



Berkeley Housing Authority

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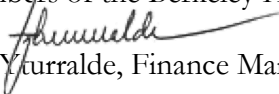
Office of the Executive Director

Item 7B

NEW BUSINESS

March 14, 2024

To: Honorable Chairperson and
Members of the Berkeley Housing Authority Board

From: 
Jesy Yurralde, Finance Manager

Subject: ADOPTION OF THE FISCAL YEAR 2024-2025 BUDGET OF THE BERKELEY HOUSING
AUTHORITY

RECOMMENDATION

Approve a resolution adopting the Fiscal Year 2024-2025 Budget for the Berkeley Housing Authority with a projected net operating deficit of \$637,425 for all programs.

BACKGROUND

The Berkeley Housing Authority (BHA) is a Public Housing Authority as defined in Section 8 of the United States Housing Act of 1937, as amended and a public body corporate and politic established pursuant to the California Housing Authorities Law, Health and Safe Code Sections 34200. BHA administers housing choice and special purpose vouchers, and with full funding could potentially utilize 2,259 vouchers, comprising of:

- 1,949 Section 8 Housing Choice Vouchers (S8 HCV);
- 40 VASH (for Veterans);
- 121 Mainstream vouchers (for non elderly disabled & homeless and at risk of homelessness);
- 51 Emergency Housing Vouchers (for individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability); and
- 98 Moderate Rehabilitation certificates (for homeless in single room occupancy, SRO units).

In 2023, the BHA Board approved the awarding of 59 new project based vouchers (PBV) to three developers, namely, Ephesian Legacy Court (32), St. Paul Terrace (25) and Northern California Land Trust (2). The total PBV vouchers awarded to various projects in Berkeley is now 494 or 24.84% of the total HCV and VASH vouchers. 375 PBV's are under HAP contract.

BHA's primary source of funding is the U.S. Department of Housing and Urban Development (HUD) for both rental subsidy (Housing Assistance Payments or "HAP") and operational funding (Administrative Fee earned for each unit under contract).

BHA is governed by a seven member Board of Commissioners including two Resident Commissioners, all appointed by the Mayor. The BHA Board has a fiduciary obligation to take actions in the best interest of the Authority including adoption of an annual budget. They are responsible for governance, which includes establishing and monitoring policies, goals and direction for BHA.

BHA became an MTW agency under the Landlord Incentives Cohort in April 2022. The main objective of this cohort is to increase supply of rental housing units by exercising certain flexibilities to attract, engage and maintain landlords' participation in the Section 8 program. BHA is currently waiting for the approval of the FY2023 and FY2024 MTW Supplement before it can implement the MTW incentives included, namely:

- Employing standard utility allowance for its HCV households. Cost effective by reducing staff hours and allowing staff to focus on other matters.
- Elimination of the utility reimbursements. Increase revenue for the authority while making households more self-reliant.
- Elimination of Earned Income Disregard. This will increase operational efficiencies by reducing the time it takes to administratively process EID's.
- Raise payment standard to 150% for Tenant Based Vouchers (TBV) and 120% for Project Based Vouchers (PBV)
- Triannual Reexamination. This will allow families to have a more consistent rent portion over a longer period of time, and will create time for the BHA staff to attend to other business affairs.
- Increase asset self-certification from \$5,000 to \$50,000. This will lessen the regulatory responsibilities of BHA.
- Vacancy loss for landlords of deceased tenants. Allows landlords to receive one month of rent as long as the landlord agrees to rent the unit to another HCV participant.
- Unit Turn-over Program. Allows landlords to reimburse up to \$1,500 of expenses to ready a vacant unit for lease up in the HCV Program..
- Pre-Qualifying Unit Inspections. BHA will allow vacant units to be pre-inspected prior to occupancy.
- Biannual inspections

DISCUSSION AND ANALYSIS

HAP Revenue and Expenses

Housing Assistance Payment (HAP) revenue is funding used to make rental assistance payments to landlords on behalf of our program participants. The proposed FY2024-2025 Budget assumes HAP revenue of \$40,700,792 (*line 1.a*) and \$39,672,541 (*line 1.b*) in HAP expenses for all programs. It also includes \$262,528 MTW eligible expenses (*line 1.c*) and an excess HAP funding of \$765,723 (*line 1.d*) coming from the Mainstream and EHV Programs.

	DESCRIPTION	Grand Total PROPOSED BUDGET FY2025	HUD PROGRAMS				MODIFIED BUDGET FY2024	Increase (Decrease)	%
			HCV Program 1,989 Units	Mod. Rehab Program 98 Units	Mainstream 121 Units	EHV 51 Units			
HUD Authorized Units =>		(a) = (b + c + d + e + f)	(b)	(c)	(d)	(e)	(b)	(i) = (a - b)	
1	HOUSING ASSISTANCE PAYMENTS (HAP)								
1.a	HAP Revenue from HUD	\$ 40,700,792	\$ 35,410,545	\$ 934,920	\$ 2,979,231	\$ 1,376,096	\$ 41,671,355	\$ (970,563)	-2%
1.b	HAP Expenses to Owners	\$ (39,672,541)	\$ (35,148,017)	\$ (934,920)	\$ (2,322,764)	\$ (1,266,840)	\$ (37,967,128)	\$ (1,705,414)	4%
1.c	MTW eligible expenses	\$ (262,528)	\$ (262,528)				\$ (311,080)	\$ 48,552	
1.d	Estimated excess (shortfall) in HAP revenue	\$ 765,723	\$ 0	\$ -	\$ 656,467	\$ 109,256	\$ 3,393,147	\$ (2,627,425)	

1. HCV Program (*column b*): The budget for HAP revenue and expenses in the HCV program are derived from HUD's Two-Year-Tool (TYT-*updated 02/08/24*). This is a comprehensive spreadsheet developed by HUD used in forecasting HAP funding and expenses over a period of 2 years using actual data submitted into HUD's Voucher Management System (VMS), inflation rate, the PHA's success and attrition rates, etc. The TYT projects HAP funding available for CY2024 and CY2025 in the Housing Choice Voucher (HCV) program to be \$35,410,545 per year. BHA's fiscal year overlaps HUD's two calendar year funding, therefore the budgeted HAP revenue for FY2024-2025 is the average of both CY2024 and CY2025 HAP Funding Availability (\$35,410,545). S8 HAP expenses are \$35,148,017, housing approximately 74% of our 1989 HCV and VASH units for the period July 2024 to June 2025 at an average per unit cost (PUC) of \$1,990. The PUC used in the proposed budget is \$118 higher than the PUC in December 2023.

The estimated costs for MTW eligible activities are \$262,528, thus a total HAP expenditure of \$35,410,545 in the HCV program.

We anticipate a 100% utilization of our HAP funding allocation in FY2025.

