

BERKELEY HOUSING AUTHORITY

Unaudited Finance Report

December 31, 2025

Background

Budget for FY2026 – Board approved, 06/19/2025

	DESCRIPTION	Grand Total PROPOSED BUDGET FY2026	HUD PROGRAMS				(RESTRICTED)	(UNREST.)
			HCY Program 1,989 Units	Mod. Rehab Program 98 Units	Mainstream 121 Units	EHV 51 Units	Other Federal Programs Dispo Proceeds	Other Local Programs
HUD Authorized Units ==>								
1	HOUSING ASSISTANCE PAYMENTS (HAP)							
1.a	HAP Revenue from HUD (HAP Funding + RNP from 12/31/20)	\$ 43,463,361	\$ 38,443,081	\$ 1,021,944	\$ 2,865,459	\$ 1,132,877		
1.b	HAP Expenses to Owners	\$ (45,086,361)	\$ (40,725,315)	\$ (1,021,944)	\$ (2,208,111)	\$ (1,130,992)		
1.c	Augment Initial Restore-Rebuild Rents for 50 Permanent supportive hsg	\$ (1,123,740)	\$ (1,123,740)					
1.d	Augment Initial Restore-Rebuild Rents for 11 vouchers to an approximately 60 Unit Affordable Housing Project	\$ (276,820)	\$ (276,820)					
1.e	MTW eligible expenses	\$ (120,000)	\$ (120,000)					
1.f	Transfer to Operating Revenue	\$ (921,166)	\$ (921,166)					
1.g	Estimated excess (shortfall) in HAP revenue	\$ (4,064,727)	\$ (4,723,960)	\$ -	\$ 657,348	\$ 1,885	\$ -	
1.h	Unrestricted Net Reserve to be used for HAP		\$ 4,723,960					
1.i			\$ -					
	UTILIZATION - BUDGET		83%	100%	85%	95%		
2	OPERATING REVENUE							
2.a	Administrative Fees	\$ 3,195,693	\$ 2,749,575	\$ 193,600	\$ 178,469	\$ 74,048		
2.b	Administrative Fee earned for managed incoming ports	\$ -	\$ -	\$ -	\$ -	\$ -		
2.c	Administrative Fee Paid for managed outgoing ports	\$ (80,830)	\$ (53,003)	\$ -	\$ (13,251)	\$ (14,576)		
2.d	Net Administrative Fee	\$ 3,114,863	\$ 2,696,572	\$ 193,600	\$ 165,219	\$ 59,472		
2.e	Transfer from HAP funding	\$ 921,166	\$ 921,166					
2.f	BHA Oversight Fee	\$ 7,130	\$ 7,130	\$ -				
2.g	Miscellaneous Income	\$ 86,200	\$ 81,200	\$ 5,000				
2.h	Interest Income on Disposition Proceeds	\$ 487,203				\$ 404,378	\$ 82,825	
2	Total Operating Revenue	\$ 4,616,561	\$ 3,706,067	\$ 198,600	\$ 165,219	\$ 59,472	\$ 404,378	
	OPERATING EXPENSES							
	ADMINISTRATION							
3.a	Salaries	\$ 1,771,383	\$ 1,491,289	\$ 119,047	\$ 77,619	\$ 31,453	\$ 51,975	
3.b	Employee Benefits	\$ 1,225,087	\$ 1,038,980	\$ 83,410	\$ 55,565	\$ 22,493	\$ 24,639	
3	Sub-total salaries and employee benefits	\$ 2,996,470	\$ 2,530,269	\$ 202,456	\$ 133,184	\$ 53,945	\$ 76,614	
4	Total Administrative Expenses	\$ 960,809	\$ 847,376	\$ 70,589	\$ 22,147	\$ 20,696	\$ -	
5	Total Tenant Services	\$ 30,000	\$ -	\$ -	\$ 30,000	\$ -	\$ -	
6	Total Routine Maintenance	\$ 5,860	\$ 5,157	\$ 410	\$ 176	\$ 117	\$ -	
7	Total General Expenses	\$ 115,940	\$ 103,265	\$ 7,714	\$ 2,711	\$ 2,250	\$ -	
8	TOTAL OPERATING EXPENSES	\$ 4,109,079	\$ 3,486,067	\$ 281,169	\$ 188,219	\$ 77,009	\$ 76,614	
9	TOTAL CAPITAL EXPENDITURE	\$ 250,000	\$ 220,000	\$ 17,500	\$ 7,500	\$ 5,000	\$ -	
10	OPERATING SURPLUS (DEFICIT)	\$ 257,483	\$ -	\$ (100,069)	\$ (30,500)	\$ (22,537)	\$ 404,378	
11	INTEREST INCOME TRANSFERRED TO REST ACCT.							
11.a	Interest Income on Notes Receivable and Dispo Proceeds	\$ (404,378)				\$ (404,378)		
11	NET SURPLUS AND DEFICIT	\$ (146,896)	\$ -	\$ (100,069)	\$ (30,500)	\$ (22,537)	\$ 6,211	
12	USE OF PROGRAM RESERVES	\$ 153,106	\$ -	\$ 100,069	\$ 30,500	\$ 22,537	\$ -	
13	NET SURPLUS (DEFICIT)	\$ 6,211	\$ -	\$ -	\$ -	\$ -	\$ 6,211	
PROJECTED UNRESTRICTED RESERVE BALANCE, 07/01/2025			\$ 5,447,329	\$ 128,452	\$ 30,500	\$ 62,000		
1.b	Unrestricted Net Reserve to be used for HAP		\$ (4,723,960)					
12	TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPR	\$ -	\$ -	\$ (100,069)	\$ (30,500)	\$ (22,537)		
PROJECTED BALANCE OF UNRESTRICTED RESERVE, 06/30/2026			\$ 723,369	\$ 28,383	\$ (0)	\$ 39,463		

