



Berkeley Housing Authority

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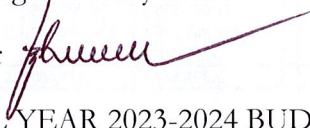
Office of the Executive Director

Item 7B

NEW BUSINESS

June 8, 2023

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

From: Jesy Yturralde, Finance Manager 

Subject: ADOPTION OF THE FISCAL YEAR 2023-2024 BUDGET OF THE BERKELEY HOUSING AUTHORITY

RECOMMENDATION

Approve a resolution adopting the Fiscal Year 2023-2024 Budget for the Berkeley Housing Authority with a projected net operating deficit of \$385,583 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 Safety Code Sections 34200. BHA administers housing choice and special purpose vouchers, and with full funding could potentially support 2,215 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).

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.

In April 2022 BHA was accepted into HUD's MTW Landlord Incentives Cohort. 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 identified 10 MTW activities in the MTW Supplement Plan that will be presented to the Board for approval in a future meeting. These include (1) Alternative Utility Allowance, (2) Elimination of Utility Reimbursement, (3) Alternative Income Inclusions/Exclusions, (4) Increasing Payment Standards, (5) Alternative Reexamination Schedule for Households, (6) Self-Certification of Assets, (7) Vacancy Loss, (8) Other Landlord Incentives, (9) Pre-Qualifying Unit Inspections, and (10) Alternative Inspection

Schedule. In addition to the aforementioned flexibilities, MTW agencies are allowed certain fungibility of their funding. For a Section 8 only agency like BHA, fungibility is the ability to use HAP and Administrative Fee funding interchangeably.

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 FY2023-2024 Budget assumes HAP revenue of \$41,671,355 (*line 1.a*) and \$37,967,128 (*line 1.b*) in HAP expenses for all programs. It also includes \$311,080 MTW eligible expenses (*Line 1.c*) and an excess HAP funding of \$3,393,147 (*line 1.d*) for all programs.

| | DESCRIPTION HUD Authorized Units ==> | Grand Total PROPOSED BUDGET FY2024 | HUD PROGRAMS | | | | APPROVED BUDGET FY2023 | 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) | (h) | (i) = (a - h) | |
| 1 | HOUSING ASSISTANCE PAYMENTS (HAP) | | | | | | | | |
| 1.a | HAP Revenue from HUD | \$ 41,671,355 | \$ 36,905,268 | \$ 870,240 | \$ 2,530,816 | \$ 1,365,032 | \$ 39,413,816 | \$ 2,257,539 | 6% |
| 1.b | HAP Expenses to Owners | \$ (37,967,128) | \$ (34,140,787) | \$ (870,240) | \$ (1,937,549) | \$ (1,018,552) | \$ (35,584,631) | \$ 2,382,496 | 7% |
| 1.c | MTW eligible expenses | \$ (311,080) | \$ (311,080) | | | | \$ (301,320) | \$ 9,760 | 3% |
| 1.d | Estimated excess (shortfall) in HAP revenue | \$ 3,393,147 | \$ 2,453,400 | \$ - | \$ 593,267 | \$ 346,480 | \$ 3,527,865 | \$ (134,717) | -4% |

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), a comprehensive spreadsheet used in forecasting HAP funding and expenses over 2 years using actual data submitted on HUD's Voucher Management System (VMS), inflation rate, the PHA's success and attrition rates, etc. The TYT projects HAP Funding Available for CY2023 and CY2024 in the Housing Choice Voucher (HCV) program to be \$36,905,268 per year. BHA's fiscal year overlaps HUD's two calendar year funding, therefore the budgeted HAP revenue for FY2023-2024 is the average of both CY2023 and CY2024 HAP Funding Available (\$36,905,268). S8 HAP expenses are \$34,140,787, housing approximately 80% of our 1989 HCV and VASH units for the period July 2023 to June 2024 at an average per unit cost (PUC) of \$1,788.

The estimated costs for MTW eligible activities are \$311,080, thus a total HAP expenditure of \$34,451,867 in this program.

An excess in HAP funding of \$2,453,400 is projected at the end of the fiscal that could potentially support housing for an additional 114 families for an entire year; and/or potentially some subset of that figure, for operations.

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 \$740.
3. Mainstream Program (*column d*): HAP revenue for Mainstream program of \$2,530,816 is also derived from the TYT, HAP expenditures of 1,937,549 assume an 80% utilization of 121 Mainstream vouchers at an average PUC of \$1,785.
4. EHV Program (*column e*): HAP revenue for the Emergency Housing Voucher program (EHV) is \$1,365,032, which is also derived from the TYT. The estimated HAP expenditure for the fiscal year is \$1,018,552 which is based upon 85% utilization of our 51 EHV vouchers with an average per unit cost (PUC) of \$1,958

Schedule. In addition to the aforementioned flexibilities, MTW agencies are allowed certain fungibility of their funding. For a Section 8 only agency like BHA, fungibility is the ability to use HAP and Administrative Fee funding interchangeably.

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| | | | (a) = (b + c + d + e + f) | (b) | (c) | (d) | | | |
| 1 | HOUSING ASSISTANCE PAYMENTS (HAP) | | | | | | | | |
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| 1.c | MTW eligible expenses | \$ (311,080) | \$ (311,080) | | | | \$ (301,320) | \$ 9,760 | 3% |
| 1.d | Estimated excess (shortfall) in HAP revenue | \$ 3,393,147 | \$ 2,453,400 | \$ - | \$ 593,267 | \$ 346,480 | \$ 3,527,865 | \$ (134,717) | -4% |

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Operating Revenue and Expenses

The total projected operating revenue in FY2023-2024 is \$2,820,929 (line 2.h). The total operating expenses are \$3,206,512 (line 8), resulting in a projected annual deficit of \$385,583 (line 9).

