



## Berkeley Housing Authority

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Office of the Executive Director

Item 8A

**NEW BUSINESS**

May 12, 2022

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

From: Jesy Yturralde, Finance Manager 

Subject: **ADOPTION OF THE FISCAL YEAR 2022-2023 BUDGET OF THE BERKELEY HOUSING AUTHORITY**

### **RECOMMENDATION**

Approve a resolution adopting the Fiscal Year 2022-2023 Budget for the Berkeley Housing Authority with a projected deficit of \$410,858 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 support 2,215 vouchers, comprising of:

- 1,935 Section 8 Housing Choice Vouchers (S8 HCV);
- 40 VASH (for Veterans);
- 91 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 January 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. MTW flexibilities under this cohort, include fungibility of funds, providing incentives to landlords and expanding the project based threshold beyond the current 30% of the total S8 HCV units/funding. Fungibility of Section 8 funds includes the ability to use HAP and Administrative Fee fundings interchangeably, unlike in a non-MTW designation, HAP funding may only be used for payment of rental

subsidies, and operating expenses, including salary and benefits may only be paid out of administrative fees earned for every voucher in place at the beginning of the month.

A PHA's official entry into the MTW Demonstration Program happens upon execution of the MTW ACC Amendment by HUD. On April 27<sup>th</sup>, BHA received the fully executed MTW ACC Amendment from HUD making BHA's MTW designation official. However, BHA opted to begin implementation of its MTW flexibility in the new Fiscal Year (FY2023), beginning July 1, 2022.

## **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 FY2022-2023 Budget assumes HAP revenue of \$39,414,049 and \$35,777,870 in HAP expenses for all programs. It also includes \$301,320 MTW eligible expenses.

	DESCRIPTION  HUD Authorized Units ==>	Grand Total PROPOSED BUDGET FY2023	HUD PROGRAMS				PROJECTED ACTUAL FY2022	Increase (Decrease)	%
			HCV Program 1,975 Units	Mod. Rehab Program 98 Units	Mainstream 91 Units	EHV 51 Units			
		(a) = (b + c + d)	(b)	(c)	(d)	(e)	(g) = (a - f)		
	<b>HOUSING ASSISTANCE PAYMENTS (HAP)</b>								
1	HAP Revenue from HUD	\$ 39,413,816	\$ 35,229,265	\$ 934,920	\$ 2,170,130	\$ 1,079,501	\$ 36,789,543	\$ 2,624,273	7%
2.i	HAP Expenses to Owners	\$ (35,584,631)	(31,925,322)	(934,920)	(1,691,180)	(1,033,209)	\$ (32,657,336)	\$ 2,927,295	-9%
2.ii	MTW eligible expenses	\$ (301,320)	(301,320)						
	Estimated excess (shortfall) in HAP revenue	\$ 3,527,865	\$ 3,002,623	\$ -	\$ 478,949	\$ 46,292	\$ 4,132,207	\$ (604,343)	

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 revenue for FY2023 in the Housing Choice Voucher (HCV) program to be \$35,229,498. HAP expenses are \$31,925,322, housing approximately 78% of our 1975 HCV and VASH units for the period July 2022 to June 2023 at an average per unit cost (PUC) of \$1,727.

The estimated costs for MTW eligible expenses such as sign-on bonus, unit cleaning, and disabled modification are \$301,320 thus a total HAP expenditure of \$33,334,612 in this program.

An excess in HAP funding of \$3,002,856 is projected at the end of the fiscal that could potentially support housing for an additional 144 families. 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 \$795.
3. Mainstream Program (*column d*): HAP revenue for Mainstream program of \$2,170,130 is also derived from the TYT that projects an 85% utilization of the total unit months leased (UML) of the Mainstream vouchers at an average PUC of \$1,822 for a total HAP cost of \$1,691,180.
4. EHV Program (*column e*): HAP revenue for the Emergency Housing Voucher program (EHV) is \$1,079,501, also derived from the TYT. Our current lease up for the EHV program is at 25% of the total EHV vouchers, however, with the coordinated efforts with the county and other partner agencies, we anticipate an average utilization of 75% of the total unit months leased (UML) for the EHV vouchers in FY2023 at \$2,251 PUC for a total HAP expense of \$1,033,209.

## Operating Revenue and Expenses

The total projected operating revenue in FY2022-2023 is \$2,544,011. The total operating expenses are \$2,964,869, resulting in a projected annual deficit of \$410,858.

DESCRIPTION	Grand Total PROPOSED BUDGET FY2023	HUD PROGRAMS				PROJECTED ACTUAL FY2022	Increase (Decrease)	%
		HCV Program 1,975 Units	Mod. Rehab Program 98 Units	Mainstream 91 Units	EHV 51 Units			
HUD Authorized Units =>	(a) = (b + c + d)	(b)	(c)	(d)	(e)	(f)	(g) = (a - f)	
<b>OPERATING REVENUE</b>								
3 Administrative Fees	\$ 2,586,830	\$ 2,240,279	\$ 171,315	\$ 117,254	\$ 57,983	\$ 2,368,182	\$ 218,648	9%
3.i Administrative Fee earned for managed incoming ports	\$ -	\$ -	\$ -			\$ 1,187	\$ (1,187)	-100%
3.ii Administrative Fee Paid for managed outgoing ports	\$ (147,153)	(124,514)	-	(11,319)	(11,319)	\$ (45,178)	\$ (101,975)	226%
3.iii Net Administrative Fee	\$ 2,439,677	2,115,764	171,315	105,934	46,663	\$ 2,324,191	\$ 115,485	5%
4 BHA Oversight Fee	\$ 6,335	6,335	-	-	-	\$ 6,150	\$ 185	3%
5 Preliminary Fee	\$ -	-	-	-	-	\$ 20,400	\$ (20,400)	0%
6 Service Fee	\$ -	-	-	-	-	\$ -	\$ -	0%
7 Placement Fee	\$ -	-	-	-	-	\$ 1,000	\$ (1,000)	0%
8 Miscellaneous Income	\$ 108,000	108,000	-	-	-	\$ 64,259	\$ 43,741	68%
<b>9 Total Operating Revenue</b>	<b>\$ 2,554,011</b>	<b>\$ 2,230,099</b>	<b>\$ 171,315</b>	<b>\$ 105,934</b>	<b>\$ 46,663</b>	<b>\$ 2,416,001</b>	<b>\$ 138,011</b>	<b>6%</b>
<b>OPERATING EXPENSES</b>								
<b>ADMINISTRATION</b>								
10.i Salaries	\$ 1,171,530	1,040,382	74,216	39,841	17,091	\$ 1,118,271	\$ 53,259	5%
10.ii Employee Benefits	\$ 966,239	858,066	61,142	32,867	14,164	\$ 667,978	\$ 298,261	45%
10.iii Sub-total salaries and employee benefits	<b>2,137,769</b>	<b>1,898,448</b>	<b>135,358</b>	<b>72,708</b>	<b>31,255</b>	<b>\$ 1,786,249</b>	<b>\$ 351,520</b>	<b>20%</b>
11 Total Administrative Expenses	\$ 660,293	\$ 584,051	\$ 32,357	\$ 29,554	\$ 14,332	\$ 559,199	\$ 101,094	18%
12 Total Tenant Services	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	100%
13 Total Routine Maintenance	\$ 4,000	\$ 3,560	\$ 200	\$ 160	\$ 80	\$ 4,055	\$ (55)	-1%
14 Total General Expenses	\$ 62,807	\$ 54,898	\$ 3,400	\$ 3,512	\$ 996	\$ 75,108	\$ (12,301)	-16%
<b>15 TOTAL OPERATING EXPENSES</b>	<b>\$ 2,964,869</b>	<b>\$ 2,640,957</b>	<b>\$ 171,315</b>	<b>\$ 105,934</b>	<b>\$ 46,663</b>	<b>\$ 2,474,611</b>	<b>\$ 490,258</b>	<b>20%</b>
<b>NON-ROUTINE EXPENSES / CAPITAL EXPENDITURE</b>								
16.ii Other capital expenses/Partner Portal	\$ -					\$ 7,232	\$ (29,645)	100%
<b>17 OPERATING SURPLUS (DEFICIT)</b>	<b>\$ (410,858)</b>	<b>\$ (410,858)</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (65,842)</b>	<b>\$ (345,015)</b>	<b>524%</b>
Projected operating reserve, 06/30/2022	335,031							
Shortfall to be covered by disposition proceeds or HAP fungibility	(75,827)							