2. Mod Rehab (*column c*): HAP revenue and expenses for the Moderate Rehabilitation program is based upon a 100% utilization of our Mod Rehab vouchers (98) at an average per unit cost of \$795.
3. Mainstream Program (*column d*): Projected HAP revenue for Mainstream program of \$2,979,231 is also derived from the TYT, HAP expenditures of \$2,322,764 assume a 90% utilization of 121 Mainstream vouchers at an average PUC of \$1,882.
4. EHV Program (*column e*): HAP revenue for the Emergency Housing Voucher program (EHV) is \$1,376,096, which is also derived from the TYT. The estimated HAP expenditure for the fiscal year is \$1,266,840 which is based upon 90% utilization of our 51 EHV vouchers with an average per unit cost (PUC) of \$2,300.

Operating Revenue and Expenses

The total projected operating revenue in FY2024-2025 is \$2,784,771 (line 2). The total operating expenses and capital expenditures are \$3,422,196 (line 8+line 9), resulting in a projected annual deficit of \$637,425 (line 13).

	DESCRIPTION HUD Authorized Units ==>	Grand Total PROPOSED BUDGET FY2025	HUD PROGRAMS				Other Federal and Local Programs	MODIFIED BUDGET FY2024	Increase (Decrease)	%
			HCV Program 1,989 Units	Mod. Rehab Program 98 Units	Mainstream 121 Units	EHV 51 Units				
		(a) = (b + c + d + e + f)	(b)	(c)	(d)	(e)	(f)	(h)	(i) = (a - h)	
1.c	MTW eligible expenses	\$ (262,528)	\$ (262,528)					\$ (311,080)	\$ 48,552	
1.d	Estimated excess (shortfall) in HAP revenue	\$ 765,723	\$ 0	\$ -	\$ 656,467	\$ 109,256	\$ -	\$ 3,393,147	\$ (2,627,425)	
2	OPERATING REVENUE									
2.a	Administrative Fees	\$ 2,711,061	\$ 2,291,047	\$ 178,959	\$ 166,673	\$ 74,383		\$ 2,863,839	\$ (152,778)	-5%
2.b	Administrative Fee earned for managed incoming ports	\$ -	\$ -	\$ -				\$ -	\$ -	0%
2.c	Administrative Fee Paid for managed outgoing ports	\$ (73,812)	\$ (48,401)	\$ -	\$ (12,100)	\$ (13,310)		\$ (105,965)	\$ 32,153	-30%
2.d	Net Administrative Fee	\$ 2,637,249	\$ 2,242,646	\$ 178,959	\$ 154,572	\$ 61,072		\$ 2,757,874	\$ (120,625)	
2.e	BHA Oversight Fee	\$ 6,922	\$ 6,922	\$ -				\$ 6,720	\$ 202	3%
2.f	Preliminary Fee & Service Fee (Unit Turnover)	\$ 80,000	\$ 50,000		\$ 30,000			\$ 100,000	\$ (20,000)	
2.g	Miscellaneous Income	\$ 60,600	\$ 57,200	\$ 3,400				\$ 8,000	\$ 52,600	658%
2	Total Operating Revenue	\$ 2,784,771	\$ 2,356,768	\$ 182,359	\$ 184,572	\$ 61,072	\$ -	\$ 2,872,594	\$ (87,823)	-3%
	OPERATING EXPENSES									
	ADMINISTRATION									
3.a	Salaries	\$ 1,335,524	\$ 1,146,611	\$ 93,487	\$ 66,776	\$ 26,614	\$ 2,036	\$ 1,228,695	\$ 106,829	9%
3.b	Employee Benefits	\$ 1,057,063	\$ 907,945	\$ 73,994	\$ 52,853	\$ 21,085	\$ 1,186	\$ 925,465	\$ 131,598	14%
3	Sub-total salaries and employee benefits	\$ 2,392,588	\$ 2,054,556	\$ 167,481	\$ 119,629	\$ 47,699	\$ 3,223	\$ 2,154,160	\$ 238,428	11%
4	Total Administrative Expenses	\$ 760,601	\$ 664,028	\$ 38,984	\$ 38,700	\$ 18,889	\$ -	\$ 879,016	\$ (118,415)	-13%
5	Total Tenant Services	\$ 80,000	\$ 50,000	\$ -	\$ 30,000	\$ -	\$ -	\$ 100,000	\$ (20,000)	-20%
6	Total Routine Maintenance	\$ 5,860	\$ 5,157	\$ 293	\$ 293	\$ 117	\$ -	\$ 4,000	\$ 1,860	47%
7	Total General Expenses	\$ 113,147	\$ 100,807	\$ 5,870	\$ 4,822	\$ 1,649	\$ -	\$ 127,690	\$ (14,543)	-11%
8	TOTAL OPERATING EXPENSES	\$ 3,352,196	\$ 2,874,548	\$ 212,628	\$ 193,445	\$ 68,353	\$ 3,223	\$ 3,264,866	\$ 87,330	3%
9	TOTAL CAPITAL EXPENDITURE	\$ 70,000	\$ 61,600	\$ 3,500	\$ 3,500	\$ 1,400	\$ -	\$ 24,000	\$ 46,000	192%
10	OPERATING SURPLUS (DEFICIT)	\$ (637,425)	\$ (579,380)	\$ (33,769)	\$ (12,372)	\$ (8,681)	\$ (3,223)	\$ (392,272)	\$ (245,153)	62%
11	OPERATING INCOME (DEFICIT) & CAPITAL EXPENDITURE									
11	NON-ROUTINE REVENUE (EXPENSES)									
11.a	Interest Income on Notes Receivable and Dispo Proceeds	\$ 437,203					\$ 437,203	\$ 324,327	\$ 112,876	35%
11	NET SURPLUS AND DEFICIT	\$ (200,222)	\$ (579,380)	\$ (33,769)	\$ (12,372)	\$ (8,681)	\$ 433,980	\$ (67,945)	\$ (132,277)	195%
12.a	Use of disposition proceeds/Transfer to/from reserve to cover deficit	\$ 637,425	\$ 579,380	\$ 33,769	\$ 12,372	\$ 8,681	\$ 3,223			
12.b	Transfer to restricted reserve	\$ (437,203)					\$ (437,203)			
12	NET SURPLUS (DEFICIT)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ -			
	PROJECTED OPERATING RESERVE BALANCE ON 07/01/2024		\$ 2,126,474	\$ 243,150	\$ 16,397	\$ 32,280				
12.c	TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENT	\$ -	\$ (579,380)	\$ (33,769)	\$ (12,372)	\$ (8,681)				
	PROJECTED OPERATING RESERVE BALANCE ON 06/30/2025		\$ 1,547,094	\$ 209,381	\$ 4,025	\$ 23,599				

Operating Revenue (\$2,784,771): (Line 2)