| | DESCRIPTION HUD Authorized Units ==> | Grand Total PROPOSED BUDGET FY2024 | HUD PROGRAMS | | | | APPROVED BUDGET FY2023 | 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) | (h) | (i) = (a - h) | |
| 2.a | Administrative Fees | \$ 2,862,639 | \$ 2,457,823 | \$ 178,959 | \$ 155,997 | \$ 69,860 | \$ 2,586,830 | \$ 275,808 | 11% |
| 2.b | Administrative Fee earned for managed incoming ports | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0% |
| 2.c | Administrative Fee Paid for managed outgoing ports | \$ (156,430) | \$ (132,364) | \$ - | \$ (12,033) | \$ (12,033) | \$ (147,153) | \$ (9,277) | 6% |
| 2.d | Net Administrative Fee | \$ 2,706,208 | \$ 2,325,459 | \$ 178,959 | \$ 143,964 | \$ 57,827 | \$ 2,439,677 | \$ 266,531 | 11% |
| 2.e | BHA Oversight Fee | \$ 6,720 | \$ 6,720 | \$ - | \$ - | \$ - | \$ 6,335 | \$ 386 | 6% |
| 2.f | EHV Preliminary Fee & Service Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0% |
| 2.g | Miscellaneous Income | \$ 108,000 | \$ 108,000 | \$ - | \$ - | \$ - | \$ 108,000 | \$ - | 0% |
| 2.h | Total Operating Revenue | \$ 2,820,929 | \$ 2,440,179 | \$ 178,959 | \$ 143,964 | \$ 57,827 | \$ 2,554,011 | \$ 266,917 | 10% |
| | OPERATING EXPENSES | | | | | | | | |
| | ADMINISTRATION | | | | | | | | |
| 3.a | Salaries | \$ 1,245,127 | \$ 1,118,644 | \$ 71,826 | \$ 42,207 | \$ 12,451 | \$ 1,171,530 | \$ 73,597 | 6% |
| 3.b | Employee Benefits | \$ 971,211 | \$ 872,615 | \$ 55,796 | \$ 33,088 | \$ 9,712 | \$ 966,239 | \$ 4,972 | 1% |
| 3 | Sub-total salaries and employee benefits | \$ 2,216,338 | \$ 1,991,259 | \$ 127,622 | \$ 75,294 | \$ 22,163 | \$ 2,137,769 | \$ 78,570 | 4% |
| 4 | Total Administrative Expenses | \$ 810,837 | \$ 708,249 | \$ 41,490 | \$ 41,207 | \$ 19,891 | \$ 660,293 | \$ 150,544 | 23% |
| 5 | Total Tenant Services | \$ 100,000 | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 | \$ - | 0% |
| 6 | Total Routine Maintenance | \$ 4,000 | \$ 3,520 | \$ 200 | \$ 200 | \$ 80 | \$ 4,000 | \$ - | 0% |
| 7 | GENERAL EXPENSES | | | | | | | | |
| 7 | Total General Expenses | \$ 75,336 | \$ 66,535 | \$ 3,767 | \$ 3,528 | \$ 1,507 | \$ 62,807 | \$ 12,529 | 20% |
| 8 | TOTAL OPERATING EXPENSES | \$ 3,206,512 | \$ 2,869,562 | \$ 173,079 | \$ 120,229 | \$ 43,642 | \$ 2,964,869 | \$ 241,643 | 8% |
| 9 | NET OPERATING SURPLUS (DEFICIT) | \$ (385,583) | \$ (429,383) | \$ 5,880 | \$ 23,734 | \$ 14,185 | \$ (410,858) | \$ (25,275) | -6% |
| 10 | NON-ROUTINE REVENUE (EXPENSES) | | | | | | | | |
| 10.a | Depreciation | \$ (30,693) | \$ (28,008) | \$ (1,747) | \$ (938) | \$ - | \$ (30,693) | \$ (0) | 100% |
| 10.b | Interest Income on Notes Receivable | \$ 324,327 | \$ - | \$ - | \$ - | \$ - | \$ 331,357 | \$ (29,645) | 100% |
| 10 | TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENTS | \$ 293,634 | \$ (28,008) | \$ (1,747) | \$ (938) | \$ - | \$ 300,664 | \$ (7,030) | -2% |
| 11 | NET SURPLUS (DEFICIT) | \$ (91,950) | \$ (457,391) | \$ 4,133 | \$ 22,796 | \$ 14,185 | \$ (110,194) | \$ (18,244) | -17% |

Operating Revenue (\$2,820,929): (Line 2.h)

- 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 \$2,706,208. (Line 2.d). This amount reflects HUD's S8 Administrative Fee rates currently in effect for calendar year (2023) at 89.5% pro-ration and at different utilization levels for the HCV (80%), Mainstream (80%) and EHV (85%) programs. The projected Administrative Fee revenue in the Mod Rehab Program assumes 100% utilization of all 98 units program.
- BHA Oversight Fee (\$6,720) for operation oversight of the scattered site units pursuant to the Disposition, Development and Loan Agreement (DDLA) with Berkeley 75. (see Line 2.e)
- Miscellaneous income (\$108,000) includes grant from the City of Berkeley for the Unit Turn-over Program (\$100,000) and other de minimis income such as collection of fraud recoveries, copying requests for large documents, and others. (see Line 2.g)

Operating Expenses (\$3,206,512): (Line 8)

- Salary and benefits (\$2,216,338). (see Line 3) approximately 69% of our total operating expenses is attributable to salary and benefits. The total amount projected is based on the following assumptions:
 - 12 full time equivalent (FTE) staff, including the Management Analyst position that is currently vacant.
 - 1% COLA adjustments for all staff effective July 1, 2023 according to the terms in the labor union contracts and Unrepresented Employee Agreement.
 - CALPERS employer contributions are 16.87% for classic members and 8% for new members
 - Assumes a 4% increase in Kaiser premium beginning January 1, 2024.

- 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.

The 6% increase in salaries from FY2023 approved budget (*line 3.a*) is primarily due to:

- The proposed FY2024 budget includes step increases for new employees hired during FY2023; and
 - New Executive Director salary is higher than the budgeted salary in FY2023
- b. Projected administrative expenses are \$810,837. (*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.

The FY2024 budget for administrative expenses is \$150,554 higher than our budgeted expenses in FY2023 primarily due to the following:

- Increase of \$108,000 in Consultant fees (*line 4.c*) which now include fees for an HR and HCV/PBV consultants that were not included in the FY2023 budget.
 - Annual escalation on the lease of the administration office.
 - Annual maintenance of the Landlord Portal.
- c. Tenant services, \$100,000 includes expenses pertaining to the Unit Turn-over program that will be funded by the City of Berkeley grant.
- d. Routine maintenance (\$4,000) includes file shredding services, and other office maintenance expenses.
- e. Projected insurance and general expenses is (\$75,336) includes premiums for property and general liability and workers' compensation coverages; and other contingency expenses.

Funds available to cover deficit:

- Operating reserves. The Berkeley Housing Authority anticipates an operating reserve balance of approximately \$609,000 in the HCV program on June 30, 2023.
- \$1,556,589 remaining from the \$2.7 million disposition proceeds previously approved by HUD to be used for operations.
- HAP funding.

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

A 10-Year budget projection covering fiscal years 2024 to 2033 is prepared using the proposed FY2024 budget as the base year. The 10-year projection also based upon the following assumptions:

1. 3% annual increase in administrative fee rates using admin. fee rates in effect in CY2023 as base rate.
2. 89.5% pro-ratio for Administrative Fee rates all through out the fiscal years.
3. 83% lease up in FY2025, and a 1% annual increase thereafter of HCV vouchers.
4. 90% lease up from FY2025 to FY 2033 in the Mainstream Program.
5. 90% lease up from FY2025 to FY 2033 in the EHV Program.
6. 5% annual increase in HAP per unit cost (PUC).
7. 12 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

