



Stanislaus Regional Housing Authority

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Date: June 26, 2025

To: Board of Commissioners

From: Jim Kruse, Executive Director

Subject: Action Item #2: Proposed Housing Choice Voucher Program
Operating Budget for Fiscal Year 2025-2026

Prepared By: Linh Luong, Director of Finance

Resolution No. 24-25-09

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 2025-2026.

SUMMARY

The 2025-2026 Fiscal Year Budget was prepared with the following assumptions:

1. The inflation factor used in estimating the budget proposal is 4%.
2. Fringe Benefits - PERS retirement expense estimate is 18.6%.
3. Insurance – The rate for liability insurance increased 9.1% for 2025-2026 fiscal year.
4. Employee benefits included employee wellness program.

The following are recap of the Authority's proposed budget for the Fiscal Year 2025-2026 as compared to the 2024-2025 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 91% lease up of vouchers, and 90% funding level from HUD from October 2025 through December 2025 and a 82% funding level for January through September 2026. This fee could change for calendar year 2026.

The total revenue for the 2025-2026 fiscal year is increased by \$3,990,640 or 7.77% due to the increase in HAP Contribution, and offset by decreases in administrative fees from HUD and other revenue. The increase in expenditure is \$4,323,890 or 8.43% due to increases in HAP expense, administrative expense, and insurance expense. This budget is projected to utilize reserves from Housing Voucher Program administrative fee of \$262,155.

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

The total revenue for the 2025-2026 fiscal year is decreased by \$58,890 or 5.09% due to decrease in management fee income and other revenue. The increase in expenditures is \$87,620 or 7.59% due to increase in administrative expense, contract costs, and insurance expense. This budget is projected to utilize reserves from Housing Choice Voucher administrative fee of \$144,410.

ATTACHMENTS

1. Proposed Fiscal Year 2025-2026 Operating Budget
2. Resolutions 24-25-09

**HOUSING CHOICE VOUCHER
BUDGET COMPARISON
2025 VS. 2026**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2024-2025	2025-2026	BUDGET		
		HCV	HCV	DIFF.		
	OPERATING RECEIPTS					
1	OTHER RECEIPTS	\$42,170	\$39,470	-\$2,700	-6.40%	Decrease in miscellaneous income over the last 12 months of operations
2	TOTAL OPERATING REC.	\$42,170	\$39,470	-\$2,700	-6.40%	
3	HAP CONTRIBUTION	\$45,964,800	\$50,048,840	\$4,084,040	8.89%	HAP projected based on 99% funding level.
4	ADMIN. FEE HUD	\$5,377,885	\$5,287,185	-\$90,700	-1.69%	Projected lower lease-up rate
5	TOTAL RECEIPTS	\$51,384,855	\$55,375,495	\$3,990,640	7.77%	
	OPERATING EXPENDITURES					
	ADMINISTRATION:					
6	SALARIES	\$2,040,540	\$2,122,440	\$81,900	4.01%	Increase due to COLA and merit increases
7	FRINGE BENEFITS	\$1,029,590	\$1,211,830	\$182,240	17.70%	Increase due to salary changes, per above, increase in Employer PERS contribution, Unfunded Liability contribution, medical expense and increase in payroll taxes.
8	OTHER ADMIN. EXP.	\$614,690	\$614,690	\$0	0.00%	
9	MANAGEMENT FEE EXP.	\$1,156,430	\$1,097,540	-\$58,890	-5.09%	Decrease due to a decrease in lease up rate
10	TOTAL ADMIN. EXP.	\$4,841,250	\$5,046,500	\$205,250	4.24%	
	ORDINARY MAINTENANCE:					
11	MATERIALS	\$11,410	\$11,410	\$0	0.00%	
12	CONTRACT COSTS	\$406,610	\$406,610	\$0	0.00%	
13	TOTAL ORDINARY MAINT.	\$418,020	\$418,020	\$0	0.00%	
	GENERAL EXPENSE:					
14	INSURANCE	\$73,050	\$81,390	\$8,340	11.42%	Increase in workers compensation and liability insurance
15	OTHER GENERAL EXPENSES	\$16,640	\$42,900	\$26,260	157.81%	Increase was due to increase in actual administrative fee paid for outgoing portable vouchers that are administered by other Housing Authorities
16	TOTAL GENERAL EXPENSES	\$89,690	\$124,290	\$34,600	38.58%	
17	TOTAL ROUTINE EXPENSES	\$5,348,960	\$5,588,810	\$239,850	4.48%	
18	HOUSING ASSISTANCE PAYMENTS	\$45,964,800	\$50,048,840	\$4,084,040	8.89%	Based on current average per unit month HAP expense and 91% voucher utilization
19	TOTAL EXPENSES	\$51,313,760	\$55,637,650	\$4,323,890	8.43%	

