



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 #7: Proposed Conant Place Operating Budget 2023-2024

PREPARED BY: Linh Luong, Director of Finance

Resolution No. 22-23-39

RECOMMENDATION:

After review and discussion, staff recommends the Board of Commissioners adopt the attached resolution approving the Conant Place Operating Budget for fiscal year 2023-2024.

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 2023-2024 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 2023-2024 fiscal year is increased by \$18,332 or 3.55% due to a proposed rent increase of 3.5%, increases in Interest Income, Laundry Income and Tenant Charges. The increase in operating expenses for the 2023-2024 budget is \$18,749 or 3.63%. 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 2023-2024 still anticipates \$647 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 2023-2024 Conant Place operating budget.
2. Proposed Extra Ordinary Maintenance Items.
3. Proposed Rental Income.
4. Resolution 22-23-39



ATTACHMENT A

CALIFORNIA HOUSING FINANCE AGENCY

Proposed Annual Operating Budget

PROJECT NAME: Conant Place

CHFA# 93-007-N

FISCAL YEAR BEGINNING: 10/1/2023

NUMBER OF UNITS # 81

Budget Line Item:	10/22 - 9/23 Proposed	10/23 - 9/24 Proposed	Diff.	% Chg	COMMENTS
INCOME:					
Gross Potential Rental Income	535,608.00	554,148.00	18,540.00	3.46%	Due to a 3.5% proposed rent increase
Interest Income	186.00	300.00	114.00	61.29%	Due to projected increase in interest rate
Laundry Income	4,790.00	5,000.00	210.00	4.38%	Due to increase over the past 12 months
Tenant Charges	450.00	750.00	300.00	66.67%	Due to increase over the past 12 months
Other Income (Specify)					
Total Gross Income	541,034.00	560,198.00	19,164.00	3.54%	
Less:					
Vacancy Loss	16,068.00	16,624.00	556.00	3.46%	
Employee Apartment Rents	7,860.00	8,136.00	276.00	3.51%	
TOTAL NET REVENUE	517,106.00	535,438.00	18,332.00	3.55%	
DISBURSEMENTS:					
Payroll:					
Office Administrative	14,400.00	14,832.00	432.00	3.00%	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)					
Subtotal Payroll	28,800.00	29,232.00	432.00	1.50%	
Payroll Taxes Workers Comp	3,403.00	3,305.00	-98.00	-2.88%	Decrease in workers compensation & payroll tax
Employee Benefits	13,902.00	13,933.00	31.00	0.22%	Increase in PERS Retirement
Total Payroll	46,105.00	46,470.00	365.00	0.79%	
Administrative Expenses:					
Renting expenses					
Office Expenses	10,315.00	11,000.00	685.00	6.64%	Increase in postage & telephone expenses
Management fee	65,124.00	66,582.00	1,458.00	2.24%	Increase per HUD Multifamily Mgmt. Fee Schedule

Budget Line Item:	10/22 - 9/23 Proposed	10/23 - 9/24 Proposed	Diff.	% Chg	COMMENTS
Legal	2,500.00	1,000.00	-1,500.00	-60.00%	Decrease 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%	
Total Administrative	90,093.00	90,736.00	643.00	0.71%	
Utilities:					
Electricity	13,490.00	14,000.00	510.00	3.78%	Increase in actual cost over the last 12 months
Water and Sewer	53,600.00	53,600.00	0.00	0.00%	
Gas	3,100.00	4,200.00	1,100.00	35.48%	Increase in actual cost over the last 12 months
Other (Specify)					
Total Utilities	70,190.00	71,800.00	1,610.00	2.29%	
Operating and Maintenance					
Maintenance Supplies	15,100.00	15,100.00	0.00	0.00%	
Maintenance & Repair Contracts	120,450.00	119,000.00	-1,450.00	-1.20%	Decrease in actual cost over the last 12 months
Trash Removal	11,330.00	14,200.00	2,870.00	25.33%	Increase in actual cost over the last 12 months
Heating & A/C Services	3,000.00	2,000.00	-1,000.00	-33.33%	Decrease in actual cost over the last 12 months
Total Operating and Maint.	149,880.00	150,300.00	420.00	0.28%	
Insurance and Taxes:					
Property & Liability Insurance	19,759.00	35,470.00	15,711.00	79.51%	Increase in property and liability insurance insurance
Other Taxes (Specify)					
Total Insurance and Taxes	19,759.00	35,470.00	15,711.00	79.51%	
Financial Expenses:					
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)					
Total Financial	140,015.00	140,015.00	0.00	0.00%	
TOTAL OPERATING DISBURS.	516,042.00	534,791.00	18,749.00	3.63%	
NET REVENUE OR DEFICIT	1,064.00	647.00	-417.00	-39.19%	

ATTACHMENT B

CONANT PLACE Fiscal Year 2023-2024 Extra Ordinary Maintenance

1. Tree Maintenance/Removals (Replacement Reserve)

Maintenance and removal of trees causing damage to concrete walkways and creating trip hazards.

Estimated cost is \$25,000.00

2. Landscape Improvements (Replacement Reserve)

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

3. Gutter Cleaning (Replacement Reserve)

Bi-annual gutter cleaning of tree debris off roofs and out of gutters.

Estimated cost is \$25,000.00

4. Fence Repairs (Replacement Reserve)

Fences are dry rotted and falling apart and need repairs on an as needed basis.

Estimated cost is \$15,000.00

ATTACHMENT C

CONANT PLACE
 DWELLING RENT
 FISCAL YEAR 2023-2024

# OF UNITS	BEDROOM SIZE	MONTHLY RENT	ANNUAL RENT	INCREASE 3.5%	PROPOSED ANNUAL RENT	DIFF	FAIR MARKET RENT	% OF MARKET	CALHFA RENT	% OF CALHFA
15	1	\$473	\$85,140	\$490	\$88,200	\$17	\$1,072	45.71%	\$791	61.95%
55	1	\$556	\$366,960	\$575	\$379,500	\$19	\$1,072	53.64%	\$791	72.69%
2	2	\$532	\$12,768	\$551	\$13,224	\$19	\$1,365	40.37%	\$950	58.00%
9	2	\$655	\$70,740	\$678	\$73,224	\$23	\$1,365	49.67%	\$950	71.37%
TOTAL RENT			\$535,608		\$554,148					
VACANCY LOSS 3%			\$16,068		\$16,624					
EMPLOYEE RENT			\$7,860		\$8,136					
NET RENT			\$511,680		\$529,388	\$17,708				



Stanislaus Regional Housing Authority

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RESOLUTION NO. 22-23-39

**RESOLUTION APPROVING THE STANISLAUS REGIONAL HOUSING AUTHORITY
CONANT PLACE OPERATING BUDGET FOR FISCAL YEAR 2023/2024**

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:

TERM	PROGRAM	AMOUNT
10/1/2023 thru 9/30/2024	Conant Place	\$534,791

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