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6. 5% annual increase in HAP per unit cost (PUC).
7. 12 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 FY2024 | Grand Total PROJECTED 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 |
|------|--|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | | 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% annu | 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 | 89.50% | 89.50% | 89.50% | 89.50% | 89.50% | 89.50% | 89.50% | 89.50% | 89.50% | 89.50% |
| c | Utilization (HCV) - | 80% | 83% | 84% | 85% | 86% | 87% | 88% | 89% | 90% | 91% |
| d | UML (HCV+Mainstream+EHV+Mod Rehab) | 1,754 | 1,906 | 1,924 | 1,943 | 1,963 | 1,983 | 2,003 | 2,023 | 2,043 | 2,063 |
| e | FTE | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| f | Average Caseload/Case worker | 554 | 604 | 610 | 617 | 623 | 630 | 637 | 643 | 650 | 657 |
| g | Average Per Unit Cost increasing 5% annually (HCV) | 1,788 | 1,877 | 1,971 | 2,070 | 2,173 | 2,282 | 2,396 | 2,516 | 2,642 | 2,774 |
| h | Annual increase in operating expenses except for rent (2%) | | | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| i | COLA Adjustment | 1% | 0% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| 1 | HOUSING ASSISTANCE PAYMENTS (HAP) | | | | | | | | | | |
| 1.a | HAP Revenue from HUD | \$ 41,671,355 | \$ 42,064,740 | \$ 44,573,272 | \$ 47,232,775 | \$ 50,052,209 | \$ 53,041,052 | \$ 56,209,333 | \$ 59,567,655 | \$ 63,127,237 | \$ 66,899,944 |
| 1.b | HAP Expenses to Owners | \$ (37,967,128) | \$ (41,483,479) | \$ (43,984,644) | \$ (46,634,392) | \$ (49,441,329) | \$ (52,414,549) | \$ (55,563,664) | \$ (58,898,829) | \$ (62,430,777) | \$ (66,170,848) |
| 1.c | MTW eligible expenses | \$ (311,080) | \$ (325,384) | \$ (340,403) | \$ (356,173) | \$ (372,732) | \$ (390,119) | \$ (408,375) | \$ (427,543) | \$ (447,670) | \$ (468,804) |
| 1.d | Estimated excess (shortfall) in HAP revenue | \$ 3,393,147 | \$ 265,877 | \$ 248,225 | \$ 242,209 | \$ 238,148 | \$ 236,385 | \$ 237,294 | \$ 241,283 | \$ 248,790 | \$ 260,292 |
| 2 | OPERATING REVENUE | | | | | | | | | | |
| 2.a | Administrative Fees | \$ 2,862,639 | \$ 3,065,204 | \$ 3,188,825 | \$ 3,317,106 | \$ 3,450,216 | \$ 3,588,330 | \$ 3,731,628 | \$ 3,880,296 | \$ 4,034,528 | \$ 4,194,524 |
| 2.b | Administrative Fee earned for managed incoming ports | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2.c | Administrative Fee Paid for managed outgoing ports | \$ (156,430) | \$ (161,123) | \$ (165,957) | \$ (170,936) | \$ (176,064) | \$ (181,346) | \$ (186,786) | \$ (192,389) | \$ (198,161) | \$ (204,106) |
| 2.d | Net Administrative Fee | \$ 2,706,208 | \$ 2,904,081 | \$ 3,022,868 | \$ 3,146,170 | \$ 3,274,153 | \$ 3,406,985 | \$ 3,544,842 | \$ 3,687,907 | \$ 3,836,367 | \$ 3,990,418 |
| 2.e | BHA Oversight Fee | \$ 6,720 | \$ 6,922 | \$ 7,129 | \$ 7,344 | \$ 7,564 | \$ 7,791 | \$ 8,024 | \$ 8,265 | \$ 8,513 | \$ 8,769 |
| 2.f | Miscellaneous Income | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 |
| 2.g | Total Operating Revenue | \$ 2,820,929 | \$ 3,019,003 | \$ 3,137,997 | \$ 3,261,514 | \$ 3,389,716 | \$ 3,522,775 | \$ 3,660,866 | \$ 3,804,172 | \$ 3,952,880 | \$ 4,107,187 |
| | OPERATING EXPENSES | | | | | | | | | | |
| | ADMINISTRATION | | | | | | | | | | |
| 3.a | Salaries | \$ 1,245,127 | \$ 1,250,936 | \$ 1,288,464 | \$ 1,327,118 | \$ 1,366,932 | \$ 1,407,940 | \$ 1,450,178 | \$ 1,493,683 | \$ 1,538,494 | \$ 1,584,648 |
| 3.b | Employee Benefits | \$ 971,211 | \$ 967,715 | \$ 996,747 | \$ 1,026,649 | \$ 1,057,449 | \$ 1,089,172 | \$ 1,121,847 | \$ 1,155,503 | \$ 1,190,168 | \$ 1,225,873 |
| 3 | Sub-total salaries and employee benefits | \$ 2,216,338 | \$ 2,218,652 | \$ 2,285,211 | \$ 2,353,767 | \$ 2,424,380 | \$ 2,497,112 | \$ 2,572,025 | \$ 2,649,186 | \$ 2,728,662 | \$ 2,810,521 |
| 4 | Total Administrative Expenses | \$ 810,837 | \$ 813,605 | \$ 836,407 | \$ 859,967 | \$ 884,203 | \$ 909,135 | \$ 934,783 | \$ 961,167 | \$ 988,310 | \$ 1,016,234 |
| 5 | Total Tenant Services | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| 6 | Total Routine Maintenance | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| 7 | GENERAL EXPENSES | | | | | | | | | | |
| 7 | Total General Expenses | \$ 75,336 | \$ 78,420 | \$ 85,307 | \$ 92,853 | \$ 101,125 | \$ 110,193 | \$ 120,137 | \$ 131,043 | \$ 143,007 | \$ 156,132 |
| 8 | TOTAL OPERATING EXPENSES | \$ 3,206,512 | \$ 3,214,676 | \$ 3,310,925 | \$ 3,410,588 | \$ 3,613,708 | \$ 3,620,440 | \$ 3,730,945 | \$ 3,845,397 | \$ 3,963,979 | \$ 4,086,888 |
| 9 | NET OPERATING SURPLUS (DEFICIT) | \$ (385,583) | \$ (195,674) | \$ (172,928) | \$ (149,074) | \$ (123,992) | \$ (97,665) | \$ (70,079) | \$ (41,225) | \$ (11,098) | \$ 20,299 |
| 10 | NON-ROUTINE EXPENSES / CAPITAL EXPENDITURE | | | | | | | | | | |
| 10.a | Depreciation | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) |
| 10.b | Interest Income on Notes Receivable | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 |
| 10 | TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVE | 293,634 | 293,634 | 293,634 | 293,634 | 293,634 | 293,634 | 293,634 | 293,634 | 293,634 | 293,634 |
| 11 | NET SURPLUS (DEFICIT) | \$ (91,949) | \$ 98,060 | \$ 120,706 | \$ 144,560 | \$ 169,642 | \$ 195,969 | \$ 223,555 | \$ 252,409 | \$ 282,536 | \$ 313,933 |

The 10-Year Budget Projection shows an operating deficit from FY2024-2032 (see line 9 of the above table). Beginning FY2023, BHA will begin generating an operating surplus, provided the assumptions used materialize.

Disposition Proceeds:

In January 2014, HUD authorized BHA to use up to \$2.7 million of the Disposition Proceeds from the sale of 61 federal low income units to cover operating shortfall in the Section 8 program over 15 years beginning fiscal year 2016. As of reporting date, BHA has used \$1,143,411 (42%) of the \$2.7 million to cover operational deficits in fiscal years 2016, 2017, 2018 and 2019, leaving only \$1,556,589 to cover projected deficits from FY2023 through FY2028. We did not use the Proceeds in the past three fiscal years (FY 2020, 2021 and 2022 because we had available reserves to cover the deficit.