- a. Administrative Fee is the fee received from HUD for every voucher in service on the first of the month. The projected administrative fee revenue, net of estimated administrative fee paid for managed outgoing portable vouchers is \$2,637,249. (line 2.d). This amount reflects HUD’s S8 Administrative Fee rates currently in effect for calendar year (2023) at 90% pro-ratio; and at different utilization levels for the HCV (74%), Mainstream (85%) and EHV (90%) programs. The projected Administrative Fee revenue in the Mod Rehab Program assumes 100% utilization of all 98 units program.
- b. BHA Oversight Fee (\$6,922) (Line 2.e) for operation oversight of the scattered site units pursuant to the Disposition, Development and Loan Agreement (DDLA) with Berkeley 75.
- c. Preliminary Fee & Service Fee income (\$80,000) represent income for Unit Turnover recognized during the fiscal year. (see Line 2.f)
- d. Miscellaneous income (\$60,600) primarily interest earned from investments/deposits placed with the State Treasurer Local Agency Investment Fund (LAIF) and and other de minimis income such as collection of fraud recoveries, copying requests for large documents, and others. (see Line 2.g)

Operating Expenses (\$3,422,196): (Line 8 + Line 10)

- a. Salary and benefits (\$2,392,588) (*see line 3*) About 70% of our total operating expenses is attributable to salary and benefits. The total amount projected is based on the following assumptions:
- 13 full time equivalent (FTE) staff, including a new Office Assistant II as Eligibility Clerk.
 - The proposed budget assumes NO COLA adjustments for all staff, however, the labor contracts for Local 1021, Local One and Unrepresented members are expiring on June 30, 2024, and negotiation with the bargaining units are expected to start at any time.
 - CALPERS employer contributions are 16.94% for classic members (up by 0.07% from FY2024 rate); and 8.18% for new members (up by 0.18% from FY2024 rate).
 - Assumes a 4% increase in Kaiser premium beginning January 1, 2025.
 - Includes an allowance for Pension and Other Post Employment Benefits (OPEB) adjustments amounting to \$200,000 required by the Government Accounting Standard Board (GASB) pronouncements.
 - All other benefits remain the same as in the prior year.
- b. Projected administrative expenses are \$760,601. (*line 4*) This includes among other things, legal and consultant fees, office rent, inspections, IT Cost allocated by the City of Berkeley IT Department, equipment lease, utilities, supplies, software maintenance, postage and other administrative expenses.

We project the FY2025 budget for administrative expenses will be lower by \$118,415 compared to the FY2024 modified budget (\$879,016), because during FY2024, BHA hired the services of consultants who are experts in different fields like HCV/PBV Program, MTW, Human Resources/Hiring, and etc. We anticipate the need for such expertise to taper down in FY2025 since all internal positions have been filled to perform these functions.

- c. Tenant services, \$80,000 includes expenses pertaining to the Unit Turn-over program that will be funded from the City of Berkeley grant and special administrative fee in the Mainstream Program. (*Line 5*)
- d. Routine maintenance (\$5,860) includes file shredding services, and other office maintenance expenses. (*Line 6*)
- e. General expenses (\$113,147) include premium for general liability and workers' compensation insurance, depreciation and other contingency expenses. (*Line 7*)
- f. Capital Expenditure (\$70,000) is for the creation and development of the BHA website.

Funds available to close/cover deficit and balance the proposed FY2025 budget:

- Operating reserves. The Berkeley Housing Authority anticipates an operating reserve balance of approximately \$2,126,474 in the HCV program on June 30, 2024.

The Board may recall that in 2023 HUD recaptured/offset approximately \$1.6 million in HAP reserves because BHA had a significant HAP reserve that exceeded the allowable threshold. To circumvent another possible recapture of excess HAP in CY2024, BHA exercised fungibility and used HAP dollars to pay for operating expenses for the months of July to December 2023. The unused administrative fees revenue received during the said period flowed into operating reserves (unrestricted).

- \$1,556,589 remaining from the \$2.7 million disposition proceeds previously approved by HUD to be used for operations.
- Proceeds from the sale of 14 former RHCP units and other unrestricted funds (\$1.5 Million now in bank)

10-Year Revenue and Expense Projection: (Attachment 3)

A 10-Year budget projection covering fiscal years 2025 to 2034 is prepared using the proposed FY2025 budget as the base year. The 10-year projection also based upon the following assumptions:

1. 3% annual increase in administrative fee rates using rates in effect in CY2023 as base rate.
2. 95% pro-ration for Administrative Fee rates all through out the fiscal years.
3. 74% lease up in FY2025, increasing by approximately 1% annually or up to the level supportable by available HAP funding.
4. 90% lease up from FY2025 to FY 2034 in the Mainstream Program.
5. 90% lease up from FY2025 to FY 2034 in the EHV Program.
6. 5% annual increase in HAP per unit cost (PUC).
7. 13 FTE for all ten years.
8. 3% annual increase in most operating expense items, except for rent which followed the rates according to the lease.
9. 3% annual COLA adjustment beginning FY2026

Using the aforementioned assumptions, BHA projects the following operating surplus/(deficits) over the ten year period FY2024 to FY2033. (Attachment 2)

