



## Stanislaus Regional Housing Authority

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MONO | STANISLAUS | TUOLUMNE COUNTIES

Date: June 26, 2025

To: Board of Commissioners

From: Jim Kruse, Executive Director

Subject: Action Item #4: Proposed USDA Farm Labor Budget for Fiscal Year 2025-2026

Prepared By: Linh Luong, Director of Finance

Resolution No. 24-25-11

### 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 2025-2026.

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

1. The interest rate for investment returns for all programs is 3.2% for fiscal year 2025-2026.
2. The inflation factor used in estimating the budget proposal is 4%.
3. Fringe Benefits - PERS retirement expense estimate is 18.6%.
4. Insurance – The rate for liability insurance increased 9.1%, and the rate for property insurance increased by 5.1% due to an increase in rate for the 2025-2026 fiscal year.
5. Utilities – The rate increase for water, sewer, electric and garbage of 3%-6%.
6. Employee benefits included employee wellness program.



The following are recaps of our Authority proposed budgets for the Fiscal Year 2025-2026 as compared to the 2024-2025 budgets.

The total revenue increased by \$164,309 or 4.49% due an increase in rental income offset by a decrease in interest income. The increase in rental income is due to a proposed rent increase of 7%. The net increase for operating expense is \$164,566 or 4.87%. The increase in operating expense was due to increases in administrative, utilities, maintenance expenses and insurance expense. The reserve fund will be used for gutter/roof cleaning at Ceres Farm Labor, water main shut-off valve replacements at Westley Farm Labor, interior/exterior painting at Westley Fram Labor office, fire hydrant replacement at Westley Farm Labor and for the purchase of a vehicle for maintenance. This budget has \$424 projected to go to reserve.

#### ATTACHMENTS

1. Proposed fiscal year 2025-2026 operating budget
2. Proposed rental income
3. Resolution 24-25-11

**FARM LABOR  
BUDGET COMPARISON  
2025 vs. 2026**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.		COMMENTS
		2024-2025	2025-2026	BUDGET		
		FARM LABOR	FARM LABOR	DIFF.	DIFF. &	
	<b>OPERATING RECEIPTS</b>					
1	DWELLING RENTALS	\$3,407,016	\$3,655,950	\$248,934	7.31%	The increase is due to a proposed 7% rent increase
2	INTEREST	\$157,200	\$72,575	-\$84,625	-53.83%	Decrease due to a projected decrease in the interest rate & decrease in reserve
3	OTHER RECEIPTS	\$99,000	\$99,000	\$0	0.00%	
4	TOTAL OPERATING REC.	\$3,663,216	\$3,827,525	\$164,309	4.49%	
5	ADMIN. FEE					
6	MONITORING FEE					
7	TOTAL RECEIPTS	\$3,663,216	\$3,827,525	\$164,309	4.49%	
	<b>OPERATING EXPENDITURES</b>					
	<b>ADMINISTRATION:</b>					
8	SALARIES	\$500,905	\$510,973	\$10,068	2.01%	Increase due to COLA and merit increases
9	FRINGE BENEFITS	\$262,596	\$291,976	\$29,380	11.19%	Increase due to salary changes, per above, increase in Employer PERS contribution, Unfunded Liability contribution, medical expense and increase in payroll taxes.
10	OTHER ADMIN. EXP.	\$115,900	\$120,700	\$4,800	4.14%	Increase due to increase in office expenses
11	TOTAL ADMIN. EXP.	\$879,401	\$923,649	\$44,248	5.03%	
	<b>UTILITIES:</b>					
12	UTILITIES	\$1,024,800	\$1,038,000	\$13,200	1.29%	Increase due to increases in water, sewer, electric & garbage charges
13	TOTAL UTILITIES EXP.	\$1,024,800	\$1,038,000	\$13,200	1.29%	
	<b>ORDINARY MAINTENANCE:</b>					
14	LABOR	\$353,633	\$379,139	\$25,506	7.21%	Increase due to COLA and merit increases
15	FRINGE BENEFITS	\$166,584	\$182,276	\$15,692	9.42%	Increase due to salary changes, per above, increase in Employer PERS contribution, Unfunded Liability contribution, medical expense and increase in payroll taxes.
16	MATERIALS	\$203,500	\$203,500	\$0	0.00%	
17	CONTRACT COSTS	\$297,690	\$351,300	\$53,610	18.01%	Increase due to increases in plumbing, HVAC, landscaping & flooring contract
18	TOTAL ORDINARY MAINT.	\$1,021,407	\$1,116,215	\$94,808	9.28%	
	<b>GENERAL EXPENSE:</b>					
19	INSURANCE	\$213,513	\$225,823	\$12,310	5.77%	Due to increases in workers compensation, property & liability insurance
20	PAYMENTS ON NOTES	\$238,614	\$238,614	\$0	0.00%	
21	TOTAL GENERAL EXPENSES	\$452,127	\$464,437	\$12,310	2.72%	
22	TOTAL ROUTINE EXPENSES	\$3,377,735	\$3,542,301	\$164,566	4.87%	

