



Stanislaus Regional Housing Authority

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

Date: June 26, 2025

To: Board of Commissioners

From: Jim Kruse, Executive Director

Subject: Action Item #7: Proposed Valley Manor Operating Budget for
Fiscal Year 2025-2026

Prepared By: Linh Luong, Director of Finance

Resolution No. 24-25-14

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) Project Based Section 8 Valley Manor Operating Budget for Fiscal Year 2025-2026.

SUMMARY:

Valley Manor is a 48-unit project-based Section 8 complex located in Newman. Attached is the proposed 2025-2026 Valley Manor Operating Budget. The proposal shows next year's estimated expenses along with a comparison of last year's operating budget.

The total revenue for the 2025-2026 fiscal year is increased by \$14,508 or 3.88% due to an increase in rental income, and offset by a decrease in interest income. The total expenditure for the 2025-2026 budget is increased by \$33,520 or 8.08%. The increase in expense is due to increases in administrative expense, utilities expense, maintenance expense, insurance expense and HVAC replacement. The replacement reserve fund will be used for HVAC replacement. The net increase for operating expense is \$11,020 or 3.10%. This budget has \$194 projected to go to reserve.

ATTACHMENTS:

1. Proposed fiscal year 2025-2026 Valley Manor operating budget
2. Proposed rental income
3. Resolution 24-25-14



**VALLEY MANOR PROJECT
BUDGET COMPARISON
2025 VS. 2026**

		BUDGET	BUDGET	BUDGET VS.		
		2024-2025	2025-2026	BUDGET		
LINE #	ITEM	VALLEY MANOR	VALLEY MANOR	DIFF.	DIFF. %	COMMENTS
	OPERATING RECEIPTS					
1	DWELLING RENTALS	498706	519378	20672	4.15%	The projected rent increase is 4.1% for December 2025 through September 2026.
2	INTEREST	12484	6320	-6164	-160.52%	Lower due to lower interest rate
3	OTHER RECEIPTS	2000	2000	0	0.00%	
4	TOTAL OPERATING REC.	513190	527698	14508	3.88%	
5	TOTAL RECEIPTS	513190	527698	14508	3.88%	
	OPERATING EXPENDITURES					
6	ADMINISTRATION:					
7	SALARIES	16640	17680	1040	6.67%	Increase due to increase in minimum wage
8	FRINGE BENEFITS	1846	1926	80	5.16%	Increase in payroll tax expense
9	OTHER ADMIN. EXP.	12800	13950	1150	12.76%	Increase in legal expense
10	MANAGEMENT FEES	58051	58639	588	1.47%	Increase in bookkeeping fee
11	TOTAL ADMIN. EXP.	89337	92195	2858	4.32%	
	UTILITIES:					
12	UTILITIES	85620	87760	2140	4.04%	Increase due to water & garbage costs
13	TOTAL UTILITIES EXP.	85620	87760	2140	4.04%	
	ORDINARY MAINTENANCE:					
13	LABOR	28050	31169	3119	12.31%	Increase due to increase in maintenance wage rate
14	FRINGE BENEFITS	2720	2863	143	6.24%	Increase in payroll tax expense
15	MATERIALS	29596	29596	0	0.00%	
16	CONTRACT COSTS	74140	76020	1880	4.10%	Increase in painting and plumbing contract expense
17	TOTAL ORDINARY MAINT.	134506	139648	5142	4.97%	
	GENERAL EXPENSE:					
18	INSURANCE	22320	23200	880	6.96%	Increase in workers' compensation rate, property and liability insurance
19	COLLECTION LOSSES	2100	2100	0	0.00%	
20	PAYMENTS ON NOTES	128265	128265	0	0.00%	
21	TOTAL GENERAL EXPENSES	152685	153565	880	0.66%	
22	TOTAL ROUTINE EXPENSES	462148	473168	11020	3.10%	
	NONROUTINE MAINTENANCE:					
23	EXTRAORDINARY MAINT.	0	0	0	0.00%	
	CAPITAL EXPENDITURES					
24	REPLACEMENT EQUIPMENT	0	0	0	0.00%	
25	PROPERTY BETTERMENTS	0	22500	22500	100.00%	HVAC replacement
26	TOTAL CAPITAL EXPEND.	0	22500	22500	0.00%	
27	TOTAL EXPENDITURES	462148	495668	33520	8.08%	
28	GAIN OR LOSS	51042	32030			
29	REPLACEMENT RESERVE REQUIREMENTS	50784	54336			
30	NET INCOME	258	-22306			
31	VALLEY MANOR REPLACEMENT RESERVE	0	22500			
		258	194			

DWELLING RENT
 VALLEY MANOR PROJECT
 FISCAL YEAR 10/1/2025 TO 9/30/2026

# OF UNITS	BEDROOM SIZE	2		10	12	2		10	12	2025 MARKET RATE	% OF MARKET RATE
		Oct-Nov 2024	Dec 2024-Sept 2025			Oct- Nov 2025	Dec 2025-Sept 2026				
		MONTHLY RENT	MONTHLY RENT	ANNUAL RENT		PROPOSED RENT	PROPOSED RENT	RENT INCREASE PER UNIT	NEW ANNUAL RENT		
8	1	\$807	\$843	\$80,352		\$843	\$877	\$34	\$83,648	\$1,209	69.73%
32	2	\$884	\$923	\$351,936		\$923	\$961	\$38	\$366,592	\$1,566	58.94%
7	3	\$1,064	\$1,111	\$92,666		\$1,111	\$1,156	\$45	\$96,474	\$2,194	50.64%
47											
	TOTAL RENT			\$524,954		TOTAL RENT			\$546,714		
	VACANY LOSS 5.0%			\$26,248		VACANY LOSS 5.0%			\$27,336		
	NET RENT			\$498,706		NET RENT			\$519,378		



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RESOLUTION NO. 24-25-14

RESOLUTION APPROVING STANISLAUS REGIONAL HOUSING AUTHORITY VALLEY MANOR OPERATING BUDGET FOR FISCAL YEAR 2025-2026

WHEREAS, Stanislaus Regional Housing Authority is administering and will continue to administer Valley Manor project; and

WHEREAS, it is necessary in the operation of said program that Valley Manor Operating Budget, therefore, be approved and adopted; 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. 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 Valley Manor Operating Budget as herein designated be, and the same is hereby ratified, confirmed and approved.
5. Said Valley Manor Operating Budget is filed in the office of Stanislaus Regional Housing Authority and is more particularly identified as follows:

<u>TERM</u>	<u>PROGRAM</u>	<u>AMOUNT</u>
10/1/2025 thru 9/30/2026	Valley Manor	\$495,668

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

AYES:

NAYS:

ABTAIN:

ABSENT:

Approved: _____
Chairperson

Attest: _____
Secretary

