

# Stanislaus Regional Housing Authority

*Alpine ■ Amador ■ Calaveras ■ Inyo ■ Mariposa ■ Mono ■ Stanislaus ■ Tuolumne Counties*

DATE: July 24, 2018  
TO: Board of Commissioners  
FROM: Barbara S. Kauss, Executive Director  
SUBJECT: **Action Item 5:** Proposed Conant Place Operating Budget 2018-2019  
PREPARED BY: Linh Luong, Director of Finance

Resolution No. 17-18-26

## **RECOMMENDATION:**

After review and discussion, staff recommends the Board of Commissioners adopt the attached resolution approving the Conant Place Operating Budget for fiscal year 2018-2019.

## **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 2018-2019 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 2018-2019 fiscal year is increased by \$185 or .04% due to increases in Interest Income. The increase in operating expenses for the 2018-2019 budget is \$937 or .19%. The increase in expenses is due to increases in payroll expense, administrative expense, utilities expense and offset a decrease in maintenance expense. After meeting our reserve requirements, the budget proposal for 2018-2019 still anticipates \$147 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 2018-2019 Conant Place operating budget.
2. Proposed Extra Ordinary Maintenance Items.
3. Proposed Rental Income.
4. Resolution 17-18-26

**ATTACHMENT A**

**CALIFORNIA HOUSING FINANCE AGENCY**

**Proposed Annual Operating Budget**

PROJECT NAME: Conant Place

CHFA# 93-007-N

FISCAL YEAR BEGINNING: 10/1/2018

NUMBER OF UNITS # 81

Budget Line Item:	10/17 - 9/18 Proposed	10/18 - 9/19 Proposed	Diff.	% Chg	COMMENTS
<b>INCOME:</b>					
<b>Gross Potential Rental Income</b>	517,200.00	517,200.00	0.00	0.00%	
<b>Interest Income</b>	210.00	395.00	185.00	88.10%	Increase due to increase in interest rate
Laundry Income	3,900.00	3,900.00	0.00	0.00%	
Tenant Charges	450.00	450.00	0.00	0.00%	
Other Income (Specify)					
<b>Total Gross Income</b>	521,760.00	521,945.00	185.00	0.04%	
<b>Less:</b>					
Vacancy Loss	15,516.00	15,516.00	0.00	0.00%	
Employee Apartment Rents	14,040.00	14,040.00	0.00	0.00%	
<b>TOTAL NET REVENUE</b>	492,204.00	492,389.00	185.00	0.04%	
<b>DISBURSEMENTS:</b>					
<b>Payroll:</b>					
Office Administrative	12,210.00	12,940.00	730.00	5.98%	Increase due to COLA for 2018-2019 and merit inc.
On Site Manager	14,400.00	14,400.00	0.00	0.00%	
Maintenance Janitorial	12,060.00	12,060.00	0.00	0.00%	
Other Services (Specify)					
<b>Subtotal Payroll</b>	38,670.00	39,400.00	730.00	1.89%	
<b>Payroll Taxes Workers Comp</b>	8,365.00	8,460.00	95.00	1.14%	
<b>Employee Benefits</b>	12,520.00	12,875.00	355.00	2.84%	
<b>Total Payroll</b>	59,555.00	60,735.00	1,180.00	1.98%	
<b>Administrative Expenses:</b>					
Renting expenses					
Office Expenses	6,500.00	6,500.00	0.00	0.00%	
Management fee	62,208.00	62,208.00	0.00	0.00%	
Legal	1,000.00	1,800.00	800.00	80.00%	Increase in legal fees over the past 12 months