### Operating Revenue (\$2,544,011): (Line 9)

- 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 \$2,439,677. (see Line 3.iii). This amount reflects HUD's S8 Administrative Fee rates currently in effect for calendar year (2022) at 88% pro-ration and different utilization levels for the HCV (78%), Mainstream (85%) and EHV (75%) as reported in the TYT. The projected Administrative Fee revenue in the Mod Rehab Program assumes 100% utilization of all 98 units program.
- BHA Oversight Fee (\$6,335) for operation oversight of the scattered site units pursuant to the Disposition, Development and Loan Agreement (DDLA) with Berkeley 75. (see Line 4)
- 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 interest earned, collection of fraud recoveries, copying requests for large documents, and others. (see Line 8)

### Operating Expenses (\$2,964,869): (Line 15)

- Salary and benefits (\$2,137,769). (see Line 10.iii) approximately 72% 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 Executive Director and Management Analyst in current Acting capacity.
  - Although currently vacant, this budget includes salary and benefits of the Administrative Assistant position at Step A.
  - 3% COLA adjustments for all staff effective July 1, 2022 according to the terms in the labor union contracts and Unrepresented Employee Agreement.
  - Assumes a 4% increase in Kaiser premium beginning January 1, 2023.

- Includes 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 FY2023 budget for salary and benefits is 20% or \$351,520 higher than the projected actual expenses for FY2022 (see *Line 10.iii, Col g*). This is primarily due to:

- Administrative Assistant position remained vacant the entire FY2022; and
- The proposed FY2023 budget includes include provisions for Pension and OPEB adjustments (\$200,000) as mentioned above.

- b. Projected administrative expenses are \$660,293. (*Line 11*) 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 FY2023 budget for administrative expenses is \$101,094 higher than our projected expenses in FY2022 primarily due to the following:

- The proposed budget for consultants (*Line 11.iii*) includes a \$75,000 provision for MTW related services, including but not limited to software update, financial consulting for changes in reporting requirements, staffing level analysis, and potential landlord liaison consulting, etc.
- Mandatory HQS inspections of all housing units beginning January, 2022. (*see Line 11.iv*)

- 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 (\$62,807) includes premiums for property and general liability and workers' compensation coverages; and other contingency expenses.

### **Operating Reserves:**

The Berkeley Housing Authority anticipates an operating reserve balance on June 30, 2022 of approximately \$335,031 in the HCV program that will partially cover the projected deficit in FY2023. The Disposition Proceeds, as approved by HUD, or available HAP reserve will cover the remaining deficit.

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

As requested by the Board, a 10-Year budget projection covering fiscal years 2023 to 2032 is prepared using the proposed FY2023 proposed budget as the base year. The 10-year projection also utilized following assumptions:

1. 3% annual increase in administrative fee rates using admin. fee rates in effect in CY2022 as base rate.
2. 88% pro-ration for Administrative Fee rates all through out the fiscal years.
3. 2% annual increase in lease up of HCV vouchers.
4. 5% annual increase in HAP per unit cost (PUC).
5. 13 FTE beginning FY2024.
6. 5% annual increase in most operating expense items, except for rent which followed the rates according to the lease.

Using the above assumptions, BHA projects the following operating deficits over 10 years.

