



## Stanislaus Regional Housing Authority

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

To: Board of Commissioners

From: Barbara S. Kauss, Executive Director

Date: July 29, 2019

Subject: Action Item: Proposed Budget HUD Project Based Section 8  
Valley Manor Apartments in Newman

Prepared By: Linh Luong, Director of Finance

Resolution No. 18-19-36

### **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 2019-2020.

### **SUMMARY:**

Valley Manor is a 48-unit project-based Section 8 project located in Newman. Attached is the proposed 2019-2020 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 2019-2020 fiscal year is increased by \$6,155 or 1.65% due to increases in rental income, interest income and offset by lower other revenue. The increase in operating expenses for the 2019-2020 budget is \$954 or .23%. The increase in expenses is due to an increase in maintenance expenses. 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. This budget has \$13,912 projected to go to reserve.

### **ATTACHMENTS:**

1. Proposed fiscal year 2019-2020 Valley Manor operating budget
2. Proposed rental income
3. Resolution 18-19-36



**VALLEY MANOR PROJECT  
BUDGET COMPARISON  
2019 VS. 2020**

LINE #	ITEM	BUDGET	BUDGET	BUDGET VS.	DIFF. %	COMMENTS
		2018-2019	2019-2020	BUDGET		
		VALLEY MANOR	VALLEY MANOR	DIFF.		
	<b>OPERATING RECEIPTS</b>					
1	DWELLING RENTALS	360836	367661	6825	1.89%	Rent increase is provided by HUD. The projected rent increase is 2.02% for January 2020 through September 2020.
2	INTEREST	3840	4720	880	22.92%	Increase due to increase in interest rate
3	OTHER RECEIPTS	9050	7500	-1550	-17.13%	Decrease in the number of tenant charges for last 12 months of operations.
4	<b>TOTAL OPERATING REC.</b>	<b>373726</b>	<b>379881</b>	<b>6155</b>	<b>1.65%</b>	
5	<b>TOTAL RECEIPTS</b>	<b>373726</b>	<b>379881</b>	<b>6155</b>	<b>1.65%</b>	
	<b>OPERATING EXPENDITURES</b>					
6	<b>ADMINISTRATION:</b>					
7	SALARIES	15600	15600	0	0.00%	
8	FRINGE BENEFITS	1550	1550	0	0.00%	
9	OTHER ADMIN. EXP.	9010	9020	10	0.11%	
10	MANAGEMENT FEES	40040	40040	0	0.00%	
11	<b>TOTAL ADMIN. EXP.</b>	<b>66200</b>	<b>66210</b>	<b>10</b>	<b>0.02%</b>	
	<b>UTILITIES:</b>					
12	UTILITIES	52980	52980	0	0.00%	
13	<b>TOTAL UTILITIES EXP.</b>	<b>52980</b>	<b>52980</b>	<b>0</b>	<b>0.00%</b>	
	<b>ORDINARY MAINTENANCE:</b>					
13	LABOR	25345	25345	0	0.00%	
14	FRINGE BENEFITS	2290	2290	0	0.00%	
15	MATERIALS	29910	29910	0	0.00%	
16	CONTRACT COSTS	45820	48524	2704	5.90%	
17	<b>TOTAL ORDINARY MAINT.</b>	<b>103365</b>	<b>106069</b>	<b>2704</b>	<b>2.62%</b>	
	<b>GENERAL EXPENSE:</b>					
18	INSURANCE	12640	10880	-1760	-13.92%	Decrease in Workers' Compensation, property and liability insurance
19	COLLECTION LOSSES	2100	2100	0	0.00%	
19	PAYMENTS ON NOTES	118000	118000	0	0.00%	
20	<b>TOTAL GENERAL EXPENSES</b>	<b>132740</b>	<b>130980</b>	<b>-1760</b>	<b>-1.33%</b>	
	<b>TOTAL ROUTINE EXPENSES</b>	<b>355285</b>	<b>356239</b>	<b>954</b>	<b>0.27%</b>	
	<b>NONROUTINE MAINTENANCE:</b>					
21	EXTRAORDINARY MAINT.	0	0	0	0.00%	
	<b>CAPITAL EXPENDITURES</b>					
22	REPLACEMENT EQUIPMENT	0	0	0	0.00%	
23	PROPERTY BETTERMENTS	50000	50000	0	100.00%	Budgeted for balcony repair and HVAC replacement
24	<b>TOTAL CAPITAL EXPEND.</b>	<b>50000</b>	<b>50000</b>	<b>0</b>	<b>0.00%</b>	
25	CONTINGENCY	9730	9730	0	0.00%	
26	<b>TOTAL EXPENDITURES</b>	<b>415015</b>	<b>415969</b>	<b>954</b>	<b>0.23%</b>	
27	GAIN OR LOSS	-41289	-36088			
28	VALLEY MANOR RESERVE	50000	50000			
29	NET INCOME	8711	13912			

DWELLING RENT  
 VALLEY MANOR PROJECT  
 FISCAL YEAR 10/1/2019 TO 9/30/2020

# OF UNITS	BEDROOM SIZE	2018			2019			NEW ANNUAL RENT	2019 MARKET RATE	% OF MARKET RATE	
		3 Oct-Dec 2018	9 Jan-Sept 2019	12 ANNUAL RENT	3 Oct-Dec 2019	9 Jan-Sept 2020 2.02%	12 PROPOSED RENT				
8	1	\$598	\$608	\$58,128	\$608	\$620	\$59,232	\$803	75.72%		
32	2	\$655	\$666	\$254,688	\$666	\$679	\$259,488	\$1,016	65.55%		
7	3	\$788	\$801	\$67,011	\$801	\$817	\$68,292	\$1,451	55.20%		
47											
TOTAL RENT				\$379,827	TOTAL RENT			\$387,012			
VACANY LOSS 5.0%				\$18,991	VACANY LOSS 5.0%			\$19,351			
NET RENT				\$360,836	NET RENT			\$367,661			



**Stanislaus Regional Housing Authority**  
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**RESOLUTION NO. 18-19-36**  
**RESOLUTION APPROVING STANISLAUS REGIONAL HOUSING AUTHORITY**  
**VALLEY MANOR OPERATING BUDGET FOR FISCAL YEAR 2019/2020**

**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 Stanislaus Regional Housing Authority, 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>
10/1/2019 thru 9/30/2020	Valley Manor	\$415,969

**DULY AND REGULARLY ADOPTED** by the Board of Commissioners of Stanislaus Regional Housing Authority this 29<sup>th</sup> 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