$20,340	\$21,290	\$950	4.67%	
12	TOTAL ROUTINE EXPENSES	\$1,116,470	\$1,145,150	\$28,680	2.57%	
	NONROUTINE MAINTENANCE:					
13	EXTRAORDINARY MAINT.	\$0	\$0	\$0	0.00%	
	CAPITAL EXPENDITURES					
14	REPLACEMENT EQUIPMENT	\$0	\$0	\$0	0.00%	
15	PROPERTY BETTERMENTS	\$0	\$0	\$0	0.00%	
16	TOTAL CAPITAL EXPEND.	\$0	\$0	\$0	0.00%	
17	TOTAL EXPENDITURES	\$1,116,470	\$1,145,150	\$28,680	2.57%	
18	GAIN OR LOSS	\$6,000	\$2,860	-\$3,140		



Stanislaus Regional Housing Authority

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

RESOLUTION NO. 22-23-36

**RESOLUTION APPROVING THE STANISLAUS REGIONAL HOUSING AUTHORITY
HOUSING CHOICE VOUCHER PROGRAM
OPERATING BUDGET FOR FISCAL YEAR 2023-2024**

WHEREAS, the Stanislaus Regional Housing Authority is administering and will continue to administer a Housing Choice Voucher Assistance Payments Program, consisting of projects designated as CA26-V026-78, and providing rental assistance to families living throughout Stanislaus County; and

WHEREAS, it is necessary in the operation of said project that a Housing Choice Voucher Assistance Program Operating Budget, therefore, be adopted, subject to approval of the Department of Housing and Urban Development; and

WHEREAS, a budget has been prepared for said projects.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the 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 Housing Choice Voucher Program Operating Budget as herein designated be, and the same is hereby ratified, confirmed and approved.
5. Said Housing Choice Voucher Payments Program Operating Budget is submitted to the Department of Housing and Urban Development for consideration and approval.
6. Said Housing Choice Voucher Payments Program Operating Budget is filed in the office Stanislaus Regional Housing Authority and is more particularly identified as follows:

TERM	PROGRAM	AMOUNT
10/01/2023 thru 9/30/2024	Housing Choice Voucher	\$46,706,690
10/01/2023 thru 9/30/2024	Housing Choice Voucher Central Office Cost Center	\$ 1,145,150

DULY AND REGULARLY ADOPTED by the Board of Commissioners of the Stanislaus Regional Housing Authority this 20th day of July 2023. On motion of Commissioner _____, seconded by Commissioner _____, and on the following roll call vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Approved: _____
Chairperson

Attest: _____
Secretary