	DESCRIPTION	Grand Total	Grand Total	Grand Total	Grand Total	Grand Total	Grand Total	Grand Total	Grand Total	Grand Total	Grand Total
		PROPOSED BUDGET FY2023	PROJECTED BUDGET FY2024	PROJECTED BUDGET FY2025	PROJECTED BUDGET FY2026	PROJECTED BUDGET FY2027	PROJECTED BUDGET FY2028	PROJECTED BUDGET FY2029	PROJECTED BUDGET FY2030	PROJECTED BUDGET FY2031	PROJECTED BUDGET FY2032
		FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY 8	FY 9	FY 10
<b>ASSUMPTIONS:</b>											
2022 Admin Fee rates increasing at the rate of 3% annually											
	HUD Pro-ration on Admin Fees	88%	88%	88%	88%	88%	88%	88%	88%	88%	88%
	Utilization (HCV)	78%	80%	82%	84%	86%	88%	90%	92%	94%	96%
	UML (HCV+Mainstream+EHV+Mod Rehab)	1,754	1,794	1,833	1,873	1,912	1,952	1,991	2,031	2,070	2,110
	FTE	12	13	13	13	13	13	13	13	13	13
	Average Caseload/Case worker	554	567	580	593	606	620	633	646	659	672
	Average Per Unit Cost increasing 5% annually (HCV)	\$ 1,727	\$ 1,813	\$ 1,904	\$ 1,999	\$ 2,099	\$ 2,204	\$ 2,314	\$ 2,430	\$ 2,552	\$ 2,679
	Annual increase in operating expenses except for rent (2%)	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
<b>HOUSING ASSISTANCE PAYMENTS (HAP)</b>											
1	HAP Revenue from HUD	\$ 39,413,816	\$ 40,936,800	\$ 42,814,643	\$ 44,831,441	\$ 47,392,773.40	\$ 50,759,178	\$ 54,346,140	\$ 58,167,301	\$ 62,237,112	\$ 66,570,886
2.i	HAP Expenses to Owners	\$ (35,584,631)	\$ (38,176,645)	\$ (40,941,235)	\$ (43,889,181)	\$ (47,031,905)	\$ (50,381,515)	\$ (53,932,105)	\$ (57,733,814)	\$ (61,783,201)	\$ (66,095,529)
2.ii	MTW eligible expenses	\$ (301,320)	\$ (315,136)	\$ (329,643)	\$ (344,875)	\$ (360,869)	\$ (377,662)	\$ (414,035)	\$ (433,487)	\$ (453,911)	\$ (475,357)
	Estimated excess (shortfall) in HAP revenue	\$ 3,527,865	\$ 2,445,020	\$ 1,543,765	\$ 597,586	\$ 0	\$ (0)	\$ -	\$ -	\$ -	\$ -
<b>OPERATING REVENUE</b>											
3	Administrative Fees	\$ 2,586,830	\$ 2,721,927	\$ 2,862,803	\$ 3,009,684	\$ 3,162,805	\$ 3,322,405	\$ 3,488,738	\$ 3,662,063	\$ 3,842,649	\$ 4,030,777
3.i	Administrative Fee earned for managed incoming ports	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.ii	Administrative Fee Paid for managed outgoing ports	\$ (147,153)	\$ (151,568)	\$ (156,115)	\$ (160,798)	\$ (165,622)	\$ (170,591)	\$ (175,709)	\$ (180,980)	\$ (186,409)	\$ (192,002)
3.iii	Net Administrative Fee	\$ 2,439,677	\$ 2,570,359	\$ 2,706,688	\$ 2,848,886	\$ 2,997,182	\$ 3,151,815	\$ 3,313,029	\$ 3,481,083	\$ 3,656,240	\$ 3,838,776
4	BHA Oversight Fee	\$ 6,335	\$ 6,525	\$ 6,720	\$ 6,922	\$ 7,130	\$ 7,344	\$ 7,564	\$ 7,791	\$ 8,025	\$ 8,266
5	Miscellaneous Income	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000
6	Total Operating Revenue	\$ 2,554,011	\$ 2,684,883	\$ 2,821,408	\$ 2,963,808	\$ 3,112,312	\$ 3,267,159	\$ 3,428,593	\$ 3,596,874	\$ 3,772,265	\$ 3,955,042
<b>OPERATING EXPENSES</b>											
<b>ADMINISTRATION</b>											
7.i	Salaries	\$ 1,171,530	\$ 1,284,702	\$ 1,348,937	\$ 1,416,384	\$ 1,487,203	\$ 1,561,563	\$ 1,639,641	\$ 1,721,623	\$ 1,807,704	\$ 1,898,090
7.ii	Employee Benefits	\$ 966,239	\$ 971,709	\$ 1,020,294	\$ 1,071,309	\$ 1,124,874	\$ 1,181,118	\$ 1,240,174	\$ 1,302,183	\$ 1,367,292	\$ 1,435,657
7.iii	Sub-total salaries and employee benefits	\$ 2,137,769	\$ 2,256,411	\$ 2,369,231	\$ 2,487,693	\$ 2,612,077	\$ 2,742,681	\$ 2,879,815	\$ 3,023,806	\$ 3,174,996	\$ 3,333,746
9.xviii	Total Administrative Expenses	\$ 660,293	\$ 612,581	\$ 638,816	\$ 666,275	\$ 695,017	\$ 725,104	\$ 756,603	\$ 789,582	\$ 824,113	\$ 860,271
10	Total Tenant Services	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
11	Total Routine Maintenance	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
12.iii	Total General Expenses	\$ 62,807	\$ 65,947	\$ 69,245	\$ 72,707	\$ 76,342	\$ 80,159	\$ 84,167	\$ 88,376	\$ 92,795	\$ 97,434
13	TOTAL OPERATING EXPENSES	\$ 2,964,869	\$ 3,038,939	\$ 3,181,292	\$ 3,330,674	\$ 3,487,436	\$ 3,651,945	\$ 3,824,586	\$ 4,005,764	\$ 4,195,903	\$ 4,395,451