The Disposition Proceeds table below shows that the \$2.7 million could fully cover the annual deficits projected through FY2029. Together with the proceeds from the State's RHCP units, the projected deficit through FY2033 shall be covered.

| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
|-----|------|-------------------|----------------------|-------------------------|--|----------------|--|
| YR | FY | Beginning Balance | Interest on Reserves | BHA Revenue (Cash Flow) | Sec. 8 Admin Shortfall not covered by reserve (12 FTE) | Ending Balance | Balance per HUD Approval (\$2.7M) + RHCP Units Proceeds (12 FTE) |
| 0 | 2013 | \$ - | \$ - | \$ 100,000 | \$ - | \$ 100,000 | \$ 4,896,954.60 |
| 1 | 2014 | \$ 100,000 | \$ 299 | \$ 2,473,495 | \$ - | \$ 2,573,793 | |
| 2 | 2015 | \$ 2,573,793 | \$ 859 | \$ 51,059 | \$ (81,511) | \$ 2,544,201 | \$ 4,815,443.60 |
| 3 | 2016 | \$ 2,544,201 | \$ 890 | \$ 828,762 | \$ (252,000) | \$ 3,121,853 | \$ 4,563,443.60 |
| 4 | 2017 | \$ 3,121,853 | \$ 912 | \$ 317,968 | \$ (369,000) | \$ 3,071,733 | \$ 4,194,443.60 |
| 5 | 2018 | \$ 3,071,733 | \$ 1,042 | \$ 1,058,503 | \$ (115,138) | \$ 4,016,141 | \$ 4,079,306.10 |
| 6 | 2019 | \$ 4,016,141 | \$ 1,191 | \$ 668,101 | \$ (407,273) | \$ 4,278,160 | \$ 3,672,033.10 |
| 7 | 2020 | \$ 4,278,160 | \$ 1,071 | \$ 659,351 | \$ - | \$ 4,938,582 | \$ 3,672,033.10 |
| 8 | 2021 | \$ 4,938,582 | \$ 1,482 | \$ 648,287 | \$ - | \$ 5,588,350 | \$ 3,672,033.10 |
| 9 | 2022 | \$ 5,588,350 | \$ 1,677 | \$ 422,215 | \$ - | \$ 6,012,242 | \$ 3,672,033.10 |
| 10 | 2023 | \$ 6,012,242 | \$ 1,804 | \$ 444,331 | \$ (273,363) | \$ 6,185,014 | \$ 3,398,670.10 |
| 11 | 2024 | \$ 6,185,014 | \$ 1,856 | \$ 466,942 | \$ (416,266) | \$ 6,237,545 | \$ 2,982,404.10 |
| 12 | 2025 | \$ 6,237,545 | \$ 1,871 | \$ 490,060 | \$ (226,267) | \$ 6,503,209 | \$ 2,756,137.10 |
| 13 | 2026 | \$ 6,503,209 | \$ 1,951 | \$ 513,694 | \$ (203,621) | \$ 6,815,233 | \$ 2,552,516.10 |
| 14 | 2027 | \$ 6,815,233 | \$ 2,045 | \$ 537,856 | \$ (179,767) | \$ 7,175,367 | \$ 2,372,749.10 |
| 15 | 2028 | \$ 7,175,367 | \$ 2,153 | \$ 562,557 | \$ (154,685) | \$ 7,585,392 | \$ 2,218,064.10 |
| 16 | 2029 | \$ 7,585,392 | \$ 2,276 | \$ 597,603 | \$ (128,358) | \$ 8,056,912 | \$ 2,089,706.10 |
| 17 | 2030 | \$ 8,056,912 | \$ 2,417 | \$ 624,218 | \$ (100,772) | \$ 8,582,775 | \$ 1,988,934.10 |
| 18 | 2031 | \$ 8,582,775 | \$ 2,575 | \$ 651,437 | \$ (71,918) | \$ 9,164,869 | \$ 1,917,016.10 |
| 19 | 2032 | \$ 9,164,869 | \$ 2,749 | \$ 679,272 | \$ (41,791) | \$ 9,805,099 | \$ 1,875,225.10 |
| 20 | 2033 | \$ 9,805,099 | \$ 2,942 | \$ 707,736 | \$ (10,394) | \$ 10,505,383 | \$ 1,864,831.10 |
| 21 | 2034 | \$ 10,505,383 | \$ 3,152 | \$ 736,841 | | \$ 11,245,376 | \$ 1,864,831.10 |
| 22 | 2035 | \$ 11,245,376 | \$ 3,374 | \$ 1,032,041 | | \$ 12,280,790 | \$ 1,864,831.10 |
| 23 | 2036 | \$ 12,280,790 | \$ 3,684 | \$ 1,328,189 | | \$ 13,612,663 | \$ 1,864,831.10 |

CONTACT PERSON

Jesy Yturralde, Finance Manager, 981-5488

Attachments:

1. Resolution
EXHIBIT A: Proposed FY2023-2024 Budget
2. 10-Year Budget

| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
|-----|------|-------------------|----------------------|-------------------------|--|----------------|--|
| YR | FY | Beginning Balance | Interest on Reserves | BHA Revenue (Cash Flow) | Sec. 8 Admin Shortfall not covered by reserve (12 FTE) | Ending Balance | Balance per HUD Approval (\$2.7M) + RHCP Units Proceeds (12 FTE) |
| 0 | 2013 | \$ - | \$ - | \$ 100,000 | \$ - | \$ 100,000 | \$ 4,896,954.60 |
| 1 | 2014 | \$ 100,000 | \$ 299 | \$ 2,473,495 | \$ - | \$ 2,573,793 | |
| 2 | 2015 | \$ 2,573,793 | \$ 859 | \$ 51,059 | \$ (81,511) | \$ 2,544,201 | \$ 4,815,443.60 |
| 3 | 2016 | \$ 2,544,201 | \$ 890 | \$ 828,762 | \$ (252,000) | \$ 3,121,853 | \$ 4,563,443.60 |
| 4 | 2017 | \$ 3,121,853 | \$ 912 | \$ 317,968 | \$ (369,000) | \$ 3,071,733 | \$ 4,194,443.60 |
| 5 | 2018 | \$ 3,071,733 | \$ 1,042 | \$ 1,058,503 | \$ (115,138) | \$ 4,016,141 | \$ 4,079,306.10 |
| 6 | 2019 | \$ 4,016,141 | \$ 1,191 | \$ 668,101 | \$ (407,273) | \$ 4,278,160 | \$ 3,672,033.10 |
| 7 | 2020 | \$ 4,278,160 | \$ 1,071 | \$ 659,351 | \$ - | \$ 4,938,582 | \$ 3,672,033.10 |
| 8 | 2021 | \$ 4,938,582 | \$ 1,482 | \$ 648,287 | \$ - | \$ 5,588,350 | \$ 3,672,033.10 |
| 9 | 2022 | \$ 5,588,350 | \$ 1,677 | \$ 422,215 | \$ - | \$ 6,012,242 | \$ 3,672,033.10 |
| 10 | 2023 | \$ 6,012,242 | \$ 1,804 | \$ 444,331 | \$ (273,363) | \$ 6,185,014 | \$ 3,398,670.10 |
| 11 | 2024 | \$ 6,185,014 | \$ 1,856 | \$ 466,942 | \$ (416,266) | \$ 6,237,545 | \$ 2,982,404.10 |
| 12 | 2025 | \$ 6,237,545 | \$ 1,871 | \$ 490,060 | \$ (226,267) | \$ 6,503,209 | \$ 2,756,137.10 |
| 13 | 2026 | \$ 6,503,209 | \$ 1,951 | \$ 513,694 | \$ (203,621) | \$ 6,815,233 | \$ 2,552,516.10 |
| 14 | 2027 | \$ 6,815,233 | \$ 2,045 | \$ 537,856 | \$ (179,767) | \$ 7,175,367 | \$ 2,372,749.10 |
| 15 | 2028 | \$ 7,175,367 | \$ 2,153 | \$ 562,557 | \$ (154,685) | \$ 7,585,392 | \$ 2,218,064.10 |
| 16 | 2029 | \$ 7,585,392 | \$ 2,276 | \$ 597,603 | \$ (128,358) | \$ 8,056,912 | \$ 2,089,706.10 |
| 17 | 2030 | \$ 8,056,912 | \$ 2,417 | \$ 624,218 | \$ (100,772) | \$ 8,582,775 | \$ 1,988,934.10 |
| 18 | 2031 | \$ 8,582,775 | \$ 2,575 | \$ 651,437 | \$ (71,918) | \$ 9,164,869 | \$ 1,917,016.10 |
| 19 | 2032 | \$ 9,164,869 | \$ 2,749 | \$ 679,272 | \$ (41,791) | \$ 9,805,099 | \$ 1,875,225.10 |
| 20 | 2033 | \$ 9,805,099 | \$ 2,942 | \$ 707,736 | \$ (10,394) | \$ 10,505,383 | \$ 1,864,831.10 |
| 21 | 2034 | \$ 10,505,383 | \$ 3,152 | \$ 736,841 | | \$ 11,245,376 | \$ 1,864,831.10 |
| 22 | 2035 | \$ 11,245,376 | \$ 3,374 | \$ 1,032,041 | | \$ 12,280,790 | \$ 1,864,831.10 |
| 23 | 2036 | \$ 12,280,790 | \$ 3,684 | \$ 1,328,189 | | \$ 13,612,663 | \$ 1,864,831.10 |