**FARM LABOR  
BUDGET COMPARISON  
2025 vs. 2026**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. &	COMMENTS
		2024-2025	2025-2026	BUDGET		
		FARM LABOR	FARM LABOR	DIFF.		
	<b>NONROUTINE MAINTENANCE:</b>					
23	<b>EXTRAORDINARY MAINT.</b>	\$0	\$0	\$0	0.00%	
	<b>CAPITAL EXPENDITURES</b>					
24	<b>REPLACEMENT EQUIPMENT</b>	\$0	\$35,000	\$35,000		For budgeted purchase of vehicle for maintenance
25	<b>PROPERTY BETTERMENTS</b>	\$1,004,300	\$80,000	-\$924,300		For budgeted gutter/roof cleaning @ CFL, water main shut-off valve replacements @ WFL, fire hydrant replacement @ WFL & office interior/exterior painting @ WFL
26	<b>TOTAL CAPITAL EXPEND.</b>	\$1,004,300	\$115,000	-\$889,300		
27	<b>TOTAL EXPENDITURES</b>	\$4,382,035	\$3,657,301	-\$724,734	-16.54%	
28	<b>GAIN OR LOSS</b>	-\$718,819	\$170,224			
29	<b>RESERVE REQUIREMENTS</b>	\$284,800	\$284,800	\$0		
30	<b>FARM LABOR RESERVE</b>	\$1,004,300	\$115,000			
31		\$681	\$424			

DWELLING RENT FARM LABOR 265  
FISCAL YEAR 10/1/2025 to 9/30/2026

# OF UNITS	BEDROOM SIZE	MONTHLY RENT	12 ANNUAL RENT	1.0700 NEW MONTHLY RENT	MONTHLY RENT INCREASE	12 NEW RENT TOTAL	2024 FMR	% OF MARKET RENT	
CERES									
8	2	\$900 new	\$86,400	\$963	\$63	\$92,448	\$1,528	63.02%	
16	3	\$1,044 new	\$200,448	\$1,117	\$73	\$214,464	\$2,153	51.88%	
25	3	\$822 rehab	\$246,600	\$880	\$58	\$264,000	\$2,153	40.87%	
28	3	\$732	\$245,952	\$783	\$51	\$263,088	\$2,153	36.37%	
14	2	\$681	\$114,408	\$729	\$48	\$122,472	\$1,528	47.71%	
12	4	\$811	\$116,784	\$868	\$57	\$124,992	\$2,536	34.23%	
			\$1,010,592				\$1,081,464		
PATTERSON									
4	2	\$900 new	\$43,200	\$963	\$63	\$46,224	\$1,528	63.02%	
2	3	\$1,044 new	\$25,056	\$1,117	\$73	\$26,808	\$2,153	51.88%	
60	3	\$822 rehab	\$591,840	\$880	\$58	\$633,600	\$2,153	40.87%	
10	3	\$822 rehab	\$98,640	\$880	\$58	\$105,600	\$2,153	40.87%	
			\$758,736				\$812,232		
WESTLEY									
40	3	\$822 rehab	\$394,560	\$880	\$58	\$422,400	\$2,153	40.87%	
13	2	\$740 rehab	\$115,440	\$792	\$52	\$123,552	\$1,528	51.83%	
9	2	\$681	\$73,548	\$729	\$48	\$78,732	\$1,528	47.71%	
1	4	\$894 rehab	\$10,728	\$957	\$63	\$11,484	\$2,536	37.74%	
15	4	\$807	\$145,260	\$863	\$56	\$155,340	\$2,536	34.03%	
2	3	\$1,044 new	\$25,056	\$1,117	\$73	\$26,808	\$2,153	51.88%	
5	2	\$900 new	\$54,000	\$963	\$63	\$57,780	\$1,528	63.02%	
			\$818,592				\$876,096		
19 TRAILER PADS (WESTLEY)		\$146	\$35,040	\$180				\$41,040	
1 TRAILER			\$0	\$535				\$6,420	
TOTAL			\$2,622,960	TOTAL			\$2,817,252		
VACANCY LOSS 3.8%			\$99,672	VACANCY LOSS 3.8%			\$107,056		
NET RENT			\$2,523,288	NET RENT			\$2,710,196		

DWELLING RENT  
 FARM LABOR 91 CENTER  
 FISCAL YEAR 10/1/2025 TO 9/30/2026

# OF UNITS	BEDROOM SIZE	CURRENT MONTHLY RENT	12 ANNUAL RENT	1.0700 RENT INCREASE	RENT INC. PER UNIT	12 NEW ANNUAL RENT	2025 FMR	% OF MARKET RENT
12	1	\$711	\$102,384	\$761	\$50	\$109,584	\$1,209	62.94%
37	2	\$801	\$355,644	\$857	\$56	\$380,508	\$1,566	54.73%
31	3	\$894	\$332,568	\$957	\$63	\$356,004	\$2,194	43.62%
11	4	\$970	\$128,040	\$1,038	\$68	\$137,016	\$2,549	40.72%
TOTAL RENT			\$918,636	TOTAL RENT		\$983,112		
VACANY LOSS 3.8%			\$34,908	VACANY LOSS 3.8%		\$37,358		
91	NET RENT		\$883,728	NET RENT		\$945,754		



# Stanislaus Regional Housing Authority

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MONO | STANISLAUS | TUOLUMNE COUNTIES

## RESOLUTION NO. 24-25-11

### RESOLUTION APPROVING THE STANISLAUS REGIONAL HOUSING AUTHORITY PERMANENT FARM LABOR CENTERS LC- 28, 29, 30 AND 31 OPERATING BUDGET FOR FISCAL YEAR 2025-2026

**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
10/01/2025 thru 9/30/2026	Farm Labor LC-28, 29, 30 & 31	\$3,657,301

**DULY AND REGULARLY ADOPTED** by the Board of Commissioners of 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

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