15	OPERATING SURPLUS (DEFICIT)	\$ (410,858)	\$ (354,056)	\$ (359,883)	\$ (366,866)	\$ (375,124)	\$ (384,786)	\$ (395,992)	\$ (408,890)	\$ (423,638)	\$ (440,409)

## 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 through part of FY2027. We did not use the Proceeds in FY2020 and 2021; and do not anticipate dipping into the proceeds in fiscal year 2022 either because we had available reserves to cover the deficit. As mentioned above, the \$335,031 of the projected \$410,858 deficit will be covered by available reserves. The remaining \$75,827 may be paid out of the disposition proceeds or HAP funding/reserves.

The Disposition Proceeds table below shows that the \$2.7 million will be fully expended by FY2027. See Column h, Year 14. With the proceeds from the sale of the fourteen Rental Housing Construction Program units, (RHCP, former State of California-funded housing) through FY2032. See Column I, Year 19.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
YR	FY	Beginning Balance	Interest on Reserves	BHA Revenue (Cash Flow)	Sec. 8 Admin Shortfall not covered by reserve	Ending Balance	Balance per HUD Approval (\$2.7M)	Balance per HUD Approval (\$2.7M) + RHCP Units Proceeds
0	2013	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ 2,700,000.00	\$ 4,896,954.60
1	2014	\$ 100,000	\$ 299	\$ 2,473,495	\$ -	\$ 2,573,793	\$ 2,700,000.00	\$ 4,896,954.60
2	2015	\$ 2,573,793	\$ 859	\$ 51,059	\$ (81,511)	\$ 2,544,201	\$ 2,700,000.00	\$ 4,896,954.60
3	2016	\$ 2,544,201	\$ 890	\$ 828,782	\$ (252,000)	\$ 3,121,853	\$ 2,448,000.00	\$ 4,644,954.60
4	2017	\$ 3,121,853	\$ 912	\$ 317,968	\$ (369,000)	\$ 3,071,733	\$ 2,079,000.00	\$ 4,275,954.60
5	2018	\$ 3,071,733	\$ 1,042	\$ 1,058,503	\$ (115,138)	\$ 4,016,141	\$ 1,963,862.50	\$ 4,160,817.10
6	2019	\$ 4,016,141	\$ 1,191	\$ 668,101	\$ (407,273)	\$ 4,278,160	\$ 1,556,589.50	\$ 3,753,544.10
7	2020	\$ 4,278,160	\$ 1,071	\$ 659,351	\$ -	\$ 4,938,582	\$ 1,556,589.50	\$ 3,753,544.10
8	2021	\$ 4,938,582	\$ 1,482	\$ 648,287	\$ -	\$ 5,588,350	\$ 1,556,589.50	\$ 3,753,544.10
9	2022	\$ 5,588,350	\$ 4,405	\$ 621,010	\$ -	\$ 6,213,765	\$ 1,556,589.50	\$ 3,753,544.10
10	2023	\$ 6,213,765	\$ 1,864	\$ 444,331	\$ (75,827)	\$ 6,584,133	\$ 1,480,762.50	\$ 3,677,717.10
11	2024	\$ 6,584,133	\$ 1,975	\$ 466,942	\$ (354,056)	\$ 6,698,995	\$ 1,126,706.99	\$ 3,323,661.59
12	2025	\$ 6,698,995	\$ 2,010	\$ 490,060	\$ (359,883)	\$ 6,831,182	\$ 766,823.77	\$ 2,963,778.37
13	2026	\$ 6,831,182	\$ 2,049	\$ 513,894	\$ (366,866)	\$ 6,980,059	\$ 399,957.65	\$ 2,596,912.25
14	2027	\$ 6,980,059	\$ 2,094	\$ 537,866	\$ (375,124)	\$ 7,144,885	\$ 24,833.30	\$ 2,221,787.90
15	2028	\$ 7,144,885	\$ 2,143	\$ 562,557	\$ (384,786)	\$ 7,324,799	\$ (359,953.13)	\$ 1,837,001.47
16	2029	\$ 7,324,799	\$ 2,197	\$ 597,603	\$ (395,992)	\$ 7,528,607	\$ (755,945.54)	\$ 1,441,009.06
17	2030	\$ 7,528,607	\$ 2,259	\$ 624,218	\$ (408,890)	\$ 7,746,193	\$ (755,945.54)	\$ 1,032,119.26
18	2031	\$ 7,746,193	\$ 2,324	\$ 651,437	\$ (423,638)	\$ 7,976,316	\$ (755,945.54)	\$ 608,480.92
19	2032	\$ 7,976,316	\$ 2,393	\$ 679,272	\$ (440,409)	\$ 8,217,572	\$ (755,945.54)	\$ 168,071.75
20	2033	\$ 8,217,572	\$ 2,465	\$ 707,736	\$ (462,430)	\$ 8,465,343	\$ (755,945.54)	\$ (294,357.89)
21	2034	\$ 8,465,343	\$ 2,540	\$ 736,841	\$ (485,551)	\$ 8,719,173	\$ (755,945.54)	\$ (779,909.00)
22	2035	\$ 8,719,173	\$ 2,616	\$ 1,032,041	\$ (509,829)	\$ 9,244,001	\$ (755,945.54)	\$ (1,289,737.67)
23	2036	\$ 9,244,001	\$ 2,773	\$ 1,328,189	\$ (535,320)	\$ 10,039,643	\$ (755,945.54)	\$ (1,825,057.78)
24	2037	\$ 10,039,643	\$ 3,012	\$ 1,359,595	\$ (562,086)	\$ 10,840,164		
25	2038	\$ 10,840,164	\$ 3,252	\$ 1,391,700	\$ (590,190)	\$ 11,644,925		
26	2039	\$ 11,644,925	\$ 3,493	\$ 1,424,523	\$ (619,700)	\$ 12,453,242		
27	2040	\$ 12,453,242	\$ 3,736	\$ 1,458,089	\$ (650,685)	\$ 13,264,382		
28	2041	\$ 13,264,382	\$ 3,979	\$ 1,492,433	\$ (683,219)	\$ 14,077,575		
29	2042	\$ 13,264,382	\$ 3,979	\$ 1,527,623	\$ (717,380)	\$ 14,078,604		
30	2043	\$ 14,077,575	\$ 4,223	\$ 359,430	\$ (753,249)	\$ 13,687,979		
31	2044	\$ 14,078,604	\$ 4,224	\$ -	\$ (790,912)	\$ 13,291,916		