Budget Line Item:	10/17 - 9/18 Proposed	10/18 - 9/19 Proposed	Diff.	% Chg	COMMENTS
Audit Exp (Project Related Only)	1,380.00	1,380.00	0.00	0.00%	
Accounting / Bookkeeping	9,234.00	9,234.00	0.00	0.00%	
Misc (Specify) (Forms & Copies)	2,000.00	2,000.00	0.00	0.00%	
<b>Total Administrative</b>	<b>82,322.00</b>	<b>83,122.00</b>	<b>800.00</b>	<b>0.97%</b>	
<b>Utilities:</b>					
Electricity	15,875.00	15,875.00	0.00	0.00%	
Water and Sewer	44,950.00	49,900.00	4,950.00	11.01%	Projected increase in water & sewer costs
Gas	3,900.00	3,900.00	0.00	0.00%	
Other (Specify)					
<b>Total Utilities</b>	<b>64,725.00</b>	<b>69,675.00</b>	<b>4,950.00</b>	<b>7.65%</b>	
<b>Operating and Maintenance</b>					
Maintenance Supplies	15,800.00	14,450.00	-1,350.00	-8.54%	Decrease in appliances and windowcoverings
Maintenance & Repair Contracts	103,075.00	99,075.00	-4,000.00	-3.88%	Decrease in maintenance contract exepnses
Trash Removal	8,900.00	9,120.00	220.00	2.47%	Increase due to projected increase in cost
Heating & A/C Services	2,100.00	2,100.00	0.00	0.00%	
<b>Total Operating and Maint.</b>	<b>129,875.00</b>	<b>124,745.00</b>	<b>-5,130.00</b>	<b>-3.95%</b>	
<b>Insurance and Taxes:</b>					
Property & Liability Insurance	14,813.00	13,950.00	-863.00	-5.83%	Decrease in property & liability insurance premiums
Other Taxes (Specify)					
<b>Total Insurance and Taxes</b>	<b>14,813.00</b>	<b>13,950.00</b>	<b>-863.00</b>	<b>-5.83%</b>	
<b>Financial Expenses:</b>					
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)					
<b>Total Financial</b>	<b>140,015.00</b>	<b>140,015.00</b>	<b>0.00</b>	<b>0.00%</b>	
<b>TOTAL OPERATING DISBURS.</b>	<b>491,305.00</b>	<b>492,242.00</b>	<b>937.00</b>	<b>0.19%</b>	
<b>NET REVENUE OR DEFICIT</b>	<b>899.00</b>	<b>147.00</b>	<b>-752.00</b>	<b>-83.65%</b>	

## ATTACHMENT B

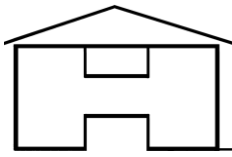
### CONANT PLACE Fiscal Year 2018-2019 Extra Ordinary Maintenance

- 1. Fence Replacement Along South Property Line (Replacement Reserve)**  
Remove and replace the deteriorated wooden fence along the 737.5' of property boundary to the south, bordering (12) privately-owned, residential properties.  
**Estimated cost is \$25,000.00**
  
- 2. Phased Roof Replacement (Replacement Reserve)**  
This will be the initial phase of roof replacement for the 22 buildings on-site.  
**Estimated cost is \$125,000.00**
  
- 3. Maintenance and Removal of Trees (Replacement Reserve)**  
This is ongoing maintenance to remove trees causing damage to concrete and creating trip hazards.  
**Estimated cost is \$20,000.00**

**ATTACHMENT C**

CONANT PLACE  
 DWELLING RENT  
 FISCAL YEAR 2018-2019

# OF UNITS	BEDROOM SIZE	MONTHLY RENT	ANNUAL RENT	INCREASE 0.0%	<b>PROPOSED ANNUAL RENT</b>	DIFF	FAIR MARKET RENT	% OF MARKET	CALHFA RENT	% OF CALHFA
15	1	\$456	\$82,080	\$456	<b>\$82,080</b>	\$0	\$809	56.37%	\$620	73.55%
55	1	\$537	\$354,420	\$537	<b>\$354,420</b>	\$0	\$809	66.38%	\$620	86.61%
2	2	\$514	\$12,336	\$514	<b>\$12,336</b>	\$0	\$1,035	49.66%	\$698	73.64%
9	2	\$633	\$68,364	\$633	<b>\$68,364</b>	\$0	\$1,035	61.16%	\$698	90.69%
TOTAL RENT			\$517,200		<b>\$517,200</b>					
VACANCY LOSS 3%			\$15,516		<b>\$15,516</b>					
EMPLOYEE RENT			\$14,040		<b>\$14,040</b>					
NET RENT			\$487,644		<b>\$487,644</b>	\$0				



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## RESOLUTION NO. 17-18-26

### RESOLUTION APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS CONANT PLACE OPERATING BUDGET FOR FISCAL YEAR 2018-2019

**WHEREAS**, the Housing Authority of the County of Stanislaus 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 the Housing Authority of the County of Stanislaus, that

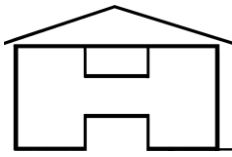
1. That proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low income families.
2. That the financial plan is reasonable in that:
  - a. It indicates a source of funding adequate to cover all proposed expenditures.
  - b. 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 the Housing Authority of the County of Stanislaus and is more particularly identified as follows:

<u>TERM</u>	<u>PROGRAM</u>	<u>AMOUNT</u>
10/1/2018 thru 9/30/2019	Conant Place	\$492,242

**DULY AND REGULARLY ADOPTED** by the Board of Commissioners of the Housing Authority of the County of Stanislaus this 24<sup>th</sup> day of July, 2018.

On motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and on the following roll call vote:





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AYES:

NAYS:

ABSTAIN:

ABSENT:

Attest: \_\_\_\_\_  
Secretary

Approved: \_\_\_\_\_  
Chairperson

