



Stanislaus Regional Housing Authority

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MONO | STANISLAUS | TUOLUMNE COUNTIES

Date: July 20, 2023
To: Board of Commissioners
From: Jim Kruse, Executive Director
Subject: Action Item #6: Proposed USDA Farm Labor Budget for Fiscal Year 2023-2024
Prepared By: Linh Luong, Director of Finance
Resolution No. 22-23-38

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 2022-2023.

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 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 property insurance increased 23.4% and rate liability insurance increased 31.3% for 2023-2024 fiscal year.
5. Utilities – The rate increase for water, sewer, garbage and electric of 2%-6%.
6. Employee benefits include employee wellness program.

The following are recaps of our Authority proposed budgets for the Fiscal Year 2023-2024 as compared to the 2022-2023 budgets.



The total revenue increased by \$297,855 or 9.66% due increases in rental income and interest income. The increase in rental income is due to a proposed rent increase of 6%. The total increase in spending is \$810,972 or 22.04%. The increase in expense was due to increases in administrative, utilities, maintenance expenses and insurance expense. The reserve fund will be used for tree removal, fence replacement, interior and exterior painting, roof repairs and replacement, window replacement, parking lot repairs, HVAC replacement, cement clothesline pad replacement, fire hydrant replacement, water main shutoff valve replacement and surveillance cameras. The net increase for operating expense is \$298,472 or 10.67%. This budget has \$630 projected to go to reserve.

ATTACHMENTS

1. Proposed fiscal year 2023-2024 operating budget
2. Proposed rental income
3. Resolution 22-23-38

**FARM LABOR
BUDGET COMPARISON
2023 vs. 2024**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2022-2023	2023-2024	BUDGET		
		FARM LABOR	FARM LABOR	DIFF.		
	OPERATING RECEIPTS					
1	DWELLING RENTALS	\$2,953,025	\$3,128,505	\$175,480	5.94%	The increase is due to a proposed 6% rent increase
2	INTEREST	\$18,420	\$153,100	\$134,680	731.16%	Increase due to a projected increase in the interest rate
3	OTHER RECEIPTS	\$111,305	\$99,000	-\$12,305	-11.06%	Decrease due to a decrease in tenant charges over the past 12 months
4	TOTAL OPERATING REC.	\$3,082,750	\$3,380,605	\$297,855	9.66%	
5	ADMIN. FEE					
6	MONITORING FEE					
7	TOTAL RECEIPTS	\$3,082,750	\$3,380,605	\$297,855	9.66%	
	OPERATING EXPENDITURES					
	ADMINISTRATION:					
8	SALARIES	\$470,076	\$485,897	\$15,821	3.37%	Increase due to COLA and merit increases
9	FRINGE BENEFITS	\$239,185	\$233,057	-\$6,128	-2.56%	Decrease in PERS unfunded liability contribution and offset by an increase in payroll taxes
10	OTHER ADMIN. EXP.	\$69,575	\$94,700	\$25,125	36.11%	Increase due to increases in training, travel, telephone & translation expenses
11	TOTAL ADMIN. EXP.	\$778,836	\$813,654	\$34,818	4.47%	
	UTILITIES:					
12	UTILITIES	\$853,700	\$910,000	\$56,300	6.59%	Increase due to increases in water and sewer charges (Modesto, Ceres & Patterson) & Garbage Costs (Modesto & Ceres)
13	TOTAL UTILITIES EXP.	\$853,700	\$910,000	\$56,300	6.59%	
	ORDINARY MAINTENANCE:					
14	LABOR	\$327,003	\$331,982	\$4,979	1.52%	Increase due to COLA and merit increases
15	FRINGE BENEFITS	\$142,447	\$142,430	-\$17	-0.01%	Decrease in PERS unfunded liability contribution and offset by an increase in payroll taxes
16	MATERIALS	\$160,600	\$186,000	\$25,400	15.82%	Increase due to increases in appliances, plumbing, building & flooring materials
17	CONTRACT COSTS	\$158,400	\$252,600	\$94,200	59.47%	Increase due to increases in plumbing, landscaping, electrical & flooring contract
18	TOTAL ORDINARY MAINT.	\$788,450	\$913,012	\$124,562	15.80%	
	GENERAL EXPENSE:					
19	INSURANCE	\$137,103	\$219,895	\$82,792	60.39%	Increase in property & liability insurance and offet by a decrease in workers' compensation
20	PAYMENTS ON NOTES	\$238,614	\$238,614	\$0	0.00%	
21	TOTAL GENERAL EXPENSES	\$375,717	\$458,509	\$82,792	22.04%	
22	TOTAL ROUTINE EXPENSES	\$2,796,703	\$3,095,175	\$298,472	10.67%	