CONTACT PERSON

esy Yturralde, Finance Manager, 981-5488

Attachments:

1. Resolution  
EXHIBIT A: Proposed FY2022-2023 Budget
2. 10-Year Budget

BERKELEY HOUSING AUTHORITY

Resolution 22-\_\_

ADOPTION OF THE FISCAL YEAR ENDING 2022-2023 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, 2022 – June 30, 2023; 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 2022-2023 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 2022-2023 utilized data from HUD’s Two Year Tool for HAP revenue and expenses and assumed CY2022 rates and 88% pro-ration for administrative fee revenue; and

WHEREAS, the proposed FYE2022-2023 Budget assumes a utilization of only 78% of our HCV units; and

WHEREAS, the proposed FYE2022-2023 Budget assumes 12 FTE, while the agency has been operating with 11 taff for the past year; and

WHEREAS, the proposed FYE2022-2023 Budget reflects a 3% COLA adjustment for represented and unrepresented employees according to labor union contracts and Unrepresented Employee Agreement; and

WHEREAS, the proposed FYE2022-2023 Budget reflects projected annual deficit of \$410,858 for all programs; and

WHEREAS, the projected shortfall in FYE2022-2023 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 2023 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 May 12, 2022 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: \_\_\_\_\_

Rachel Gonzales-Levine, Secretary

EXHIBIT A  
FY2022 – 2023 Budget



**BERKELEY HOUSING AUTHORITY  
DETAIL -DRAFT Budget  
For Fiscal Year 2022-2023**

**EXHIBIT A**

DESCRIPTION	Grand Total PROPOSED BUDGET FY2023	HUD PROGRAMS				PROJECTED ACTUAL FY2022	Increase (Decrease)	%	
		HCV Program 1,975 Units	Mod. Rehab Program 98 Units	Mainstream 91 Units	EHV 51 Units				
HUD Authorized Units ==>	(a) = (b + c + d)	(b)	(c)	(d)	(e)	(f)	(g) = (a-f)		
<b>HOUSING ASSISTANCE PAYMENTS (HAP)</b>									
1	HAP Revenue from HUD	\$ 39,413,816	\$ 35,229,265	\$ 934,920	\$ 2,170,130	\$ 1,079,501	\$ 36,789,543	\$ 2,624,273	7%
2.i	HAP Expenses to Owners	\$ (35,584,631)	(31,925,322)	(934,920)	(1,691,180)	(1,033,209)	\$ (32,657,336)	\$ 2,927,295	-9%
2.ii	MTW eligible expenses	\$ (301,320)	(301,320)						
	Estimated excess (shortfall) in HAP revenue	\$ 3,527,865	\$ 3,002,623	\$ -	\$ 478,949	\$ 46,292	\$ 4,132,207	\$ (604,343)	
<b>OPERATING REVENUE</b>									
3	Administrative Fees	\$ 2,586,830	\$ 2,240,279	\$ 171,315	\$ 117,254	57,983	\$ 2,368,182	\$ 218,648	9%
3.i	Administrative Fee earned for managed incoming ports	\$ -	\$ -	\$ -			\$ 1,187	\$ (1,187)	-100%
3.ii	Administrative Fee Paid for managed outgoing ports	\$ (147,153)	(124,514)		(11,319)	(11,319)	\$ (45,178)	\$ (101,975)	226%
3.iii	Net Administrative Fee	\$ 2,439,677	2,115,764	171,315	105,934	46,663	\$ 2,324,191	\$ 115,485	5%
4	BHA Oversight Fee	\$ 6,335	6,335				\$ 6,150	\$ 185	3%
5	Preliminary Fee	\$ -	-				\$ 20,400	\$ (20,400)	0%
6	Service Fee	\$ -	-				\$ -	\$ -	0%
7	Placement Fee	\$ -	-				\$ 1,000	\$ (1,000)	0%
8	Miscellaneous Income	\$ 108,000	108,000				\$ 64,259	\$ 43,741	68%
9	<b>Total Operating Revenue</b>	<b>\$ 2,554,011</b>	<b>\$ 2,230,099</b>	<b>\$ 171,315</b>	<b>\$ 105,934</b>	<b>\$ 46,663</b>	<b>\$ 2,416,001</b>	<b>\$ 138,011</b>	<b>6%</b>
<b>OPERATING EXPENSES</b>									
<b>ADMINISTRATION</b>									
10.i	Salaries	\$ 1,171,530	1,040,382	74,216	39,841	17,091	\$ 1,118,271	\$ 53,259	5%
10.ii	Employee Benefits	\$ 966,239	858,066	61,142	32,867	14,164	\$ 667,978	\$ 298,261	45%
10.iii	<b>Sub-total salaries and employee benefits</b>	<b>2,137,769</b>	<b>1,898,448</b>	<b>135,358</b>	<b>72,708</b>	<b>31,255</b>	<b>\$ 1,786,249</b>	<b>\$ 351,520</b>	<b>20%</b>
11.i	Fee - Legal Expense - Outside Counsel	\$ 43,680	38,375	2,781	2,247	277	\$ 36,004	\$ 7,676	21%
11.ii	Fee - Audit Fees	\$ 23,700	19,778	2,500	948	474	\$ 21,000	\$ 2,700	13%
11.iii	Fee - Consultants - General Consultants	\$ 138,830	129,809	3,692	2,553	2,777	\$ 63,098	\$ 75,732	120%
11.iv	Fee - Inspection	\$ 112,706	94,069	6,114	8,072	4,451	\$ 107,307	\$ 5,399	5%
11.i	Office Rent	\$ 136,859	121,077	7,044	6,474	2,263	\$ 132,913	\$ 3,945	3%
11.ii	Travel/Transportation	\$ 6,230	5,545	312	249	125	\$ 2,157	\$ 4,073	189%
11.iii	Staff Training	\$ 7,200	6,408	360	288	144	\$ 7,200	\$ -	0%
11.iv	Publications & Subscriptions	\$ 7,293	6,491	365	292	146	\$ 6,475	\$ 818	13%
11.v	Memberships & Dues	\$ 13,831	12,310	692	553	277	\$ 13,801	\$ 30	0%
11.vi	Telephone	\$ 9,120	8,117	456	365	182	\$ 14,519	\$ (5,399)	-37%
11.vii	Office Supplies	\$ 13,200	11,748	660	528	264	\$ 13,200	\$ -	0%
11.viii	Postage	\$ 19,200	17,088	960	768	384	\$ 19,200	\$ -	0%
11.ix	Printing & Reproduction	\$ 9,600	8,044	480	884	192	\$ 9,600	\$ -	0%
11.x	Equipment maintenance	\$ 1,300	1,157	65	52	26	\$ 1,300	\$ -	0%
11.xi	Equipment Lease	\$ 14,880	13,243	744	595	298	\$ 12,216	\$ 2,664	22%
11.xii	Advertising	\$ 1,200	1,068	60	48	24	\$ 1,200	\$ -	0%
11.xiv	Computer Service - City of Berkeley IT	\$ 68,364	60,844	3,418	2,735	1,367	\$ 65,108	\$ 3,256	5%
11.xv	Software Maintenance	\$ 20,500	18,245	1,025	820	410	\$ 19,566	\$ 934	5%
11.xvi	Other Sundry Items	\$ 12,600	10,635	630	1,083	252	\$ 13,334	\$ (734)	-6%
11	<b>Total Administrative Expenses</b>	<b>\$ 660,293</b>	<b>\$ 584,051</b>	<b>\$ 32,357</b>	<b>\$ 29,554</b>	<b>\$ 14,332</b>	<b>\$ 559,199</b>	<b>\$ 101,094</b>	<b>18%</b>
12	<b>TENANT SERVICES</b>								
12	Unit Turn-over	\$ 100,000	100,000				\$ 50,000	\$ 50,000	0%
12	<b>Total Tenant Services</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>100%</b>
<b>ROUTINE MAINTENANCE</b>									
13.i	Facilities maintenance	\$ 4,000	3,560	200	160	80	\$ 4,055	\$ (55)	-1%
13	<b>Total Routine Maintenance</b>	<b>\$ 4,000</b>	<b>\$ 3,560</b>	<b>\$ 200</b>	<b>\$ 160</b>	<b>\$ 80</b>	<b>\$ 4,055</b>	<b>\$ (55)</b>	<b>-1%</b>
<b>GENERAL EXPENSES</b>									
14.i	Insurance	\$ 49,807	43,328	2,490	2,992	996	\$ 42,791	\$ 7,016	16%
14.ii	Other General Expenses	\$ 13,000	11,570	910	520	-	\$ 32,318	\$ (19,318)	-60%
14	<b>Total General Expenses</b>	<b>\$ 62,807</b>	<b>\$ 54,898</b>	<b>\$ 3,400</b>	<b>\$ 3,512</b>	<b>\$ 996</b>	<b>\$ 75,108</b>	<b>\$ (12,301)</b>	<b>-16%</b>
15	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,964,869</b>	<b>\$ 2,640,957</b>	<b>\$ 171,315</b>	<b>\$ 105,934</b>	<b>\$ 46,663</b>	<b>\$ 2,474,611</b>	<b>\$ 490,258</b>	<b>20%</b>
16	<b>NON-ROUTINE EXPENSES / CAPITAL EXPENDITURE</b>								
16.ii	Other capital expenses/Partner Portal	\$ -					\$ 7,232	\$ (29,645)	100%
16	<b>TOTAL NON-ROUTINE EXPENSES / CAPITAL IMPROVEMENTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>7,232</b>	<b>(29,645)</b>	<b>-100%</b>
17	<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$ (410,858)</b>	<b>\$ (410,858)</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (65,842)</b>	<b>\$ (345,015)</b>	<b>524%</b>

Projected operating reserve, 06/30/2022 335,031  
Shortfall to be covered by disposition proceeds or HAP fungibility (75,827)