	DESCRIPTION	Grand Total PROPOSED BUDGET FY2025	Grand Total PROJECTED BUDGET FY2026	Grand Total PROJECTED BUDGET FY2027	Grand Total PROJECTED BUDGET FY2028	Grand Total PROJECTED BUDGET FY2029	Grand Total PROJECTED BUDGET FY2030	Grand Total PROJECTED BUDGET FY2031	Grand Total PROJECTED BUDGET FY2032	Grand Total PROJECTED BUDGET FY2033	Grand Total PROJECTED BUDGET FY2034
		FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY 8	FY 9	FY 10
ASSUMPTIONS:											
a	2023 Admin Fee rates increasing at the rate of 3% annually	2023 rates	3% increase	3% increase	3% increase	3% increase	3% increase	3% increase	3% increase	3% increase	3% increase
b	HUD Pro-ration on Admin Fees	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
c	Utilization (HCV) -	74%	75%	76%	77%	77%	78%	79%	80%	80%	81%
d	UML (HCV+Mainstream-EHV+Mod Rehab)	1,621	1,745	1,756	1,778	1,793	1,807	1,822	1,837	1,852	1,868
e	FTE	13	13	13	13	13	13	13	13	13	13
f	Average Caseload/Case worker	509	551	554	562	567	571	576	581	586	592
g	Average Per Unit Cost increasing 5% annually (HCV)	\$ 1,990	\$ 2,090	\$ 2,194	\$ 2,304	\$ 2,419	\$ 2,540	\$ 2,667	\$ 2,800	\$ 2,940	\$ 3,087
h	Annual increase in operating expenses except for rent	(2%)	3%	3%	3%	3%	3%	3%	3%	3%	3%
i	COLA Adjustment	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%
1	HOUSING ASSISTANCE PAYMENTS (HAP)										
1.a	HAP Revenue from HUD	\$ 40,700,792	\$ 42,759,330	\$ 44,830,385	\$ 47,423,031	\$ 50,169,182	\$ 53,077,945	\$ 56,158,969	\$ 59,422,477	\$ 62,879,299	\$ 66,540,908
1.b	HAP Expenses to Owners	\$ (39,672,541)	\$ (42,628,292)	\$ (44,631,638)	\$ (47,421,299)	\$ (50,167,071)	\$ (53,071,204)	\$ (56,155,401)	\$ (59,417,676)	\$ (62,875,145)	\$ (66,539,522)
1.c	MTW eligible expenses	\$ (262,528)	\$ (131,038)	\$ (198,747)	\$ (1,732)	\$ (2,111)	\$ (6,741)	\$ (3,569)	\$ (4,801)	\$ (4,154)	\$ (1,385)
1.d	Estimated excess (shortfall) in HAP revenue	\$ 765,723	\$ (0)	\$ 0	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ (0)	\$ 0
2	OPERATING REVENUE										
2.a	Administrative Fees	\$ 2,711,061	\$ 2,833,403	\$ 2,937,480	\$ 3,061,691	\$ 3,178,185	\$ 3,298,915	\$ 3,424,749	\$ 3,555,167	\$ 3,690,711	\$ 3,831,582
2.b	Administrative Fee earned for managed incoming ports	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.c	Administrative Fee Paid for managed outgoing ports	\$ (73,812)	\$ (162,023)	\$ (166,884)	\$ (171,891)	\$ (177,047)	\$ (182,359)	\$ (187,829)	\$ (193,464)	\$ (199,268)	\$ (205,246)
2.d	Net Administrative Fee	\$ 2,637,249	\$ 2,671,380	\$ 2,770,596	\$ 2,889,801	\$ 3,001,138	\$ 3,116,557	\$ 3,236,920	\$ 3,361,703	\$ 3,491,442	\$ 3,626,336
2.e	BHA Oversight Fee	\$ 6,922	\$ 7,130	\$ 7,344	\$ 7,564	\$ 7,791	\$ 8,024	\$ 8,265	\$ 8,513	\$ 8,769	\$ 9,032
2.f	Miscellaneous Income	\$ 140,600	\$ 141,200	\$ 141,200	\$ 141,200	\$ 141,200	\$ 141,200	\$ 141,200	\$ 141,200	\$ 141,200	\$ 141,200
2.g	Total Operating Revenue	\$ 2,784,771	\$ 2,819,710	\$ 2,919,140	\$ 3,038,565	\$ 3,150,129	\$ 3,265,781	\$ 3,386,385	\$ 3,511,416	\$ 3,641,411	\$ 3,776,567
3	OPERATING EXPENSES										
3.a	Salaries	\$ 1,335,524	\$ 1,375,590	\$ 1,416,857	\$ 1,459,363	\$ 1,503,144	\$ 1,548,238	\$ 1,594,685	\$ 1,642,526	\$ 1,691,802	\$ 1,742,556
3.b	Employee Benefits	\$ 1,057,063	\$ 1,088,775	\$ 1,121,438	\$ 1,155,081	\$ 1,189,734	\$ 1,225,426	\$ 1,262,189	\$ 1,300,054	\$ 1,339,056	\$ 1,379,227
3.c	Sub-total salaries and employee benefits	2,392,587	2,464,365	2,538,296	2,614,444	2,692,878	2,773,664	2,856,874	2,942,580	3,030,858	3,121,783
4	Total Administrative Expenses	\$ 760,601	\$ 786,281	\$ 808,367	\$ 831,086	\$ 854,455	\$ 878,494	\$ 903,223	\$ 928,661	\$ 954,829	\$ 981,748
5	Total Tenant Services	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
6	Total Routine Maintenance	\$ 5,860	\$ 5,977	\$ 6,097	\$ 6,219	\$ 6,343	\$ 6,470	\$ 6,599	\$ 6,731	\$ 6,866	\$ 7,003
7	Total General Expenses	\$ 113,147	\$ 90,049	\$ 97,689	\$ 106,093	\$ 115,338	\$ 125,506	\$ 136,692	\$ 148,996	\$ 162,531	\$ 177,419
8	TOTAL OPERATING EXPENSES	\$ 3,352,195.38	\$ 3,426,672	\$ 3,530,449	\$ 3,637,842	\$ 3,749,014	\$ 3,864,135	\$ 3,983,388	\$ 4,106,969	\$ 4,235,883	\$ 4,367,953
9	CAPITAL EXPENDITURE										
9.a	Website Development	\$ 70,000									
9	TOTAL CAPITAL EXPENDITURE	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	OPERATING SURPLUS (DEFICIT)	\$ (637,424)	\$ (606,963)	\$ (611,309)	\$ (599,277)	\$ (598,885)	\$ (598,354)	\$ (597,003)	\$ (595,553)	\$ (593,672)	\$ (591,386)
11	NON-ROUTINE REVENUE (EXPENSES)										
11.a	Interest Income on Notes Receivable and Dispo Proceeds	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203
11	NET SURPLUS (DEFICIT)	\$ (200,221)	\$ (169,760)	\$ (174,106)	\$ (162,074)	\$ (161,682)	\$ (161,151)	\$ (159,800)	\$ (158,350)	\$ (156,469)	\$ (154,183)
12.a	Use of disposition proceeds/transfer to/from reserve to	\$ 637,424	\$ 606,963	\$ 611,309	\$ 599,277	\$ 598,885	\$ 598,354	\$ 597,003	\$ 595,553	\$ 593,672	\$ 591,386
12.b	Transfer to restricted reserve	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)
12	NET SURPLUS (DEFICIT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PROJECTED OPERATING RESERVE BALANCE ON 07/01/2024	\$ 2,369,624	\$ 1,732,200	\$ 1,125,237	\$ 513,928							
12.c TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENTS	\$ (637,424)	\$ (606,963)	\$ (611,309)	\$ (599,277)							
PROJECTED RUNNING OPERATING RESERVE BALANCE	\$ 1,732,200	\$ 1,125,237	\$ 513,928	\$ (85,349)							
DISPOSITION PROCEEDS	\$ 1,556,000	\$ 1,556,000	\$ 1,556,000	\$ 1,556,000	\$ 1,470,651	\$ 871,766	\$ 273,412				
12.c TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -	\$ (85,349)	\$ (598,885)	\$ (598,354)	\$ (597,003)			
PROJECTED RUNNING DISPO PROCEEDS BALANCE	\$ 1,556,000	\$ 1,556,000	\$ 1,556,000	\$ 1,470,651	\$ 871,766	\$ 273,412	\$ (323,591)				
RHCP PROCEEDS (in bank)	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,176,409	\$ 580,856		
12.c TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (323,591)	\$ (595,553)	\$ (593,672)		
PROJECTED RUNNING DISPO PROCEEDS BALANCE	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,176,409	\$ 580,856	\$ (12,816)		

CONTACT PERSON

Jesy Yturralde, Finance Manager, 981-5488

Attachments:

- Resolution
EXHIBIT A: Proposed FY2024-2025 Budget
- 10-Year Budget

Resolution 24-__

ADOPTION OF THE FISCAL YEAR ENDING 2024-2025 BUDGET OF THE BERKELEY HOUSING AUTHORITY.