**FARM LABOR
BUDGET COMPARISON
2023 vs. 2024**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2022-2023	2023-2024	BUDGET		
		FARM LABOR	FARM LABOR	DIFF.		
	NONROUTINE MAINTENANCE:					
23	EXTRAORDINARY MAINT.	\$0	\$0	\$0	0.00%	
	CAPITAL EXPENDITURES					
24	REPLACEMENT EQUIPMENT	\$0	\$0	\$0		
25	PROPERTY BETTERMENTS	\$882,500	\$1,395,000	\$512,500	58.07%	For budgeted tree removal, fence replacement, interior & exterior painting, roof repairs & replacement, window replacement, parking lot repairs, HVAC replacement, cement clothesline pad replacement, fire hydrant replacement, water main shutoff valve replacement & surveillance cameras
26	TOTAL CAPITAL EXPEND.	\$882,500	\$1,395,000	\$512,500	58.07%	
27	TOTAL EXPENDITURES	\$3,679,203	\$4,490,175	\$810,972	22.04%	
28	GAIN OR LOSS	-\$596,453	-\$1,109,570			
29	RESERVE REQUIREMENTS	\$284,800	\$284,800	\$0		
30	FARM LABOR RESERVE	\$882,500	\$1,395,000			
31		\$1,247	\$630			

DWELLING RENT
 FARM LABOR 91 CENTER
 FISCAL YEAR 10/1/2023 TO 9/30/2024

# OF UNITS	BEDROOM SIZE	CURRENT MONTHLY RENT	12 ANNUAL RENT	1.0600 RENT INCREASE	RENT INC. PER UNIT	12 NEW ANNUAL RENT	2023 FMR	% OF MARKET RENT
12	1	\$615	\$88,560	\$652	\$37	\$93,888	\$1,072	60.82%
37	2	\$693	\$307,692	\$735	\$42	\$326,340	\$1,365	53.85%
31	3	\$774	\$287,928	\$820	\$46	\$305,040	\$1,929	42.51%
11	4	\$840	\$110,880	\$890	\$50	\$117,480	\$2,258	39.42%
		TOTAL RENT	\$795,060	TOTAL RENT		\$842,748		
		VACANY LOSS 3.8%	\$30,212	VACANY LOSS 3.8%		\$32,024		
91		NET RENT	\$764,848	NET RENT		\$810,724		

DWELLING RENT FARM LABOR 265
 FISCAL YEAR 10/1/2023 to 9/30/2024

# OF UNITS	BEDROOM SIZE	MONTHLY RENT	12 ANNUAL RENT	1.0600 NEW MONTHLY RENT	MONTHLY RENT INCREASE	12 NEW RENT TOTAL	2023 FMR	% OF MARKET RENT
CERES								
8	2	\$779 new	\$74,784	\$826	\$47	\$79,296	\$1,365	60.51%
16	3	\$904 new	\$173,568	\$958	\$54	\$183,936	\$1,929	49.66%
25	3	\$711 rehab	\$213,300	\$754	\$43	\$226,200	\$1,929	39.09%
28	3	\$634	\$213,024	\$672	\$38	\$225,792	\$1,929	34.84%
14	2	\$590	\$99,120	\$625	\$35	\$105,000	\$1,365	45.79%
12	4	\$702	\$101,088	\$744	\$42	\$107,136	\$2,258	32.95%
			\$874,884			\$927,360		
PATTERSON								
4	2	\$779 new	\$37,392	\$826	\$47	\$39,648	\$1,365	60.51%
2	3	\$904 new	\$21,696	\$958	\$54	\$22,992	\$1,929	49.66%
60	3	\$711 rehab	\$511,920	\$754	\$43	\$542,880	\$1,929	39.09%
10	3	\$711 rehab	\$85,320	\$754	\$43	\$90,480	\$1,929	39.09%
			\$656,328			\$696,000		
WESTLEY								
40	3	\$711 rehab	\$341,280	\$754	\$43	\$361,920	\$1,929	39.09%
13	2	\$641 rehab	\$99,996	\$679	\$38	\$105,924	\$1,365	49.74%
9	2	\$590	\$63,720	\$625	\$35	\$67,500	\$1,365	45.79%
1	4	\$774 rehab	\$9,288	\$820	\$46	\$9,840	\$2,258	36.32%
15	4	\$698	\$125,640	\$740	\$42	\$133,200	\$2,258	32.77%
2	3	\$904 new	\$21,696	\$958	\$54	\$22,992	\$1,929	49.66%
5	2	\$779 new	\$46,740	\$826	\$47	\$49,560	\$1,365	60.51%
			\$708,360			\$750,936		
20 TRAILER PADS (WESTLEY)		\$146	\$35,040	\$146		\$35,040		
TOTAL			\$2,274,612	TOTAL		\$2,409,336		
VACANCY LOSS 3.8%			\$86,435	VACANCY LOSS 3.8%		\$91,555		
NET RENT			\$2,188,177	NET RENT		\$2,317,781		



Stanislaus Regional Housing Authority

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

RESOLUTION NO. 22-23-38

**RESOLUTION APPROVING THE STANISLAUS REGIONAL HOUSING AUTHORITY
PERMANENT FARM LABOR CENTERS LC- 28, 29, 30 AND 31 OPERATING
BUDGET FOR FISCAL YEAR 2023-2024**

WHEREAS, Stanislaus Regional Housing Authority 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 Stanislaus Regional Housing Authority, 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 Stanislaus Regional Housing Authority and is more particularly identified as follows:

TERM	PROGRAM	AMOUNT
10/01/2023 thru 9/30/2024	Farm Labor LC-28, 29, 30 & 31	\$4,490,175

DULY AND REGULARLY ADOPTED by the Board of Commissioners of 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