BERKELEY HOUSING AUTHORITY  
SALARY AND EMPLOYEE BENEFITS  
FY2022-2023

ACCT#	FTE	TOTAL	ED	FM	MA	HCV Supvr	ACCT	HS (LD)	HS (TU)	HS (AM)	AA/FSS (Vacant)	OAll -Acctg	OAll -Insp	OAI
		12	1	1	1	1	1	1	1	1	1	1	1	1
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Annual Salary	\$ 1,171,530	\$ 146,502	\$ 139,535	\$ 113,181	\$ 104,725	\$ 91,552	\$ 98,748	\$ 98,748	\$ 98,748	\$ 68,536	\$ 74,671	\$ 71,710	\$ 64,876
454011	PERS Misc ER Cont	\$ 153,375	\$ 21,829	\$ 20,791	\$ 16,864	\$ 15,604	\$ 7,104	\$ 14,713	\$ 14,713	\$ 14,713	\$ 5,318	\$ 11,126	\$ 5,565	\$ 5,034
454011	PERS Misc Unfunded Liab	\$ 113,863	\$ 14,239	\$ 13,562	\$ 11,000	\$ 10,178	\$ 8,898	\$ 9,597	\$ 9,597	\$ 9,597	\$ 6,661	\$ 7,257	\$ 6,970	\$ 6,305
	GASB 68	\$ 150,000	\$ 18,758	\$ 17,866	\$ 14,491	\$ 13,409	\$ 11,722	\$ 12,643	\$ 12,643	\$ 12,643	\$ 8,775	\$ 9,561	\$ 9,182	\$ 8,307
454011	PERS Misc EE Contrib	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
454011	PERS Survivor Benefit	\$ 971	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81	\$ 81
454002	Kaiser	\$ 262,231		\$ 29,781	\$ 29,781	\$ 11,196	\$ 22,392	\$ 11,196	\$ 22,392	\$ 29,781	\$ 29,781	\$ 22,392	\$ 22,392	\$ 31,149
454003	Dental Misc Exc IBEW	\$ 20,585		\$ 2,044	\$ 2,044	\$ 2,044	\$ 1,807	\$ 1,807	\$ 1,807	\$ 1,807	\$ 1,807	\$ 1,807	\$ 1,807	\$ 1,807
454006	Cash in Lieu	\$ 9,524	\$ 9,524											
454017	RETMED	\$ 76,149	\$ 9,523	\$ 9,070	\$ 7,357	\$ 6,807	\$ 5,951	\$ 6,419	\$ 6,419	\$ 6,419	\$ 4,455	\$ 4,854	\$ 4,661	\$ 4,217
	GASB 75	\$ 50,000	\$ 6,253	\$ 5,955	\$ 4,830	\$ 4,470	\$ 3,907	\$ 4,214	\$ 4,214	\$ 4,214	\$ 2,925	\$ 3,187	\$ 3,061	\$ 2,769
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	\$ 16,987	\$ 2,124	\$ 2,023	\$ 1,641	\$ 1,519	\$ 1,328	\$ 1,432	\$ 1,432	\$ 1,432	\$ 994	\$ 1,083	\$ 1,040	\$ 941
454016	SUI	\$ 2,100	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175
	Commuter Check													
454091	Benefit	\$ 7,200	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
454004	Life Insurance Other	\$ 677	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56	\$ 56
454090	SRIP 2 Disability	\$ 2,027	\$ 253	\$ 241	\$ 196	\$ 181	\$ 158	\$ 171	\$ 171	\$ 171	\$ 119	\$ 129	\$ 124	\$ 112
454090	YMCA/Gym Benefit	\$ 6,912	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576	\$ 576
412000	Vacation/Sick Accrual	\$ 67,588	\$ 8,452	\$ 8,050	\$ 6,530	\$ 6,042	\$ 5,282	\$ 5,697	\$ 5,697	\$ 5,697	\$ 3,954	\$ 4,308	\$ 4,137	\$ 3,743
<b>TOTAL</b>	<b>TOTAL</b>	<b>\$ 966,239</b>	<b>\$ 94,613</b>	<b>\$ 113,041</b>	<b>\$ 98,393</b>	<b>\$ 75,108</b>	<b>\$ 72,208</b>	<b>\$ 71,549</b>	<b>\$ 82,744</b>	<b>\$ 90,134</b>	<b>\$ 68,448</b>	<b>\$ 69,362</b>	<b>\$ 62,596</b>	<b>\$ 68,043</b>
		\$ 2,137,769	\$ 241,114	\$ 252,576	\$ 211,575	\$ 179,833	\$ 163,760	\$ 170,296	\$ 181,492	\$ 188,881	\$ 136,984	\$ 144,033	\$ 134,306	\$ 132,919

**BERKELEY HOUSING AUTHORITY**  
**ANALYSIS OF Cash Proceeds and Operating Shortfall**  
**As of May 12, 2022**

Sources: 1) Escrow Closing Statement  
2) Cash Flow Analysis, Berkeley Scattered Site - 75 Units v7.2 emailed on 11/10/2015

Revenue:	
Sales Price	\$ 15,501,685.00
Seller's Note	\$ (11,831,479.00)
Refund of transfer tax	\$ 232,535.00
RHCP Loan	\$ (763,689.00)
Initial proceeds	
Other expenses	\$ (151,919.30)
Net Proceeds	\$ 2,987,133
Less Office Move	\$ (178,990)
Relocation expenses not covered by ARF	\$ (234,648)
<b>Net Proceeds</b>	<b>\$ 2,573,495</b>

Other Assumptions	
Government Insured Investment Rate	0.03%
Changes in Expenses	3.00%

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
YR	FY	Beginning Balance	Interest on Reserves	BHA Revenue (Cash Flow)	Sec. 8 Admin Shortfall not covered by reserve	Ending Balance	Balance per HUD Approval (\$2.7M)	Balance per HUD Approval (\$2.7M) + RHCP Units Proceeds
0	2013	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ 2,700,000.00	\$ 4,896,954.60
1	2014	\$ 100,000	\$ 299	\$ 2,473,495	\$ -	\$ 2,573,793	\$ 2,700,000.00	\$ 4,896,954.60
2	2015	\$ 2,573,793	\$ 859	\$ 51,059	\$ (81,511)	\$ 2,544,201	\$ 2,700,000.00	\$ 4,896,954.60
3	2016	\$ 2,544,201	\$ 890	\$ 828,762	\$ (252,000)	\$ 3,121,853	\$ 2,448,000.00	\$ 4,644,954.60
4	2017	\$ 3,121,853	\$ 912	\$ 317,968	\$ (369,000)	\$ 3,071,733	\$ 2,079,000.00	\$ 4,275,954.60
5	2018	\$ 3,071,733	\$ 1,042	\$ 1,058,503	\$ (115,138)	\$ 4,016,141	\$ 1,963,862.50	\$ 4,160,817.10
6	2019	\$ 4,016,141	\$ 1,191	\$ 668,101	\$ (407,273)	\$ 4,278,160	\$ 1,556,589.50	\$ 3,753,544.10
7	2020	\$ 4,278,160	\$ 1,071	\$ 659,351	\$ -	\$ 4,938,582	\$ 1,556,589.50	\$ 3,753,544.10
8	2021	\$ 4,938,582	\$ 1,482	\$ 648,287	\$ -	\$ 5,588,350	\$ 1,556,589.50	\$ 3,753,544.10
9	2022	\$ 5,588,350	\$ 4,405	\$ 621,010	\$ -	\$ 6,213,765	\$ 1,556,589.50	\$ 3,753,544.10
10	2023	\$ 6,213,765	\$ 1,864	\$ 444,331	\$ (75,827)	\$ 6,584,133	\$ 1,480,762.50	\$ 3,677,717.10
11	2024	\$ 6,584,133	\$ 1,975	\$ 466,942	\$ (354,056)	\$ 6,698,995	\$ 1,126,706.99	\$ 3,323,661.59
12	2025	\$ 6,698,995	\$ 2,010	\$ 490,060	\$ (359,883)	\$ 6,831,182	\$ 766,823.77	\$ 2,963,778.37
13	2026	\$ 6,831,182	\$ 2,049	\$ 513,694	\$ (366,866)	\$ 6,980,059	\$ 399,957.65	\$ 2,596,912.25
14	2027	\$ 6,980,059	\$ 2,094	\$ 537,856	\$ (375,124)	\$ 7,144,885	\$ 24,833.30	\$ 2,221,787.90
15	2028	\$ 7,144,885	\$ 2,143	\$ 562,557	\$ (384,786)	\$ 7,324,799		\$ 1,837,001.47
16	2029	\$ 7,324,799	\$ 2,197	\$ 597,603	\$ (395,992)	\$ 7,528,607		\$ 1,441,009.06
17	2030	\$ 7,528,607	\$ 2,259	\$ 624,218	\$ (408,890)	\$ 7,746,193		\$ 1,032,119.26
18	2031	\$ 7,746,193	\$ 2,324	\$ 651,437	\$ (423,638)	\$ 7,976,316		\$ 608,480.92
19	2032	\$ 7,976,316	\$ 2,393	\$ 679,272	\$ (440,409)	\$ 8,217,572		\$ 168,071.75
20	2033	\$ 8,217,572	\$ 2,465	\$ 707,736	\$ (462,430)	\$ 8,465,343		
21	2034	\$ 8,465,343	\$ 2,540	\$ 736,841	\$ (485,551)	\$ 8,719,173		
22	2035	\$ 8,719,173	\$ 2,616	\$ 1,032,041	\$ (509,829)	\$ 9,244,001		
23	2036	\$ 9,244,001	\$ 2,773	\$ 1,328,189	\$ (535,320)	\$ 10,039,643		
24	2037	\$ 10,039,643	\$ 3,012	\$ 1,359,595	\$ (562,086)	\$ 10,840,164		
25	2038	\$ 10,840,164	\$ 3,252	\$ 1,391,700	\$ (590,190)	\$ 11,644,925		
26	2039	\$ 11,644,925	\$ 3,493	\$ 1,424,523	\$ (619,700)	\$ 12,453,242		
27	2040	\$ 12,453,242	\$ 3,736	\$ 1,458,089	\$ (650,685)	\$ 13,264,382		
28	2041	\$ 13,264,382	\$ 3,979	\$ 1,492,433	\$ (683,219)	\$ 14,077,575		
29	2042	\$ 13,264,382	\$ 3,979	\$ 1,527,623	\$ (717,380)	\$ 14,078,604		
30	2043	\$ 14,077,575	\$ 4,223	\$ 359,430	\$ (753,249)	\$ 13,687,979		
31	2044	\$ 14,078,604	\$ 4,224	\$ -	\$ (790,912)	\$ 13,291,916		