Budget assumptions:

	Ave Lease up	Ave PUC
HCV	83%	2,051.20
MS	85%	1,789.37
EHV	95%	2,208.97
Use of HAP for augment initial rents	\$	1,400,560
Use of HAP for operations	\$	921,166
User of unrestricted reserve for HAP	\$	4,723,960
Staffing		15 FTE
Use of Mod Rehab Reserve	\$	100,069
Use of MS Reserve	\$	30,500
Use of EHV Reserve	\$	22,537
Projected Net Income	\$	6,211

Comparative HAP Revenue and Expenses – ALL PROGRAMS

DESCRIPTION	YEAR - TO - DATE					FY2026 ESTIMATED TOTAL			
	FY2026 BUDGET	YEAR - TO - DATE		%		EST BUDGET	FY2026	%	
	(a)	(b)	(c)	(d)		(e)	(f)	(g)	
HUD Authorized Units ==>	FY2026 BUDGET BUDGET	FY2026 YTD BUDGET	FY2026 YTD ACTUAL	INCREASE (DECREASE)	%	EST BUDGET JAN-JUNE26 PROJECTED	FY2026 ESTIMATED TOTAL	INCREASE (DECREASE)	%
1 Housing Assistance Payments (HAP)									
2 HAP Received from HUD	\$ 38,443,081	\$ 19,221,541	\$ 17,801,162	\$ (1,420,379)	-7%	\$ 21,403,257	\$ 39,204,419	\$ 761,338	2%
3 Miscellaneous Income -HAP	\$ -		\$ 377	\$ 377	100%	\$ -	\$ 377	\$ 377	100%
4 Less HAP Paid to Owners	\$ (40,725,315)	\$ (20,362,657)	\$ (18,969,022)	\$ 1,393,635	-7%	\$ (19,258,461)	\$ (38,227,483)	\$ (2,497,832)	-6%
5 Augment Initial Restore-Rebuild Rents for 50 Permanent supportive hsg	\$ (1,123,740)						\$ -	\$ (1,123,740)	100%
6 Augment Initial Restore-Rebuild Rents for 11 vouchers to an approximately 60 Unit Affordable Housing Project	\$ (276,820)						\$ -	\$ (276,820)	100%
7 Less MTW Eligible Expenses	\$ (120,000)	\$ (60,000)	\$ (8,223)	\$ 51,778	-86%	\$ (60,000)	\$ (68,223)	\$ (51,778)	43%
8 Less Transfer to Operating revenue	\$ (921,166)	\$ (460,583)	\$ (1,403,622)	\$ (943,039)	0%		\$ (1,403,622)	\$ 482,456	52%
9 HAP Surplus (Deficit)	\$ (4,723,960)	\$ (1,661,700)	\$ (2,579,329)	\$ (917,629)	-1%	\$ 2,084,796	\$ (494,533)	\$ (4,229,427)	3.9137
10 Use of Excess HAP Reserve	\$ 4,723,960	\$ 1,603,979	\$ 1,738,073				\$ 494,533		
11 Net HAP Surplus (Deficit)	\$ -	\$ (57,721)	\$ (841,256)	\$ (917,629)		\$ 2,084,796	\$ -		