WHEREAS, The Berkeley Housing Authority (“BHA” or “Authority”) is a public body, corporate and politic, organized pursuant to the Housing Authorities Law, California Health and Safety Code Section 34200 et. seq.; and

WHEREAS, BHA operates on a July 1-June 30 fiscal year and HUD funding is on a calendar year; and

WHEREAS, operating budgets for the BHA’s various programs must be adopted prior to the beginning of the fiscal year July 1, 2024 – June 30, 2025; and

WHEREAS, formal adoption of a fiscal year budget by Board Commissioners is one of the duties of the Board of the Authority; and

WHEREAS, the budget for Fiscal Year Ending 2024-2025 includes the various HUD programs administered by BHA, including Section 8 Housing Choice Voucher, Moderate Rehabilitation, Mainstream and Emergency Housing Voucher Programs; and

WHEREAS, the budget for Fiscal Year Ending 2024-2025 utilized data from HUD’s Two Year Tool for HAP revenue and expenses and assumed CY2023 administrative fee rates and 90% pro-ration; and

WHEREAS, the proposed FYE2024-2025 Budget assumes a utilization of only 74% of our HCV units, 85% in the Mainstream program and 85% in the EHV program.; and

WHEREAS, the proposed FYE2024-2025 Budget assumes 13 FTE, include a new Office Assistant II (Eligibility Clerk); and

WHEREAS, the proposed FYE2024-2025 Budget reflects NO COLA adjustment for represented and unrepresented employees as the labor union contracts with Local 1021 and Local One; and the Unrepresented Employee Agreement are about to expire on June 30, 2024; and

WHEREAS, the proposed FYE2024-2025 Budget reflects projected annual operating deficit of \$637,424 for all programs; and

WHEREAS, the projected shortfall in FYE2024-2025 shall be covered by available unrestricted/operating reserves and/or disposition proceeds; and

WHEREAS, staff and the Board are continuing to engage in strategic analysis of Authority operations, including critical decisions on services, programs and associated staffing levels; and

NOW, THEREFORE BE IT RESOLVED that the proposed FY Ending 2025 BHA Budget, including 13 Full Time Equivalent positions, attached as Exhibits A, is approved.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on March 14, 2024 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: _____

James E. Williams, Secretary

EXHIBIT A
FY2024 – 2025 Budget

**BERKELEY HOUSING AUTHORITY
DETAIL -DRAFT Budget
For Fiscal Year 2024-2025
Section 8 Only**

EXHIBIT A

	DESCRIPTION HUD Authorized Units ==>	Grand Total PROPOSED BUDGET FY2025 (a) = (b + c + d + e + f)	HUD PROGRAMS				Other Federal and Local Programs (f)	MODIFIED BUDGET FY2024 (h)	Increase (Decrease) (i) = (a - h)	%
			HCV Program 1,989 Units (b)	Mod. Rehab Program 98 Units (c)	Mainstream 121 Units (d)	EHV 51 Units (e)				
1	HOUSING ASSISTANCE PAYMENTS (HAP)									
1.a	HAP Revenue from HUD	\$ 40,700,792	\$ 35,410,545	\$ 934,920	\$ 2,979,231	\$ 1,376,096	\$ 41,671,355	\$ (970,563)	-2%	
1.b	HAP Expenses to Owners	\$ (39,672,541)	\$ (35,148,017)	\$ (934,920)	\$ (2,322,764)	\$ (1,266,840)	\$ (37,967,128)	\$ (1,705,414)	4%	
1.c	MTW eligible expenses	\$ (262,528)	\$ (262,528)				\$ (311,080)	\$ 48,552		
1.d	Estimated excess (shortfall) in HAP revenue	\$ 765,723	\$ 0	\$ -	\$ 656,467	\$ 109,256	\$ -	\$ 3,393,147	\$ (2,627,425)	
2	OPERATING REVENUE									
2.a	Administrative Fees	\$ 2,711,061	\$ 2,291,047	\$ 178,959	\$ 166,673	\$ 74,383	\$ 2,863,839	\$ (152,778)	-5%	
2.b	Administrative Fee earned for managed incoming ports	\$ -	\$ -	\$ -			\$ -	\$ -	0%	
2.c	Administrative Fee Paid for managed outgoing ports	\$ (73,812)	\$ (48,401)	\$ -	\$ (12,100)	\$ (13,310)	\$ (105,965)	\$ 32,153	-30%	
2.d	Net Administrative Fee	\$ 2,637,249	\$ 2,242,646	\$ 178,959	\$ 154,572	\$ 61,072	\$ 2,757,874	\$ (120,625)		
2.e	BHA Oversight Fee	\$ 6,922	\$ 6,922	\$ -			\$ 6,720	\$ 202	3%	
2.f	Preliminary Fee & Service Fee (Unit Turnover)	\$ 80,000	\$ 50,000		\$ 30,000		\$ 100,000	\$ (20,000)		
2.g	Miscellaneous Income	\$ 60,600	\$ 57,200	\$ 3,400			\$ 8,000	\$ 52,600	658%	
2	Total Operating Revenue	\$ 2,784,771	\$ 2,356,768	\$ 182,359	\$ 184,572	\$ 61,072	\$ -	\$ 2,872,594	\$ (87,823)	-3%
	OPERATING EXPENSES									
	ADMINISTRATION									
3.a	Salaries	\$ 1,335,524	\$ 1,146,611	\$ 93,487	\$ 66,776	\$ 26,614	\$ 1,228,695	\$ 106,829	9%	
3.b	Employee Benefits	\$ 1,057,063	\$ 907,945	\$ 73,994	\$ 52,853	\$ 21,085	\$ 925,465	\$ 131,598	14%	
3	Sub-total salaries and employee benefits	\$ 2,392,588	\$ 2,054,556	\$ 167,481	\$ 119,629	\$ 47,698	\$ 2,154,160	\$ 238,428	11%	
4.a	Fee - Legal Expense - Outside Counsel	\$ 46,680	\$ 41,078	\$ 2,334	\$ 2,334	\$ 934	\$ 45,864	\$ 816	2%	
4.b	Fee - Audit Fees	\$ 24,700	\$ 21,736	\$ 1,235	\$ 1,235	\$ 494	\$ 23,807	\$ 893	4%	
4.c	Fee - Consultants - General Consultants	\$ 170,630	\$ 150,154	\$ 8,532	\$ 8,032	\$ 3,913	\$ 292,834	\$ (122,204)	-42%	
4.d	Fee - Inspection	\$ 112,706	\$ 94,069	\$ 6,114	\$ 8,072	\$ 4,451	\$ 112,706	\$ -	0%	
4.e	Office Rent	\$ 143,087	\$ 125,727	\$ 7,629	\$ 6,368	\$ 3,362	\$ 147,416	\$ (4,329)	-3%	
4.f	Travel/Transportation	\$ 6,100	\$ 5,368	\$ 305	\$ 305	\$ 122	\$ 6,230	\$ (130)	-2%	
4.g	Staff Training	\$ 17,578	\$ 15,469	\$ 879	\$ 879	\$ 352	\$ 29,379	\$ (11,801)	-40%	
4.h	Publications & Subscriptions	\$ 7,293	\$ 6,418	\$ 365	\$ 365	\$ 146	\$ 7,658	\$ (365)	-5%	
4.i	Memberships & Dues	\$ 18,861	\$ 16,598	\$ 943	\$ 943	\$ 377	\$ 16,885	\$ 1,976	12%	
4.j	Telephone	\$ 9,180	\$ 8,078	\$ 459	\$ 459	\$ 184	\$ 6,930	\$ 2,250	32%	
4.k	Office Supplies	\$ 14,400	\$ 12,672	\$ 720	\$ 720	\$ 288	\$ 13,860	\$ 540	4%	
4.l	Postage	\$ 20,736	\$ 18,248	\$ 1,037	\$ 1,037	\$ 415	\$ 21,962	\$ (1,226)	-6%	
4.m	Printing & Reproduction	\$ 9,600	\$ 8,448	\$ 480	\$ 480	\$ 192	\$ 10,080	\$ (480)	-5%	
4.n	Equipment maintenance	\$ 1,300	\$ 1,144	\$ 65	\$ 65	\$ 26	\$ 1,300	\$ -	0%	
4.o	Equipment Lease	\$ 14,880	\$ 13,094	\$ 744	\$ 744	\$ 298	\$ 14,880	\$ -	0%	
4.p	Advertising	\$ 5,000	\$ 4,400	\$ 250	\$ 250	\$ 100	\$ 3,000	\$ 2,000	67%	
4.q	Computer Service - City of Berkeley IT	\$ 72,000	\$ 63,360	\$ 3,600	\$ 3,120	\$ 1,920	\$ 71,783	\$ 217	0%	
4.r	Software Maintenance	\$ 53,271	\$ 46,878	\$ 2,664	\$ 2,664	\$ 1,065	\$ 39,213	\$ 14,058	36%	
4.s	Other Sundry Items	\$ 12,600	\$ 11,088	\$ 630	\$ 630	\$ 252	\$ 13,230	\$ (630)	-5%	
4	Total Administrative Expenses	\$ 760,601	\$ 664,028	\$ 38,984	\$ 38,700	\$ 18,889	\$ -	\$ 879,016	\$ (118,415)	-13%
5	TENANT SERVICES							\$ -		
5.a	Unit Turn-over/Unit Navigation	\$ 80,000	\$ 50,000	\$ -	\$ 30,000		\$ 100,000	\$ (20,000)	-20%	
5	Total Tenant Services	\$ 80,000	\$ 50,000	\$ -	\$ 30,000	\$ -	\$ 100,000	\$ (20,000)	-20%	