**ATTACHMENT 2**

**BERKELEY HOUSING AUTHORITY**  
**Projected Revenue and Expenses**  
**For Fiscal Year 2023-2032**  
**(All Programs: HCV, Mod Rehab, Mainstream & EHV)**

	DESCRIPTION	Grand Total PROPOSED BUDGET FY2023	Grand Total PROPOSED BUDGET FY2024	Grand Total PROPOSED BUDGET FY2025	Grand Total PROPOSED BUDGET FY2026	Grand Total PROPOSED BUDGET FY2027	Grand Total PROPOSED BUDGET FY2028	Grand Total PROPOSED BUDGET FY2029	Grand Total PROPOSED BUDGET FY2030	Grand Total PROPOSED BUDGET FY2031	Grand Total PROPOSED BUDGET FY2032
	<b>ASSUMPTIONS:</b>										
a	2022 Admin Fee rates increasing at the rate of 3% annually	88%	3%	3%	3%	3%	3%	3%	3%	3%	3%
b	HUD Pro-ration on Admin Fees	78%	80%	82%	84%	86%	88%	90%	92%	94%	96%
c	Utilization (HCV)	1,754	1,794	1,833	1,873	1,912	1,952	1,991	2,031	2,070	2,110
d	UML (HCV+Mainstream+EHV+Mod Rehab)										
e	FTE	12	13	13	13	13	13	13	13	13	13
f	Average Caseload/Case worker	554	567	580	593	606	620	633	646	659	672
g	Average Per Unit Cost increasing 5% annually (HCV)	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
h	Annual increase in operating expenses except for rent (2%)										
1	<b>HOUSING ASSISTANCE PAYMENTS (HAP)</b>										
2.i	HAP Revenue from HUD	\$ 39,413,816	\$ 40,936,800	\$ 42,814,643	\$ 44,831,441	\$ 47,392,773.40	\$ 50,759,178	\$ 54,346,140	\$ 58,167,301	\$ 62,237,112	\$ 66,570,886
2.i	HAP Expenses to Owners	\$ (35,584,631)	\$ (38,176,645)	\$ (40,941,235)	\$ (43,889,181)	\$ (47,031,905)	\$ (50,381,515)	\$ (53,932,105)	\$ (57,733,814)	\$ (61,783,201)	\$ (66,095,529)
2.ii	MTW eligible expenses	\$ (301,320)	\$ (315,136)	\$ (329,643)	\$ (344,875)	\$ (360,869)	\$ (377,662)	\$ (414,035)	\$ (433,487)	\$ (453,911)	\$ (475,357)
	Estimated excess (shortfall) in HAP revenue	\$ 3,527,865	\$ 2,445,020	\$ 1,543,765	\$ 597,386	\$ 0	\$ (0)	\$ -	\$ -	\$ -	\$ -
3	<b>OPERATING REVENUE</b>										
3.i	Administrative Fees	\$ 2,586,830	\$ 2,721,927	\$ 2,862,803	\$ 3,009,684	\$ 3,162,805	\$ 3,322,405	\$ 3,488,738	\$ 3,662,063	\$ 3,842,649	\$ 4,030,777
3.ii	Administrative Fee earned for managed incoming ports	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.iii	Administrative Fee Paid for managed outgoing ports	\$ (147,153)	\$ (151,568)	\$ (156,115)	\$ (160,798)	\$ (165,622)	\$ (170,591)	\$ (175,709)	\$ (180,980)	\$ (186,409)	\$ (192,002)
4	Net Administrative Fee	\$ 2,439,677	\$ 2,570,359	\$ 2,706,688	\$ 2,848,886	\$ 2,997,182	\$ 3,151,815	\$ 3,313,029	\$ 3,481,083	\$ 3,656,240	\$ 3,838,776
5	BHA Oversight Fee	\$ 6,335	\$ 6,525	\$ 6,720	\$ 6,922	\$ 7,130	\$ 7,344	\$ 7,564	\$ 7,791	\$ 8,025	\$ 8,266
	Miscellaneous Income	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000
6	<b>Total Operating Revenue</b>	\$ 2,554,011	\$ 2,684,883	\$ 2,821,408	\$ 2,963,808	\$ 3,112,312	\$ 3,267,159	\$ 3,428,593	\$ 3,596,874	\$ 3,772,265	\$ 3,955,042
	<b>TOTAL REVENUE</b>	\$ 41,420,730	\$ 46,045,412	\$ 48,633,211	\$ 51,955,038	\$ 55,495,415	\$ 54,026,336	\$ 57,774,734	\$ 61,764,175	\$ 66,009,377	\$ 70,525,927
	<b>Available for Operations</b>	\$ 2,554,011	\$ 2,684,883	\$ 2,821,408	\$ 2,963,808	\$ 3,112,312	\$ 3,267,159	\$ 3,428,593	\$ 3,596,874	\$ 3,772,265	\$ 3,955,042
	<b>OPERATING EXPENSES</b>										
	<b>ADMINISTRATION</b>										
7.i	Salaries	\$ 1,171,530	\$ 1,284,702	\$ 1,348,937	\$ 1,416,384	\$ 1,487,203	\$ 1,561,563	\$ 1,639,641	\$ 1,721,623	\$ 1,807,704	\$ 1,898,090
7.ii	Employee Benefits	\$ 966,239	\$ 971,709	\$ 1,020,294	\$ 1,071,309	\$ 1,124,874	\$ 1,181,118	\$ 1,240,174	\$ 1,302,183	\$ 1,367,292	\$ 1,435,657
7.iii	Sub-total salaries and employee benefits	\$ 2,137,769	\$ 2,256,411	\$ 2,369,231	\$ 2,487,693	\$ 2,612,077	\$ 2,742,681	\$ 2,879,815	\$ 3,023,806	\$ 3,174,996	\$ 3,333,746
8.i	Fee - Legal Expense - Outside Counsel	\$ 43,680	\$ 45,864	\$ 48,157	\$ 50,565	\$ 53,093	\$ 55,748	\$ 58,535	\$ 61,462	\$ 64,535	\$ 67,762
8.ii	Fee - Audit Fees	\$ 23,700	\$ 23,700	\$ 24,885	\$ 26,130	\$ 27,436	\$ 28,808	\$ 30,248	\$ 31,761	\$ 33,349	\$ 35,016
8.iii	Fee - Consultants - General Consultants	\$ 138,830	\$ 67,022	\$ 70,373	\$ 73,891	\$ 77,586	\$ 81,465	\$ 85,538	\$ 89,815	\$ 94,306	\$ 99,021
8.iv	Fee - Inspection	\$ 112,706	\$ 116,260	\$ 122,073	\$ 128,177	\$ 134,586	\$ 141,315	\$ 148,381	\$ 155,800	\$ 163,590	\$ 171,769
9.i	Office Rent	\$ 136,859	\$ 146,471	\$ 149,400	\$ 152,388	\$ 155,436	\$ 158,545	\$ 161,716	\$ 164,950	\$ 168,249	\$ 171,614
9.ii	Travel/Transportation	\$ 6,230	\$ 6,230	\$ 6,542	\$ 6,869	\$ 7,212	\$ 7,573	\$ 7,951	\$ 8,349	\$ 8,766	\$ 9,205
9.iii	Staff Training	\$ 7,200	\$ 7,200	\$ 7,560	\$ 7,938	\$ 8,335	\$ 8,752	\$ 9,189	\$ 9,649	\$ 10,131	\$ 10,638
9.iv	Publications & Subscriptions	\$ 7,293	\$ 7,658	\$ 8,041	\$ 8,443	\$ 8,865	\$ 9,308	\$ 9,773	\$ 10,262	\$ 10,775	\$ 11,314
9.v	Memberships & Dues	\$ 13,831	\$ 14,523	\$ 15,249	\$ 16,011	\$ 16,812	\$ 17,652	\$ 18,535	\$ 19,462	\$ 20,435	\$ 21,456
9.vi	Telephone	\$ 9,120	\$ 9,576	\$ 10,055	\$ 10,558	\$ 11,085	\$ 11,640	\$ 12,222	\$ 12,833	\$ 13,474	\$ 14,148
9.vii	Office Supplies	\$ 13,200	\$ 13,860	\$ 14,553	\$ 15,281	\$ 16,045	\$ 16,847	\$ 17,689	\$ 18,574	\$ 19,502	\$ 20,478
9.viii	Postage	\$ 19,200	\$ 20,160	\$ 21,168	\$ 22,226	\$ 23,338	\$ 24,505	\$ 25,730	\$ 27,016	\$ 28,367	\$ 29,786
9.ix	Printing & Reproduction	\$ 9,600	\$ 10,080	\$ 10,584	\$ 11,113	\$ 11,669	\$ 12,252	\$ 12,865	\$ 13,508	\$ 14,184	\$ 14,893
9.x	Equipment maintenance	\$ 1,300	\$ 1,300	\$ 1,365	\$ 1,433	\$ 1,505	\$ 1,580	\$ 1,659	\$ 1,742	\$ 1,829	\$ 1,921
9.xi	Equipment Lease	\$ 14,880	\$ 14,880	\$ 15,624	\$ 16,405	\$ 17,225	\$ 18,087	\$ 18,991	\$ 19,941	\$ 20,938	\$ 21,985
9.xii	Advertising	\$ 1,200	\$ 1,260	\$ 1,389	\$ 1,532	\$ 1,689	\$ 1,868	\$ 2,068	\$ 2,291	\$ 2,539	\$ 2,814
9.xiii	Computer Service - City of Berkeley IT	\$ 68,364	\$ 71,783	\$ 75,372	\$ 79,140	\$ 83,097	\$ 87,252	\$ 91,615	\$ 96,196	\$ 101,005	\$ 106,056
9.xv	Software Maintenance	\$ 20,500	\$ 21,525	\$ 22,601	\$ 23,731	\$ 24,918	\$ 26,164	\$ 27,472	\$ 28,846	\$ 30,288	\$ 31,802