CONTACT PERSON

Jesy Yturralde, Finance Manager, 981-5488

Attachments:

1. Resolution
EXHIBIT A: Proposed FY2023-2024 Budget
2. 10-Year Budget

BERKELEY HOUSING AUTHORITY

Resolution 23-__

ADOPTION OF THE FISCAL YEAR ENDING 2023-2024 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, 2023 – June 30, 2024; 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 2023-2024 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 2023-2024 utilized data from HUD’s Two Year Tool for HAP revenue and expenses and assumed CY2023 administrative fee rates and 89.5% pro-ration; and

WHEREAS, the proposed FYE2023-2024 Budget assumes a utilization of only 80% of our HCV units and Mainstream programs and 85% in the EHV program.; and

WHEREAS, the proposed FYE2023-2024 Budget assumes 12 FTE; and

WHEREAS, the proposed FYE2023-2024 Budget reflects a 1% COLA adjustment for represented and unrepresented employees according to labor union contracts and Unrepresented Employee Agreement; and

WHEREAS, the proposed FYE2023-2024 Budget reflects projected annual operating deficit of \$385,583 for all programs; and

WHEREAS, the projected shortfall in FYE2023-2024 shall be covered by available unrestricted/operating reserves, disposition proceeds and/or HAP fungibility; 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 2024 BHA Budget, including 12 Full Time Equivalent positions, attached as Exhibits A, is approved.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on June 8, 2023 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: _____

James E. Williams, Secretary

EXHIBIT A
FY2023 – 2024 Budget

EXHIBIT A
FY2023 – 2024 Budget

BERKELEY HOUSING AUTHORITY
DETAIL -DRAFT Budget
For Fiscal Year 2023-2024
Section 8 Only

EXHIBIT A

| | DESCRIPTION | Grand Total PROPOSED BUDGET FY2024 (a) = (b + c + d + e + f) | HUD PROGRAMS | | | | EHV 51 Units (e) | APPROVED BUDGET FY2023 (h) | Increase (Decrease) (i) = (a - h) | % |
|----------|--|--|--------------------------------------|--|--------------------------------|----------------|------------------------|-------------------------------------|---|---|
| | | | HCV Program 1,989 Units (b) | Mod. Rehab Program 98 Units (c) | Mainstream 121 Units (d) | | | | | |
| 1 | HOUSING ASSISTANCE PAYMENTS (HAP) | | | | | | | | | |
| 1.a | HAP Revenue from HUD | \$ 41,671,355 | \$ 36,905,268 | \$ 870,240 | \$ 2,530,816 | \$ 1,365,032 | \$ 39,413,816 | \$ 2,257,539 | 6% | |
| 1.b | HAP Expenses to Owners | \$ (37,967,128) | \$ (34,140,787) | \$ (870,240) | \$ (1,937,549) | \$ (1,018,552) | \$ (35,584,631) | \$ 2,382,496 | 7% | |
| 1.c | MTW eligible expenses | \$ (311,080) | \$ (311,080) | | | | \$ (301,320) | \$ 9,760 | 3% | |
| 1.d | Estimated excess (shortfall) in HAP revenue | \$ 3,393,147 | \$ 2,453,400 | \$ - | \$ 593,267 | \$ 346,480 | \$ 3,527,865 | \$ (134,717) | -4% | |
| 2 | OPERATING REVENUE | | | | | | | | | |
| 2.a | Administrative Fees | \$ 2,862,639 | \$ 2,457,823 | \$ 178,959 | \$ 155,997 | \$ 69,860 | \$ 2,586,830 | \$ 275,808 | 11% | |
| 2.b | Administrative Fee earned for managed incoming ports | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0% | |
| 2.c | Administrative Fee Paid for managed outgoing ports | \$ (156,430) | \$ (132,364) | \$ - | \$ (12,033) | \$ (12,033) | \$ (147,153) | \$ (9,277) | 6% | |
| 2.d | Net Administrative Fee | \$ 2,706,208 | \$ 2,325,459 | \$ 178,959 | \$ 143,964 | \$ 57,827 | \$ 2,439,677 | \$ 266,531 | 11% | |
| 2.e | BHA Oversight Fee | \$ 6,720 | \$ 6,720 | \$ - | \$ - | \$ - | \$ 6,335 | \$ 386 | 6% | |
| 2.f | EHV Preliminary Fee & Service Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0% | |
| 2.g | Miscellaneous Income | \$ 108,000 | \$ 108,000 | \$ - | \$ - | \$ - | \$ 108,000 | \$ - | 0% | |
| 2.h | Total Operating Revenue | \$ 2,820,929 | \$ 2,440,179 | \$ 178,959 | \$ 143,964 | \$ 57,827 | \$ 2,554,011 | \$ 266,917 | 10% | |
| | OPERATING EXPENSES | | | | | | | | | |
| | ADMINISTRATION | | | | | | | | | |
| 3.a | Salaries | \$ 1,245,127 | \$ 1,118,644 | \$ 71,826 | \$ 42,207 | \$ 12,451 | \$ 1,171,530 | \$ 73,597 | 6% | |
| 3.b | Employee Benefits | \$ 971,211 | \$ 872,615 | \$ 55,796 | \$ 33,088 | \$ 9,712 | \$ 966,239 | \$ 4,972 | 1% | |
| 3 | Sub-total salaries and employee benefits | \$ 2,216,338 | \$ 1,991,259 | \$ 127,622 | \$ 75,294 | \$ 22,163 | \$ 2,137,769 | \$ 78,570 | 4% | |
| 4.a | Fee - Legal Expense - Outside Counsel | \$ 45,864 | \$ 38,984 | \$ 2,752 | \$ 2,752 | \$ 1,376 | \$ 43,680 | \$ 2,184 | 5% | |
| 4.b | Fee - Audit Fees | \$ 23,807 | \$ 20,726 | \$ 1,185 | \$ 1,422 | \$ 474 | \$ 23,700 | \$ 107 | 0% | |
| 4.c | Fee - Consultants - General Consultants | \$ 246,834 | \$ 209,809 | \$ 14,810 | \$ 14,310 | \$ 7,905 | \$ 138,830 | \$ 108,004 | 78% | |
| 4.d | Fee - Inspection | \$ 112,706 | \$ 94,069 | \$ 6,114 | \$ 8,072 | \$ 4,451 | \$ 112,706 | \$ - | 0% | |
| 4.e | Office Rent | \$ 147,416 | \$ 128,063 | \$ 7,846 | \$ 8,059 | \$ 3,448 | \$ 136,859 | \$ 10,557 | 8% | |
| 4.f | Travel/Transportation | \$ 6,230 | \$ 5,420 | \$ 312 | \$ 374 | \$ 125 | \$ 6,230 | \$ - | 0% | |
| 4.g | Staff Training | \$ 7,200 | \$ 6,264 | \$ 360 | \$ 432 | \$ 144 | \$ 7,200 | \$ - | 0% | |
| 4.h | Publications & Subscriptions | \$ 7,658 | \$ 6,662 | \$ 383 | \$ 459 | \$ 153 | \$ 7,293 | \$ 365 | 5% | |
| 4.i | Memberships & Dues | \$ 16,885 | \$ 14,690 | \$ 844 | \$ 1,013 | \$ 338 | \$ 13,831 | \$ 3,054 | 22% | |
| 4.j | Telephone | \$ 6,930 | \$ 5,891 | \$ 416 | \$ 416 | \$ 208 | \$ 9,120 | \$ (2,190) | -24% | |
| 4.k | Office Supplies | \$ 13,860 | \$ 11,781 | \$ 832 | \$ 832 | \$ 416 | \$ 13,200 | \$ 660 | 5% | |
| 4.l | Postage | \$ 21,962 | \$ 18,668 | \$ 1,318 | \$ 1,318 | \$ 659 | \$ 19,200 | \$ 2,762 | 14% | |
| 4.m | Printing & Reproduction | \$ 10,080 | \$ 8,568 | \$ 605 | \$ 605 | \$ 302 | \$ 9,600 | \$ 480 | 5% | |
| 4.n | Equipment maintenance | \$ 1,300 | \$ 1,105 | \$ 78 | \$ 78 | \$ 39 | \$ 1,300 | \$ - | 0% | |
| 4.o | Equipment Lease | \$ 14,880 | \$ 12,648 | \$ 893 | \$ 893 | \$ 446 | \$ 14,880 | \$ - | 0% | |
| 4.p | Advertising | \$ 3,000 | \$ 2,550 | \$ 180 | \$ 180 | \$ 90 | \$ 1,200 | \$ 1,800 | 150% | |
| 4.q | Computer Service - City of Berkeley IT | \$ 71,783 | \$ 61,015 | \$ 4,307 | \$ 3,827 | \$ 2,633 | \$ 68,364 | \$ 3,418 | 5% | |
| 4.r | Software Maintenance | \$ 39,213 | \$ 33,331 | \$ 2,353 | \$ 2,353 | \$ 1,176 | \$ 20,500 | \$ 18,713 | 91% | |
| 4.s | Other Sundry Items | \$ 13,230 | \$ 11,246 | \$ 794 | \$ 794 | \$ 397 | \$ 12,600 | \$ 630 | 5% | |
| 4 | Total Administrative Expenses | \$ 810,937 | \$ 691,490 | \$ 46,380 | \$ 48,187 | \$ 24,781 | \$ 660,293 | \$ 150,544 | 23% | |