**BERKELEY HOUSING AUTHORITY
DETAIL -DRAFT Budget
For Fiscal Year 2024-2025
Section 8 Only**

EXHIBIT A

	DESCRIPTION HUD Authorized Units ==>	Grand Total PROPOSED BUDGET FY2025	HUD PROGRAMS				Other Federal and Local Programs	MODIFIED BUDGET FY2024	Increase (Decrease)	%
			HCV Program 1,989 Units	Mod. Rehab Program 98 Units	Mainstream 121 Units	EHV 51 Units				
		(a) = (b + c + d + e + f)	(b)	(c)	(d)	(e)	(f)	(h)	(i) = (a - h)	
6	ROUTINE MAINTENANCE									
6.a	Facilities maintenance	\$ 5,860	\$ 5,157	\$ 293	\$ 293	\$ 117		\$ 4,000	\$ 1,860	47%
6	Total Routine Maintenance	\$ 5,860	\$ 5,157	\$ 293	\$ 293	\$ 117	\$ -	\$ 4,000	\$ 1,860	47%
7	GENERAL EXPENSES									
7.a	Insurance	\$ 69,454	\$ 61,359	\$ 3,473	\$ 3,234	\$ 1,389		\$ 61,686	\$ 7,768	13%
7.b	Other General Expenses	\$ 13,000	\$ 11,440	\$ 650	\$ 650	\$ 260		\$ 35,311	\$ (22,311)	-63%
7.c	Depreciation	\$ 30,693	\$ 28,008	\$ 1,747	\$ 938			\$ 30,693	\$ 0	100%
7	Total General Expenses	\$ 113,147	\$ 100,807	\$ 5,870	\$ 4,822	\$ 1,649	\$ -	\$ 127,690	\$ (14,543)	-11%
8	TOTAL OPERATING EXPENSES	\$ 3,352,196	\$ 2,874,548	\$ 212,628	\$ 193,445	\$ 68,353	\$ 3,223	\$ 3,264,866	\$ 87,330	3%
9	TOTAL CAPITAL EXPENDITURE	\$ 70,000	\$ 61,600	\$ 3,500	\$ 3,500	\$ 1,400	\$ -	\$ 24,000	\$ 46,000	192%
10	OPERATING SURPLUS (DEFICIT)	\$ (637,425)	\$ (579,380)	\$ (33,769)	\$ (12,372)	\$ (8,681)	\$ (3,223)	\$ (392,272)	\$ (245,153)	62%
11	OPERATING INCOME (DEFICIT) & CAPITAL EXPENDITURE									
11	NON-ROUTINE REVENUE (EXPENSES)									
11.a	Interest Income on Notes Receivable and Dispo Proceeds	\$ 437,203					\$ 437,203	\$ 324,327	\$ 112,876	35%
11	NET SURPLUS AND DEFICIT	\$ (200,222)	\$ (579,380)	\$ (33,769)	\$ (12,372)	\$ (8,681)	\$ 433,980	\$ (67,945)	\$ (132,277)	195%
12.a	Use of disposition proceeds/Transfer to/from reserve to cover deficit	\$ 637,425	\$ 579,380	\$ 33,769	\$ 12,372	\$ 8,681	\$ 3,223			
12.b	Transfer to restricted reserve	\$ (437,203)					\$ (437,203)			
12	NET SURPLUS (DEFICIT)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ -			
PROJECTED OPERATING RESERVE BALANCE ON 07/01/2024			\$ 2,126,474	\$ 243,150	\$ 16,397	\$ 32,280				
12.c	TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENTS	\$ -	\$ (579,380)	\$ (33,769)	\$ (12,372)	\$ (8,681)				
PROJECTED OPERATING RESERVE BALANCE ON 06/30/2025			\$ 1,547,094	\$ 209,381	\$ 4,025	\$ 23,599				