Significant Variances:

- A slight increase (4.7%) in HAP revenue due to slightly higher estimated funding for CY2026 projected in the Two-Year-Tool.
- Projected HAP expenses are down 6%, respectively due to:
 - Lower than budgeted utilization of HCV vouchers. Budget-83% vs Actual (TYT)-79.7%
 - Lower than budgeted HCV PUC (Per Unit Cost) Budget-\$2,051 vs Actual (TYT)-\$1,941
 - Unmet number of projected voucher issuance.
- HAP funding used for operations increased by \$482,456 to fully cover the projected deficit in the HCV program in FY2026 and avoid recapture of excess HAP reserve on December 31, 2025.

Comparative Operating Revenue-ALL PROGRAMS

DESCRIPTION	FY2026 BUDGET	YEAR - TO - DATE				FY2026 ESTIMATED TOTAL			
	(a)	(b)	(c)	(d)		(e)	(f)	(g = a-f)	
	FY2026 BUDGET BUDGET	FY2026 YTD BUDGET	FY2026 YTD ACTUAL	INCREASE (DECREASE)	%	EST BUDGET JAN-JUNE26 PROJECTED	FY2026 ESTIMATED TOTAL	INCREASE (DECREASE)	%
13 OPERATING REVENUE									
14 Administrative Fees (S8 & MOD REHAB)	\$ 3,195,693	\$ 1,597,846	\$ 1,669,068	\$ 71,222	4%	\$ 1,475,179	\$ 3,144,247	\$ (51,446)	-2%
15 Administrative fees billed to other PHA on Port in	\$ -	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
16 Administrative fees to other PHA on Port out	\$ (80,830)	\$ (40,415)	\$ (38,576)	\$ 1,839	-5%	\$ (42,620)	\$ (81,196)	\$ 366	0%
17 Net Administrative Fees	\$ 3,114,863	\$ 1,557,431	\$ 1,630,492	\$ 73,061	5%	\$ 1,432,559	\$ 3,063,051	\$ (51,811)	-2%
18 BHA Oversight Fee	\$ 7,130	\$ 3,565	\$ -	\$ (3,565)	0%	\$ 7,130	\$ 7,130	\$ -	0%
19 Preliminary Fee	\$ -	\$ -	\$ 92,463	\$ 92,463	0%	\$ -	\$ 92,463	\$ 92,463	0%
21 Miscellaneous Income	\$ 573,403	\$ 328,114	\$ 74,784	\$ (253,330)	0%	\$ 501,776	\$ 576,559	\$ 3,156	1%
22 Transfer from HAP	\$ 921,166	\$ 460,583	\$ 1,403,622	\$ 943,039	205%	\$ -	\$ 1,403,622	\$ 482,457	52%
23 TOTAL OPERATING REVENUE	\$ 4,616,562	\$ 2,349,693	\$ 3,201,361	\$ 851,668	36%	\$ 1,941,465	\$ 5,142,826	\$ 526,264	11%

