

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: Proposed Budget HUD Project Based Section 8
Valley Manor Apartments in Newman
Prepared By: Linh Luong, Director of Finance

Resolution No. 17-18-29

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 2018-2019.

SUMMARY:

Valley Manor is a 48 unit project based Section 8 project located in Newman. Attached is the proposed 2018-2019 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 2018-2019 fiscal year is increased by \$11,718 or 3.24% due to increases in rental income and interest income. The increase in operating expenses for the 2018-2019 budget is \$55,070 or 15.3%. The increase in expenses is due to an increase in sewer costs, maintenance expenses, budgeted HVAC replacement and balcony repair. The Valley Manor project was acquired in July 2004 and will require additional rehabilitation work over the next few years. Staff anticipates the work on the interior of the units can be accomplished as unit turnover. The reserve fund will be used for the HVAC replacement and balcony repair. The net increase for operating expense is \$5,070 or 1.45%. This budget has \$8,711 projected to go to reserve.

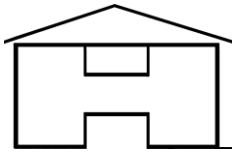
ATTACHMENTS:

1. Proposed fiscal year 2018-2019 Valley Manor operating budget
2. Proposed rental income
3. Resolution 17-18-28



**VALLEY MANOR PROJECT
BUDGET COMPARISON
2018 VS. 2019**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. %	COMMENTS
		2017-2018 VALLEY MANOR	2018-2019 VALLEY MANOR	BUDGET DIFF.		
OPERATING RECEIPTS						
1	DWELLING RENTALS	350938	360836	9898	2.82%	Rent increase is provided by HUD. The projected rent increase is 1.66% for January 2019 through September 2019.
2	INTEREST	2020	3840	1820	90.10%	Increase due to increase in interest rate
3	OTHER RECEIPTS	9050	9050	0	0.00%	
4	TOTAL OPERATING REC.	362008	373726	11718	3.24%	
5	TOTAL RECEIPTS	362008	373726	11718	3.24%	
OPERATING EXPENDITURES						
6	ADMINISTRATION:					
7	SALARIES	15600	15600	0	0.00%	
8	FRINGE BENEFITS	1550	1550	0	0.00%	
9	OTHER ADMIN. EXP.	9010	9010	0	0.00%	
10	MANAGEMENT FEES	40040	40040	0	0.00%	
11	TOTAL ADMIN. EXP.	66200	66200	0	0.00%	
UTILITIES:						
12	UTILITIES	49720	52980	3260	6.56%	Increase in sewer cost
13	TOTAL UTILITIES EXP.	49720	52980	3260	6.56%	
ORDINARY MAINTENANCE:						
13	LABOR	25345	25345	0	0.00%	
14	FRINGE BENEFITS	2290	2290	0	0.00%	
15	MATERIALS	29300	29910	610	2.08%	increase in expense over the last 12 months of operations
16	CONTRACT COSTS	44130	45820	1690	3.83%	Increase in painting contract
17	TOTAL ORDINARY MAINT.	101065	103365	2300	2.28%	
GENERAL EXPENSE:						
18	INSURANCE	13130	12640	-490	-3.73%	Decrease in property and liability insurance
19	COLLECTION LOSSES	2100	2100	0	0.00%	
19	PAYMENTS ON NOTES	118000	118000	0	0.00%	
20	TOTAL GENERAL EXPENSES	133230	132740	-490	-0.37%	
TOTAL ROUTINE EXPENSES						
		350215	355285	5070	1.45%	
NONROUTINE MAINTENANCE:						
21	EXTRAORDINARY MAINT.	0	0	0	0.00%	
CAPITAL EXPENDITURES						
22	REPLACEMENT EQUIPMENT	0	0	0	0.00%	
23	PROPERTY BETTERMENTS	0	50000	50000	100.00%	Budgeted for balcony repair and HVAC replacement
24	TOTAL CAPITAL EXPEND.	0	50000	50000	0.00%	
25	CONTINGENCY	9730	9730	0	0.00%	
26	TOTAL EXPENDITURES	359945	415015	55070	15.30%	
27	GAIN OR LOSS	2063	-41289			
28	VALLEY MANOR RESERVE	0	50000			
29		2063	8711			



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**RESOLUTION NO. 17-18-29
RESOLUTION APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
VALLEY MANOR OPERATING BUDGET FOR FISCAL YEAR 2018-2019**

WHEREAS, the Housing Authority of the County of Stanislaus 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 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 Valley Manor Operating Budget as herein designated be, and the same is hereby ratified, confirmed and approved.
5. That said Valley Manor 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	Valley Manor	\$415,015

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

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

AYES:
NAYS:
ABSTAIN:
ABSENT:

Attest: _____
Secretary

Approved: _____
Chairperson