**BERKELEY HOUSING AUTHORITY
SALARY AND EMPLOYEE BENEFITS
FY2023-2025**

		TOTAL	ED	FM	MA	HCV Mgr	ACCT	HS (VJ)	HS (LD)	HS (AM)	AA/FSS	OAll -Acctg	OAll -Insp	OAI	OAll -Eligibility
ACCT #	FTE	13	1	1	1	1	1	1	1	1	1	1	1	1	1
	Annual Salary	\$ 1,335,524	\$ 193,932	\$ 140,930	\$ 118,358	\$ 114,768	\$ 101,093	\$ 98,346	\$ 99,735	\$ 99,735	\$ 79,265	\$ 75,411	\$ 73,024	\$ 65,520	\$ 75,408
454011	PERS Misc ER Cont	\$ 168,102	\$ 15,864	\$ 23,874	\$ 20,050	\$ 19,442	\$ 8,269	\$ 16,660	\$ 16,895	\$ 16,895	\$ 6,484	\$ 6,169	\$ 5,973	\$ 5,360	\$ 6,168
454011	PERS Misc Unfunded Liab	\$ 121,432	\$ 17,633	\$ 12,814	\$ 10,762	\$ 10,435	\$ 9,192	\$ 8,942	\$ 9,068	\$ 9,068	\$ 7,207	\$ 6,857	\$ 6,640	\$ 5,957	\$ 6,856
454011	GASB 68	\$ 150,000	\$ 21,782	\$ 15,829	\$ 13,293	\$ 12,890	\$ 11,354	\$ 11,046	\$ 11,202	\$ 11,202	\$ 8,903	\$ 8,470	\$ 8,202	\$ 7,359	\$ 8,469
454011	PERS Survivor Benefit	\$ 1,051	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81
454002	Kaiser	\$ 304,914	\$ 13,468	\$ 35,825	\$ 13,468	\$ 26,936	\$ 26,936	\$ 13,468	\$ 13,468	\$ 35,825	\$ 26,936	\$ 35,825	\$ 13,468	\$ 13,468	\$ 35,825
454003	Dental Misc Exc IBEW	\$ 24,436	\$ 2,044	\$ 2,044	\$ 2,044	\$ 2,044	\$ 1,807	\$ 1,807	\$ 1,807	\$ 1,807	\$ 1,807	\$ 1,807	\$ 1,807	\$ 1,807	\$ 1,807
454006	Cash in Lieu	\$ -	\$ -												
454017	RETMED	\$ 86,809	\$ 12,606	\$ 9,160	\$ 7,693	\$ 7,460	\$ 6,571	\$ 6,392	\$ 6,483	\$ 6,483	\$ 5,152	\$ 4,902	\$ 4,747	\$ 4,259	\$ 4,902
454017	GASB 75	\$ 50,000	\$ 7,261	\$ 5,276	\$ 4,431	\$ 4,297	\$ 3,785	\$ 3,682	\$ 3,734	\$ 3,734	\$ 2,968	\$ 2,823	\$ 2,734	\$ 2,453	\$ 2,823
454014	SRIP II	\$ 28,220	\$ 2,171	\$ 2,171	\$ 2,171	\$ 2,171	\$ 2,171	\$ 2,171	\$ 2,171	\$ 2,171	\$ 2,171	\$ 2,171	\$ 2,171	\$ 2,171	\$ 2,171
454015	Medicare ER Share	\$ 19,365	\$ 2,812	\$ 2,043	\$ 1,716	\$ 1,664	\$ 1,466	\$ 1,426	\$ 1,446	\$ 1,446	\$ 1,149	\$ 1,093	\$ 1,059	\$ 950	\$ 1,093
454016	SUI	\$ 2,457	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189	\$ 189
454091	Commuter Check Benefit	\$ 7,800	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
454004	Life Insurance Other	\$ 733	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56
454090	SRIP 2 Disability	\$ 2,310	\$ 336	\$ 244	\$ 205	\$ 199	\$ 175	\$ 170	\$ 173	\$ 173	\$ 137	\$ 130	\$ 126	\$ 113	\$ 130
454090	YMCA/Gym Benefit	\$ 8,064	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576
411042	Car Allowance	\$ 4,320	\$ 4,320												
412000	Vacation/Sick Accrual	\$ 77,049	\$ 11,188.38	\$ 8,131	\$ 6,828	\$ 6,621	\$ 5,832	\$ 5,674	\$ 5,754	\$ 5,754	\$ 4,573	\$ 4,351	\$ 4,213	\$ 3,780	\$ 4,350
TOTAL	TOTAL	1,057,063	112,985	118,912	84,163	95,660	79,060	72,940	73,702	96,059	68,988	76,099	52,641	49,179	76,098

BERKELEY HOUSING AUTHORITY
Projected Revenue and Expenses
For Fiscal Year 2025-2034
(All Programs: HCV, Mod Rehab, Mainstream & EHV)