BERKELEY HOUSING AUTHORITY
DETAIL - DRAFT Budget
For Fiscal Year 2023-2024
Section 8 Only

EXHIBIT A

| | DESCRIPTION | Grand Total PROPOSED BUDGET FY2024 (a) = (b + c + d + e + f) | HUD PROGRAMS | | | | EHV 51 Units (e) | APPROVED BUDGET FY2023 (h) | Increase (Decrease) (i) = (a - h) | % |
|-----------|--|--|--------------------------------------|--|--------------------------------|-----------|------------------------|-------------------------------------|---|---|
| | | | HCV Program 1,989 Units (b) | Mod. Rehab Program 98 Units (c) | Mainstream 121 Units (d) | | | | | |
| 5 | TENANT SERVICES | | | | | | | | | |
| 5.a | Unit Turn-over/Service Fees/Damage Claim | \$ 100,000 | \$ 100,000 | \$ - | | | \$ 100,000 | \$ - | 0% | |
| 5 | Total Tenant Services | \$ 100,000 | \$ 100,000 | \$ - | | | \$ 100,000 | \$ - | 0% | |
| 6 | ROUTINE MAINTENANCE | | | | | | | | | |
| 6.a | Facilities maintenance | \$ 4,000 | \$ 3,400 | \$ 240 | | \$ 120 | \$ 4,000 | \$ - | 0% | |
| 6 | Total Routine Maintenance | \$ 4,000 | \$ 3,400 | \$ 240 | | \$ 120 | \$ 4,000 | \$ - | 0% | |
| 7 | GENERAL EXPENSES | | | | | | | | | |
| 7.a | Insurance | \$ 61,686 | \$ 53,667 | \$ 3,084 | | \$ 1,234 | \$ 49,807 | \$ 11,879 | 24% | |
| 7.b | Other General Expenses | \$ 13,650 | \$ 11,603 | \$ 819 | | \$ 410 | \$ 13,000 | \$ 650 | 5% | |
| 7 | Total General Expenses | \$ 75,336 | \$ 65,269 | \$ 3,903 | | \$ 1,643 | \$ 62,807 | \$ 12,529 | 20% | |
| 8 | TOTAL OPERATING EXPENSES | \$ 3,206,512 | \$ 2,851,418 | \$ 178,145 | | \$ 48,707 | \$ 2,964,869 | \$ 241,643 | 8% | |
| 9 | NET OPERATING SURPLUS (DEFICIT) | \$ (385,583) | \$ (411,239) | \$ 814 | | \$ 9,120 | \$ (410,858) | \$ (25,274) | -6% | |
| 10 | NON-ROUTINE REVENUE (EXPENSES) | | | | | | | | | |
| 10.a | Depreciation | \$ (30,693) | \$ (28,008) | \$ (1,747) | | | \$ (30,693) | \$ (0) | 0% | |
| 10.b | Interest Income on Notes Receivable | \$ 324,327 | | | | | \$ 331,357 | \$ (29,645) | -9% | |
| 10 | TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENTS | \$ 293,634 | \$ (28,008) | \$ (1,747) | | \$ (938) | \$ 300,664 | \$ (7,030) | -2% | |
| 11 | NET SURPLUS (DEFICIT) | \$ (91,950) | \$ (439,247) | \$ (933) | | \$ 14,784 | \$ (110,194) | \$ (18,244) | -17% | |

BERKELEY HOUSING AUTHORITY
DETAIL - DRAFT Budget
For Fiscal Year 2023-2024
Section 8 Only