**HOUSING CHOICE VOUCHER
BUDGET COMPARISON
2025 VS. 2026**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2024-2025 HCV	2025-2026 HCV	BUDGET DIFF.		
	NONROUTINE MAINTENANCE:					
20	EXTRAORDINARY MAINT.	\$0	\$0	\$0	0.00%	
	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	\$51,313,760	\$55,637,650	\$4,323,890	8.43%	
25	RESERVE FROM HCV ADMIN FEE		\$262,155			
26	GAIN OR LOSS	\$71,095	\$0			

**HOUSING CHOICE VOUCHER COCC
BUDGET COMPARISON
2025 VS. 2026**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2024-2025	2025-2026	BUDGET		
		HCV COCC	HCV COCC	DIFF.		
	OPERATING RECEIPTS					
1	MANAGEMENT FEE	\$1,156,430	\$1,097,540	-\$58,890	-5.09%	Decrease in lease-up rate
2	TOTAL RECEIPTS	\$1,156,430	\$1,097,540	-\$58,890	-5.09%	
	OPERATING EXPENDITURES					
	ADMINISTRATION:					
3	SALARIES	\$702,930	\$753,480	\$50,550	7.19%	Increase due to COLA and merit increases
4	FRINGE BENEFITS	\$305,210	\$337,030	\$31,820	10.43%	Increase due to salary changes, per above, increase in Employer PERS contribution, Unfunded Liability contribution, medical expense and increase in payroll taxes.
5	OTHER ADMIN. EXP.	\$120,070	\$120,070	\$0	0.00%	
6	TOTAL ADMIN. EXP.	\$1,128,210	\$1,210,580	\$82,370	7.30%	
	ORDINARY MAINTENANCE:					
7	MATERIALS	\$3,720	\$3,720	\$0	0.00%	
8	CONTRACT COSTS	\$3,830	\$6,750	\$2,920	76.24%	Increase in expense over the last 12 months of operations
9	TOTAL ORDINARY MAINT.	\$7,550	\$10,470	\$2,920	38.68%	
	GENERAL EXPENSE:					
10	INSURANCE	\$18,570	\$20,900	\$2,330	12.55%	Increase in workers compensation due to salary changes and rate, and increase in liability insurance
11	TOTAL GENERAL EXPENSES	\$18,570	\$20,900	\$2,330	12.55%	
12	TOTAL ROUTINE EXPENSES	\$1,154,330	\$1,241,950	\$87,620	7.59%	
	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	\$1,154,330	\$1,241,950	\$87,620	7.59%	
18	RESERVE FROM COCC HCV		\$144,410			
19	GAIN OR LOSS	\$2,100	\$0			



Stanislaus Regional Housing Authority

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RESOLUTION NO. 24-25-09

**RESOLUTION APPROVING THE STANISLAUS REGIONAL HOUSING AUTHORITY
HOUSING CHOICE VOUCHER PROGRAM
OPERATING BUDGET FOR FISCAL YEAR 2025-2026**

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
10/01/2025 thru 9/30/2026	Housing Choice Voucher	\$55,637,650
10/01/2025 thru 9/30/2026	Housing Choice Voucher Central Office Cost Center	\$ 1,241,950



DULY AND REGULARLY ADOPTED by the Board of Commissioners of the Stanislaus Regional Housing Authority this 26th day of June 2025. On motion of Commissioner ____, seconded by Commissioner _____, and on the following roll call vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Approved: _____
Chairperson

Attest: _____
Secretary