



Stanislaus Regional Housing Authority

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

DATE: July 29, 2019
TO: Board of Commissioners
FROM: Barbara S. Kauss, Executive Director
SUBJECT: Action Item: Proposed Conant Place Operating Budget 2019-2020
PREPARED BY: Linh Luong, Director of Finance

Resolution No. 18-19-33

RECOMMENDATION:

After review and discussion, staff recommends the Board of Commissioners adopt the attached resolution approving the Conant Place Operating Budget for fiscal year 2019-2020.

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 2019-2020 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 2019-2020 fiscal year is increased by \$11,261 or 2.29% due to increases in Rental Income and Interest Income. Rental income is higher than 2018-2019 due to a proposed 1% increase in rents and the reduction of an agency-provided unit for maintenance staff. The rent increase is needed due to an increase in operating expenditures. The proposed rent increase will range from \$5 to \$6 per unit per month (See Attachment C). The last rent increase for the project was in October 2017. The increase in operating expenses for the 2019-2020 budget is \$8,415 or 1.71%. The increase in expenses is due to increases in administrative expense, utilities expense and maintenance expense, and offset by decreases in payroll expense and insurance expense. After meeting our reserve requirements, the budget proposal for 2019-2020 still anticipates \$2,993 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 2019-2020 Conant Place operating budget.
2. Proposed Extra Ordinary Maintenance Items.
3. Proposed Rental Income.
4. Resolution 18-19-33

ATTACHMENT A

CALIFORNIA HOUSING FINANCE AGENCY

Proposed Annual Operating Budget

PROJECT NAME: Conant Place

CHFA# 93-007-N

FISCAL YEAR BEGINNING: 10/1/2019

NUMBER OF UNITS # 81

Budget Line Item:	10/18 - 9/19 Proposed	10/19 - 9/20 Proposed	Diff.	% Chg	COMMENTS
INCOME:					
Gross Potential Rental Income	517,200.00	522,168.00	4,968.00	0.96%	Rent Increase
Interest Income	395.00	465.00	70.00	17.72%	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)					
Total Gross Income	521,945.00	526,983.00	5,038.00	0.97%	
Less:					
Vacancy Loss	15,516.00	15,665.00	149.00	0.96%	
Employee Apartment Rents	14,040.00	7,668.00	-6,372.00	-45.38%	Decrease due to change in part-time maintenance staff
TOTAL NET REVENUE	492,389.00	503,650.00	11,261.00	2.29%	
DISBURSEMENTS:					
Payroll:					
Office Administrative	12,940.00	13,570.00	630.00	4.87%	Increase due to merit increase
On Site Manager	14,400.00	14,400.00	0.00	0.00%	
Maintenance Janitorial	12,060.00	0.00	-12,060.00	-100.00%	Decrease due to reorganization of part-time staff. Expense to be split between administrative stipend and additional contracted maintenance.
Other Services (Specify)					
Subtotal Payroll	39,400.00	27,970.00	-11,430.00	-29.01%	
Payroll Taxes Workers Comp	8,460.00	3,820.00	-4,640.00	-54.85%	Decrease due to change in maintenance payroll
Employee Benefits	12,875.00	12,920.00	45.00	0.35%	Decrease due to change in maintenance payroll and offset by increase in employer PERS contribution
Total Payroll	60,735.00	44,710.00	-16,025.00	-26.39%	
Administrative Expenses:					
Renting expenses					
Office Expenses	6,500.00	8,900.00	2,400.00	36.92%	Addition of administrative stipend
Management fee	62,208.00	62,208.00	0.00	0.00%	

Budget Line Item:	10/18 - 9/19 Proposed	10/19 - 9/20 Proposed	Diff.	% Chg	COMMENTS
Legal	1,800.00	1,950.00	150.00	8.33%	Increase in legal fees over the past 12 months
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	1,500.00	-500.00	-25.00%	Decrease in costs over the past 12 months
Total Administrative	83,122.00	85,172.00	2,050.00	2.47%	
Utilities:					
Electricity	15,875.00	15,400.00	-475.00	-2.99%	
Water and Sewer	49,900.00	51,300.00	1,400.00	2.81%	Projected increase in water & sewer costs
Gas	3,900.00	3,790.00	-110.00	-2.82%	
Other (Specify)					
Total Utilities	69,675.00	70,490.00	815.00	1.17%	
Operating and Maintenance					
Maintenance Supplies	14,450.00	14,825.00	375.00	2.60%	
Maintenance & Repair Contracts	99,075.00	120,450.00	21,375.00	21.57%	Additional contracted maintenance to offset change in part-time maintenance position/Increase in turnover expenses over the past 12 months/Projected Cost to make landscape improvements and add fencing for designated pet areas
Trash Removal	9,120.00	9,600.00	480.00	5.26%	Increase due to projected increase in cost
Heating & A/C Services	2,100.00	2,100.00	0.00	0.00%	
Total Operating and Maint.	124,745.00	146,975.00	22,230.00	17.82%	
Insurance and Taxes:					
Property & Liability Insurance	13,950.00	13,295.00	-655.00	-4.70%	
Other Taxes (Specify)					
Total Insurance and Taxes	13,950.00	13,295.00	-655.00	-4.70%	
Financial Expenses:					
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)					
Total Financial	140,015.00	140,015.00	0.00	0.00%	
TOTAL OPERATING DISBURS.	492,242.00	500,657.00	8,415.00	1.71%	
NET REVENUE OR DEFICIT	147.00	2,993.00	2,846.00	1936.05%	

ATTACHMENT B

CONANT PLACE Fiscal Year 2019-2020 Extra Ordinary Maintenance

1. Phased Roof Replacement (Replacement Reserve)

This will be the second phase of roof replacement for the 22 buildings on-site.

Estimated cost is \$125,000.00

2. 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

3. Wrought Iron Fence/Pedestrian Gate Repair & Reconfiguration (Replacement Reserve)

Repair and reconfigure sections of the wrought iron fence, the pedestrian gate, and the access path to that gate located adjacent to the front entrance driveway. This is to address both security and accessibility.

Estimated cost is \$10,000.00



Stanislaus Regional Housing Authority

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MONO | STANISLAUS | TUOLUMNE COUNTIES

RESOLUTION NO. 18-19-33

**RESOLUTION APPROVING STANISLAUS REGIONAL HOUSING AUTHORITY
CONANT PLACE OPERATING BUDGET FOR FISCAL YEAR 2019/2020**

WHEREAS, Stanislaus Regional Housing Authority 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 Stanislaus Regional Housing Authority

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 Stanislaus Regional Housing Authority and is more particularly identified as follows:

<u>TERM</u>	<u>PROGRAM</u>	<u>AMOUNT</u>
10/1/2019 thru 9/30/2020	Conant Place	\$500,657



DULY AND REGULARLY ADOPTED by the Board of Commissioners of Stanislaus Regional Housing Authority this 29th day of July, 2019.

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

AYES:

NAYS:

ABSTAIN:

ABSENT:

Attest: _____
Secretary

Approved: _____
Chairman