EXHIBIT A

| | DESCRIPTION | Grand Total PROPOSED BUDGET FY2024 (a) = (b + c + d + e + f) | HUD PROGRAMS | | | | APPROVED BUDGET FY2023 (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) | | | |
| 5 | TENANT SERVICES | | | | | | | | |
| 5.a | Unit Turn-over/Service Fees/Damage Claim | \$ 100,000 | \$ 100,000 | \$ - | | | \$ 100,000 | \$ - | 0% |
| 5 | Total Tenant Services | \$ 100,000 | \$ 100,000 | \$ - | | | \$ 100,000 | \$ - | 0% |
| 6 | ROUTINE MAINTENANCE | | | | | | | | |
| 6.a | Facilities maintenance | \$ 4,000 | \$ 3,400 | \$ 240 | \$ 120 | | \$ 4,000 | \$ - | 0% |
| 6 | Total Routine Maintenance | \$ 4,000 | \$ 3,400 | \$ 240 | \$ 120 | | \$ 4,000 | \$ - | 0% |
| 7 | GENERAL EXPENSES | | | | | | | | |
| 7.a | Insurance | \$ 61,686 | \$ 53,667 | \$ 3,084 | \$ 1,234 | | \$ 49,807 | \$ 11,879 | 24% |
| 7.b | Other General Expenses | \$ 13,650 | \$ 11,603 | \$ 819 | \$ 410 | | \$ 13,000 | \$ 650 | 5% |
| 7 | Total General Expenses | \$ 75,336 | \$ 65,269 | \$ 3,903 | \$ 1,643 | | \$ 62,807 | \$ 12,529 | 20% |
| 8 | TOTAL OPERATING EXPENSES | \$ 3,206,512 | \$ 2,851,418 | \$ 178,145 | \$ 48,707 | | \$ 2,964,869 | \$ 241,643 | 8% |
| 9 | NET OPERATING SURPLUS (DEFICIT) | \$ (385,583) | \$ (411,239) | \$ 814 | \$ 9,120 | | \$ (410,858) | \$ (25,274) | -6% |
| 10 | NON-ROUTINE REVENUE (EXPENSES) | | | | | | | | |
| 10.a | Depreciation | \$ (30,693) | \$ (28,008) | \$ (1,747) | \$ (938) | | \$ (30,693) | \$ (0) | 0% |
| 10.b | Interest Income on Notes Receivable | \$ 324,327 | | | | | \$ 331,357 | \$ (29,645) | -9% |
| 10 | TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENTS | \$ 293,634 | \$ (28,008) | \$ (1,747) | \$ (938) | | \$ 300,664 | \$ (7,030) | -2% |
| 11 | NET SURPLUS (DEFICIT) | \$ (91,950) | \$ (439,247) | \$ (933) | \$ 14,784 | | \$ (110,194) | \$ (18,244) | -17% |

BERKELEY HOUSING AUTHORITY
SALARY AND EMPLOYEE BENEFITS
FY2023-2024

| ACCT # | FTE | TOTAL | ED | FM | MA | HCV Supvst | ACCT | HS (LD) | HS (TU) | HS (AM) | AA/FSS | OAI -Acctg | OAI -Insp | OAI |
|--------------|----------------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | 12 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | Annual Salary | \$ 1,245,127 | \$ 176,300 | \$ 140,930 | \$ 133,661 | \$ 106,826 | \$ 101,093 | \$ 99,735 | \$ 99,735 | \$ 99,735 | \$ 79,265 | \$ 75,411 | \$ 69,262 | \$ 63,175 |
| 454011 | PERS Misc ER Cont | \$ 159,981 | \$ 14,104.00 | \$ 23,774.87 | \$ 22,548.64 | \$ 18,021.49 | \$ 8,087.43 | \$ 16,825.29 | \$ 16,825.29 | \$ 16,825.29 | \$ 6,341.18 | \$ 6,032.85 | \$ 5,540.96 | \$ 5,054.03 |
| 454011 | PERS Misc | \$ 109,007 | \$ 15,434.52 | \$ 12,337.97 | \$ 11,701.62 | \$ 9,352.25 | \$ 8,850.37 | \$ 8,731.48 | \$ 8,731.48 | \$ 8,731.48 | \$ 6,939.39 | \$ 6,601.97 | \$ 6,063.67 | \$ 5,530.80 |
| 454011 | GASB 68 | \$ 150,000 | \$ 21,238.80 | \$ 16,977.76 | \$ 16,102.11 | \$ 12,869.25 | \$ 12,178.62 | \$ 12,015.03 | \$ 12,015.03 | \$ 12,015.03 | \$ 9,549.00 | \$ 9,084.69 | \$ 8,343.96 | \$ 7,610.71 |
| 454011 | PERS Survivor | \$ 971 | \$ 81 | \$ 81 | \$ 81 | \$ 81 | \$ 81 | \$ 81 | \$ 81 | \$ 81 | \$ 81 | \$ 81 | \$ 81 | \$ 81 |
| 454002 | Kaiser | \$ 258,389 | \$ 11,255 | \$ 29,937 | \$ 29,937 | \$ 11,255 | \$ 29,937 | \$ 11,255 | \$ 22,491 | \$ 29,937 | \$ 29,937 | \$ 29,937 | \$ 11,255 | \$ 11,255 |
| 454003 | Dental Misc Exc | \$ 22,629 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 2,044 | \$ 1,807 | \$ 1,807 | \$ 1,807 | \$ 1,807 | \$ 1,807 | \$ 1,807 | \$ 1,807 | \$ 1,807 |
| 454017 | RET MED | \$ 80,933 | \$ 11,460 | \$ 9,160 | \$ 8,688 | \$ 6,944 | \$ 6,571 | \$ 6,483 | \$ 6,483 | \$ 6,483 | \$ 5,152 | \$ 4,902 | \$ 4,502 | \$ 4,106 |
| 454017 | GASB 75 | \$ 50,000 | \$ 7,079.60 | \$ 5,639.25 | \$ 5,367.37 | \$ 4,289.75 | \$ 4,059.54 | \$ 4,005.01 | \$ 4,005.01 | \$ 4,005.01 | \$ 3,183.00 | \$ 3,028.23 | \$ 2,781.32 | \$ 2,536.90 |
| 454014 | SRIP II | \$ 26,050 | \$ 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 | \$ 18,054 | \$ 2,556 | \$ 2,043 | \$ 1,938 | \$ 1,549 | \$ 1,466 | \$ 1,446 | \$ 1,446 | \$ 1,446 | \$ 1,149 | \$ 1,093 | \$ 1,004 | \$ 916 |
| 454016 | SUI | \$ 2,100 | \$ 175 | \$ 175 | \$ 175 | \$ 175 | \$ 175 | \$ 175 | \$ 175 | \$ 175 | \$ 175 | \$ 175 | \$ 175 | \$ 175 |
| 454091 | Commuter Check | \$ 7,200 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 |
| 454004 | Benefit | \$ 677 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 |
| 454004 | Life Insurance Other | \$ 677 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 | \$ 56 |
| 454090 | SRIP 2 Disability | \$ 2,154 | \$ 305 | \$ 244 | \$ 231 | \$ 185 | \$ 175 | \$ 173 | \$ 173 | \$ 173 | \$ 137 | \$ 130 | \$ 120 | \$ 109 |
| 454090 | YMCA/Gym Benefit | \$ 6,912 | \$ 576 | \$ 576 | \$ 576 | \$ 576 | \$ 576 | \$ 576 | \$ 576 | \$ 576 | \$ 576 | \$ 576 | \$ 576 | \$ 576 |
| 411042 | Car Allowance | \$ 4,320 | \$ 4,320 | | | | | | | | | | | |
| 412000 | Vacation/Sick | \$ 71,834 | \$ 10,171.16 | \$ 8,130.57 | \$ 7,711.22 | \$ 6,163.02 | \$ 5,832.28 | \$ 5,753.94 | \$ 5,753.94 | \$ 5,753.94 | \$ 4,572.97 | \$ 4,350.61 | \$ 3,995.88 | \$ 3,644.73 |
| 412000 | Accrual | \$ 71,834 | \$ 10,171.16 | \$ 8,130.57 | \$ 7,711.22 | \$ 6,163.02 | \$ 5,832.28 | \$ 5,753.94 | \$ 5,753.94 | \$ 5,753.94 | \$ 4,572.97 | \$ 4,350.61 | \$ 3,995.88 | \$ 3,644.73 |
| TOTAL | TOTAL | 971,211 | 103,627 | 113,969 | 109,929 | 76,331 | 82,623 | 72,153 | 83,389 | 90,835 | 72,427 | 70,627 | 49,072 | 46,229 |