ATTACHMENT 2

	DESCRIPTION	Grand Total PROPOSED BUDGET FY2025	Grand Total PROJECTED BUDGET FY2026	Grand Total PROJECTED BUDGET FY2027	Grand Total PROJECTED BUDGET FY2028	Grand Total PROJECTED BUDGET FY2029	Grand Total PROJECTED BUDGET FY2030	Grand Total PROJECTED BUDGET FY2031	Grand Total PROJECTED BUDGET FY2032	Grand Total PROJECTED BUDGET FY2033	Grand Total PROJECTED BUDGET FY2034
		FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY 8	FY 9	FY 10
	ASSUMPTIONS:										
a	2023 Admin Fee rates increasing at the rate of 3% annually	2023 rates	3% increase	3% increase	3% increase	3% increase	3% increase	3% increase	3% increase	3% increase	3% increase
b	HUD Pro-ration on Admin Fees	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
c	Utilization (HCV) -	74%	75%	76%	77%	77%	78%	79%	80%	80%	81%
d	UML (HCV+Mainstream+EHV+Mod Rehab)	1,621	1,745	1,756	1,778	1,793	1,807	1,822	1,837	1,852	1,868
e	FTE	13	13	13	13	13	13	13	13	13	13
f	Average Caseload/Case worker	509	551	554	562	567	571	576	581	586	592
g	Average Per Unit Cost increasing 5% annually (HCV)	\$ 1,990	\$ 2,090	\$ 2,194	\$ 2,304	\$ 2,419	\$ 2,540	\$ 2,667	\$ 2,800	\$ 2,940	\$ 3,087
h	Annual increase in operating expenses except for rent (2%)		3%	3%	3%	3%	3%	3%	3%	3%	3%
i	COLA Adjustment	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%
1	HOUSING ASSISTANCE PAYMENTS (HAP)										
1.a	HAP Revenue from HUD	\$ 40,700,792	\$ 42,759,330	\$ 44,830,385	\$ 47,423,031	\$ 50,169,182	\$ 53,077,945	\$ 56,158,969	\$ 59,422,477	\$ 62,879,299	\$ 66,540,908
1.b	HAP Expenses to Owners	\$ (39,672,541)	\$ (42,628,292)	\$ (44,631,638)	\$ (47,421,299)	\$ (50,167,071)	\$ (53,071,204)	\$ (56,155,401)	\$ (59,417,676)	\$ (62,875,145)	\$ (66,539,522)
1.c	MTW eligible expenses	\$ (262,528)	\$ (131,038)	\$ (198,747)	\$ (1,732)	\$ (2,111)	\$ (6,741)	\$ (3,569)	\$ (4,801)	\$ (4,154)	\$ (1,385)
1.d	Estimated excess (shortfall) in HAP revenue	\$ 765,723	\$ (0)	\$ 0	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ (0)	\$ 0
2	OPERATING REVENUE										
2.a	Administrative Fees	\$ 2,711,061	\$ 2,833,403	\$ 2,937,480	\$ 3,061,691	\$ 3,178,185	\$ 3,298,915	\$ 3,424,749	\$ 3,555,167	\$ 3,690,711	\$ 3,831,582
2.b	Administrative Fee earned for managed incoming ports	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.c	Administrative Fee Paid for managed outgoing ports	\$ (73,812)	\$ (162,023)	\$ (166,884)	\$ (171,891)	\$ (177,047)	\$ (182,359)	\$ (187,829)	\$ (193,464)	\$ (199,268)	\$ (205,246)
2.d	Net Administrative Fee	\$ 2,637,249	\$ 2,671,380	\$ 2,770,596	\$ 2,889,801	\$ 3,001,138	\$ 3,116,557	\$ 3,236,920	\$ 3,361,703	\$ 3,491,442	\$ 3,626,336
2.e	BHA Oversight Fee	\$ 6,922	\$ 7,130	\$ 7,344	\$ 7,564	\$ 7,791	\$ 8,024	\$ 8,265	\$ 8,513	\$ 8,769	\$ 9,032
2.f	Miscellaneous Income	\$ 140,600	\$ 141,200	\$ 141,200	\$ 141,200	\$ 141,200	\$ 141,200	\$ 141,200	\$ 141,200	\$ 141,200	\$ 141,200
2.g	Total Operating Revenue	\$ 2,784,771	\$ 2,819,710	\$ 2,919,140	\$ 3,038,565	\$ 3,150,129	\$ 3,265,781	\$ 3,386,385	\$ 3,511,416	\$ 3,641,411	\$ 3,776,567
	OPERATING EXPENSES										
3.a	Salaries	\$ 1,335,524	\$ 1,375,590	\$ 1,416,857	\$ 1,459,363	\$ 1,503,144	\$ 1,548,238	\$ 1,594,685	\$ 1,642,526	\$ 1,691,802	\$ 1,742,556
3.b	Employee Benefits	\$ 1,057,063	\$ 1,088,775	\$ 1,121,438	\$ 1,155,081	\$ 1,189,734	\$ 1,225,426	\$ 1,262,189	\$ 1,300,054	\$ 1,339,056	\$ 1,379,227
3.c	Sub-total salaries and employee benefits	2,392,587	2,464,365	2,538,296	2,614,444	2,692,878	2,773,664	2,856,874	2,942,580	3,030,858	3,121,783
4	Total Administrative Expenses	\$ 760,601	\$ 786,281	\$ 808,367	\$ 831,086	\$ 854,455	\$ 878,494	\$ 903,223	\$ 928,661	\$ 954,829	\$ 981,748
5	Total Tenant Services	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
6	Total Routine Maintenance	\$ 5,860	\$ 5,977	\$ 6,097	\$ 6,219	\$ 6,343	\$ 6,470	\$ 6,599	\$ 6,731	\$ 6,866	\$ 7,003
7	Total General Expenses	\$ 113,147	\$ 90,049	\$ 97,689	\$ 106,093	\$ 115,338	\$ 125,506	\$ 136,692	\$ 148,996	\$ 162,531	\$ 177,419
8	TOTAL OPERATING EXPENSES	\$ 3,352,195.38	\$ 3,426,672	\$ 3,530,449	\$ 3,637,842	\$ 3,749,014	\$ 3,864,135	\$ 3,983,388	\$ 4,106,969	\$ 4,235,083	\$ 4,367,953
9	CAPITAL EXPENDITURE										
9.a	Website Development	\$ 70,000									
9	TOTAL CAPITAL EXPENDITURE	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	OPERATING SURPLUS (DEFICIT)	\$ (637,424)	\$ (606,963)	\$ (611,309)	\$ (599,277)	\$ (598,885)	\$ (598,354)	\$ (597,003)	\$ (595,553)	\$ (593,672)	\$ (591,386)
11	NON-ROUTINE REVENUE (EXPENSES)										
11.a	Interest Income on Notes Receivable and Dispo Proceeds	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203	\$ 437,203
11	NET SURPLUS (DEFICIT)	\$ (200,221)	\$ (169,760)	\$ (174,106)	\$ (162,074)	\$ (161,682)	\$ (161,151)	\$ (159,800)	\$ (158,350)	\$ (156,469)	\$ (154,183)
12.a	Use of disposition proceeds/Transfer to/from reserve to cover deficit	\$ 637,424	\$ 606,963	\$ 611,309	\$ 599,277	\$ 598,885	\$ 598,354	\$ 597,003	\$ 595,553	\$ 593,672	\$ 591,386
12.b	Transfer to restricted reserve	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)	\$ (437,203)
12	NET SURPLUS (DEFICIT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	PROJECTED OPERATING RESERVE BALANCE ON 07/01/2024	\$ 2,369,624	\$ 1,732,200	\$ 1,125,237	\$ 513,928						
12.c	TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENTS	\$ (637,424)	\$ (606,963)	\$ (611,309)	\$ (599,277)						
	PROJECTED RUNNING OPERATING RESERVE BALANCE	\$ 1,732,200	\$ 1,125,237	\$ 513,928	\$ (85,349)						
	DISPOSITION PROCEEDS	\$ 1,556,000	\$ 1,556,000	\$ 1,556,000	\$ 1,556,000	\$ 1,470,651	\$ 871,766	\$ 273,412			
12.c	TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENTS					\$ (85,349)	\$ (598,885)	\$ (597,003)			
	PROJECTED RUNNING DISPO PROCEEDS BALANCE	\$ 1,556,000	\$ 1,556,000	\$ 1,556,000	\$ 1,470,651	\$ 871,766	\$ 273,412	\$ (323,591)			
	RHCP PROCEEDS (in bank)	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,176,409	\$ 580,856	
12.c	TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENTS					\$ -	\$ (323,591)	\$ (595,553)	\$ (593,672)		
	PROJECTED RUNNING DISPO PROCEEDS BALANCE	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,176,409	\$ 580,856	\$ (12,816)	