**BERKELEY HOUSING AUTHORITY**  
**Projected Revenue and Expenses**  
**For Fiscal Year 2023-2032**

(All Programs: HCV, Mod Rehab, Mainstream & EHV)

**ATTACHMENT 2**

	DESCRIPTION	Grand Total PROPOSED BUDGET FY2023 FY 1	Grand Total PROJECTED BUDGET FY2024 FY 2	Grand Total PROJECTED BUDGET FY2025 FY 3	Grand Total PROJECTED BUDGET FY2026 FY 4	Grand Total PROJECTED BUDGET FY2027 FY 5	Grand Total PROJECTED BUDGET FY2028 FY 6	Grand Total PROJECTED BUDGET FY2029 FY 7	Grand Total PROJECTED BUDGET FY2030 FY 8	Grand Total PROJECTED BUDGET FY 9	Grand Total PROJECTED BUDGET FY 10
9.xvi	Other Sundry Items	\$ 12,600	\$ 13,230	\$ 13,892	\$ 14,586	\$ 15,315	\$ 16,081	\$ 16,885	\$ 17,729	\$ 18,616	\$ 19,547
9.xviii	Total Administrative Expenses	\$ 660,293	\$ 612,581	\$ 638,816	\$ 666,275	\$ 695,017	\$ 725,104	\$ 756,603	\$ 789,582	\$ 824,113	\$ 860,271
10	TENANT SERVICES										
10	Unit Turn-over	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
10	Total Tenant Services	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
11.i	ROUTINE MAINTENANCE										
11.i	Facilities maintenance	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
11	Total Routine Maintenance	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
	GENERAL EXPENSES										
12.i	Insurance	\$ 49,807	\$ 52,297	\$ 54,912	\$ 57,658	\$ 60,541	\$ 63,568	\$ 66,746	\$ 70,083	\$ 73,588	\$ 77,267
12.ii	Other General Expenses	\$ 13,000	\$ 13,650	\$ 14,333	\$ 15,049	\$ 15,802	\$ 16,592	\$ 17,421	\$ 18,292	\$ 19,207	\$ 20,167
12.iii	Total General Expenses	\$ 62,807	\$ 65,947	\$ 69,245	\$ 72,707	\$ 76,342	\$ 80,159	\$ 84,167	\$ 88,376	\$ 92,795	\$ 97,434
13	TOTAL OPERATING EXPENSES	\$ 2,964,869	\$ 3,038,939	\$ 3,181,292	\$ 3,330,674	\$ 3,487,436	\$ 3,651,945	\$ 3,824,586	\$ 4,005,764	\$ 4,195,903	\$ 4,395,451
15	OPERATING SURPLUS (DEFICIT)	\$ (410,858)	\$ (354,056)	\$ (359,883)	\$ (366,866)	\$ (375,124)	\$ (384,786)	\$ (395,992)	\$ (408,890)	\$ (423,638)	\$ (440,409)