ATTACHMENT 2

BERKELEY HOUSING AUTHORITY
Projected Revenue and Expenses
For Fiscal Year 2024-2033
(All Programs: HCV, Mod Rehab, Mainstream & EHV)

| | DESCRIPTION | Grand Total PROPOSED BUDGET FY2024 | Grand Total PROJECTED 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 |
|------|--|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | ASSUMPTIONS: | | | | | | | | | | |
| a | 2023 Admin Fee rates increasing at the rate of 3% annually | 89.50% | 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 | | 89.50% | 89.50% | 89.50% | 89.50% | 89.50% | 89.50% | 89.50% | 89.50% | 89.50% |
| c | Utilization (HCV) - | 80% | 83% | 84% | 85% | 86% | 87% | 88% | 89% | 90% | 91% |
| d | UML (HCV+Mainstream+EHV+Mod Rehab) | 1,754 | 1,906 | 1,924 | 1,943 | 1,963 | 1,983 | 2,003 | 2,023 | 2,043 | 2,063 |
| e | FTE | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| f | Average Caseload/Case worker | 554 | 604 | 610 | 617 | 623 | 630 | 637 | 643 | 650 | 657 |
| g | Average Per Unit Cost increasing 5% annually (HCV) | \$ 1,788 | \$ 1,877 | \$ 1,971 | \$ 2,070 | \$ 2,173 | \$ 2,282 | \$ 2,396 | \$ 2,516 | \$ 2,642 | \$ 2,774 |
| h | Annual increase in operating expenses except for rent (2%) | 1% | 0% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| i | COOLA Adjustment | | | | | | | | | | |
| 1 | HOUSING ASSISTANCE PAYMENTS (HAP) | | | | | | | | | | |
| 1.a | HAP Revenue from HUD | \$ 41,671,355 | \$ 42,064,740 | \$ 44,573,272 | \$ 47,232,775 | \$ 50,052,209 | \$ 53,041,052 | \$ 56,209,333 | \$ 59,567,655 | \$ 63,127,237 | \$ 66,899,944 |
| 1.b | HAP Expenses to Owners | \$ (37,967,128) | \$ (41,483,479) | \$ (43,984,644) | \$ (46,634,392) | \$ (49,441,329) | \$ (52,414,549) | \$ (55,563,664) | \$ (58,898,829) | \$ (62,430,777) | \$ (66,170,848) |
| 1.c | MTW eligible expenses | \$ (311,080) | \$ (325,384) | \$ (340,403) | \$ (356,173) | \$ (372,732) | \$ (390,119) | \$ (408,375) | \$ (427,543) | \$ (447,670) | \$ (468,804) |
| 1.d | Estimated excess (shortfall) in HAP revenue | \$ 3,393,147 | \$ 255,877 | \$ 248,225 | \$ 242,209 | \$ 238,148 | \$ 236,385 | \$ 237,294 | \$ 241,283 | \$ 248,790 | \$ 260,292 |
| 2 | OPERATING REVENUE | | | | | | | | | | |
| 2.a | Administrative Fees | \$ 2,862,639 | \$ 3,065,204 | \$ 3,188,825 | \$ 3,317,106 | \$ 3,450,216 | \$ 3,588,330 | \$ 3,731,628 | \$ 3,880,296 | \$ 4,034,528 | \$ 4,194,524 |
| 2.b | Administrative Fee earned for managed incoming ports | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2.c | Administrative Fee Paid for managed outgoing ports | \$ (156,430) | \$ (161,123) | \$ (165,957) | \$ (170,936) | \$ (176,064) | \$ (181,346) | \$ (186,786) | \$ (192,389) | \$ (198,161) | \$ (204,106) |
| 2.d | Net Administrative Fee | \$ 2,706,208 | \$ 2,904,081 | \$ 3,022,868 | \$ 3,146,170 | \$ 3,274,153 | \$ 3,406,985 | \$ 3,544,842 | \$ 3,687,907 | \$ 3,836,367 | \$ 3,990,418 |
| 2.e | BHA Oversight Fee | \$ 6,720 | \$ 6,922 | \$ 7,129 | \$ 7,344 | \$ 7,564 | \$ 7,791 | \$ 8,024 | \$ 8,265 | \$ 8,513 | \$ 8,769 |
| 2.f | Miscellaneous Income | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 108,000 |
| 2.g | Total Operating Revenue | \$ 2,820,929 | \$ 3,019,003 | \$ 3,137,997 | \$ 3,261,514 | \$ 3,389,716 | \$ 3,522,775 | \$ 3,660,866 | \$ 3,804,172 | \$ 3,952,880 | \$ 4,107,187 |
| | OPERATING EXPENSES | | | | | | | | | | |
| | ADMINISTRATION | | | | | | | | | | |
| 3.a | Salaries | \$ 1,245,127 | \$ 1,250,936 | \$ 1,288,464 | \$ 1,327,118 | \$ 1,366,932 | \$ 1,407,940 | \$ 1,450,178 | \$ 1,493,683 | \$ 1,538,494 | \$ 1,584,648 |
| 3.b | Employee Benefits | \$ 971,211 | \$ 967,715 | \$ 996,747 | \$ 1,026,649 | \$ 1,057,449 | \$ 1,089,172 | \$ 1,121,847 | \$ 1,155,503 | \$ 1,190,168 | \$ 1,225,873 |
| 3 | Sub-total salaries and employee benefits | \$ 2,216,338 | \$ 2,218,652 | \$ 2,285,211 | \$ 2,353,767 | \$ 2,424,380 | \$ 2,497,112 | \$ 2,572,025 | \$ 2,649,186 | \$ 2,728,662 | \$ 2,810,521 |
| 4 | Total Administrative Expenses | \$ 810,837 | \$ 813,505 | \$ 836,407 | \$ 859,967 | \$ 884,203 | \$ 909,135 | \$ 934,783 | \$ 961,167 | \$ 988,310 | \$ 1,016,234 |
| 5 | Total Tenant Services | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| 6 | Total Routine Maintenance | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| 7 | GENERAL EXPENSES | | | | | | | | | | |
| 7 | Total General Expenses | \$ 75,336 | \$ 78,420 | \$ 85,307 | \$ 92,853 | \$ 101,125 | \$ 110,193 | \$ 120,137 | \$ 131,043 | \$ 143,007 | \$ 156,132 |
| 8 | TOTAL OPERATING EXPENSES | \$ 3,206,512 | \$ 3,214,576 | \$ 3,310,925 | \$ 3,410,588 | \$ 3,513,708 | \$ 3,620,440 | \$ 3,730,945 | \$ 3,845,397 | \$ 3,963,979 | \$ 4,086,888 |
| 9 | NET OPERATING SURPLUS (DEFICIT) | \$ (385,583) | \$ (195,574) | \$ (172,928) | \$ (149,074) | \$ (123,992) | \$ (97,665) | \$ (70,079) | \$ (41,225) | \$ (11,098) | \$ 20,299 |
| 10 | NON-ROUTINE EXPENSES / CAPITAL EXPENDITURE | | | | | | | | | | |
| 10.a | Depreciation | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) | \$ (30,693) |
| 10.b | Interest Income on Notes Receivable | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 | \$ 324,327 |
| 10 | TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENTS | \$ 293,634 | \$ 293,634 | \$ 293,634 | \$ 293,634 | \$ 293,634 | \$ 293,634 | \$ 293,634 | \$ 293,634 | \$ 293,634 | \$ 293,634 |