Significant Variances:

- Admin Fee revenue falls 2% behind budget due to:
 - Lower than budgeted utilization of vouchers. Budget-83% vs Actual (TYT)-79.7%
 - Slight decrease in the admin fee pro-ration: Budget 89% vs Actual (recent HUD Admin Fee recon) 88.513%
- Preliminary fee revenue increased by \$92,463 to recognize funding for the EHV landlord incentives paid in August 2025.
- Increased the HAP monies used for operations by \$482,457K to avoid recapture of HAP reserve on December 31, 2025.

Comparative Operating Expenses & Capital Expenditures – 1 – ALL PROGRAMS

DESCRIPTION	FY2026 BUDGET	YEAR - TO - DATE				FY2026 ESTIMATED TOTAL			
	(a)	(b)	(c)	(d)		(e)	(f)	(g = a-f)	
	FY2026 BUDGET BUDGET	FY2026 YTD BUDGET	FY2026 YTD ACTUAL	INCREASE (DECREASE)	%	EST BUDGET JAN-JUNE26 PROJECTED	FY2026 ESTIMATED TOTAL	INCREASE (DECREASE)	%
24 OPERATING EXPENSES									
49 Total Administrative Expenses	\$ 3,957,278	\$ 1,978,639	\$ 1,522,410	\$ (456,229)	-23%	\$ 2,249,513	\$ 3,771,923	\$ (185,355)	-5%
52 Total Tenant Services	30,000	-	96,583	96,583	0%	27,000	123,583	93,583	0%
63 Total Ordinary Maintenance	5,860	2,930	1,120	(1,810)	-62%	4,762	5,882	22	0%
72 Total General Expenses	115,940	57,970	104,993	47,023	81%	29,984	134,976	19,036	16%
74 TOTAL OPERATING EXPENSES	4,109,079	2,039,539	1,725,105	(314,434)	-15%	2,311,259	4,036,364	(72,714)	-2%
72 CAPITAL EXPENDITURE	\$ -								
73 Website Development	\$ 70,000	\$ 35,000	\$ -	\$ (35,000)	0%	\$ 70,000	\$ 70,000	\$ -	0%
75 Relocation/Office Move	\$ 180,000	\$ 90,000	\$ -	\$ (90,000)	0%	\$ 180,000	\$ 180,000	\$ -	0%
76 Total Capital Expenditure	250,000	-	-	-	0%	250,000	250,000	-	0%
TOTAL OPERATING EXPENSES & CAPITAL EXPENDITURE	\$ 4,359,079	\$ 2,039,539	\$ 1,725,105	\$ (314,434)	\$ -	\$ 2,561,259	\$ 4,286,364	\$ (72,714)	-2%

Operating Expenses & Capital Expenditures - 2

Significant variances:

Total operating and capital expenses are \$72,714 less than budgeted due to:

- Salary and Benefits are \$171,892 (*Att. A, lines 26 & 27*) less than the approved budget primarily due to savings resulting from vacancies. As of December 31, 2025, there were 5 vacant positions, of which 3 are filled by temporary agency staff, and two unfilled (Management Analyst & 1 Hsg Sp).
- Legal expenses is anticipated to exceed budget by approximately \$24,000 due to higher than budgeted number of legal services/cases. This does not include NBB invoices.
- Office Rent is projected to be \$42K less than budgeted because we anticipated moving into the new office by January 2026, allocating an additional \$40K in the rental budget. However, we anticipate that the move will not happen until June or July of 2026.
- Tenant services exceed budget by \$93,583 (*Att. A, line 51*) due to payment of EHV landlord incentives. These costs are covered by Preliminary fee revenue provided for this purpose.