



To: Board of Commissioners
From: Katherine Harasz, Executive Director
Subject: The Housing Authority of the County of Santa Clara's
Operating Budget for the fiscal year ending June 30, 2017

Approved

Katherine Harasz

Date

6-22-2016

Recommendation

1. Accept report on the Housing Authority of the County of Santa Clara's (HACSC) total projected sources of revenues and expenditures by program and type for the fiscal year ending June 30, 2017 (Attachment A);
2. Approve HACSC's operating budget for the fiscal year ending June 30, 2017, including expenditure of funds identified in the attachment (Attachment B);
3. Approve the FY 2017 Classification and Compensation Plan (Attachment D);
4. Delegate authority to the Executive Director to authorize the transfer of additional Moving to Work (MTW) funds or public housing proceeds to address additional unbudgeted expenses of up to five percent (5%) of authorized operating expenditures (\$ 26,380,705) (see Attachment B Page 1), or up to \$1,319,035, for fiscal year ending June 30, 2017; and
5. Direct the Executive Director to continue providing the Board with quarterly reports on budget to actual operating expenditures, fund reserves and cash position.

Background

Every year, the Board of Commissioners is asked to approve HACSC's annual operating budget. The budget includes a projection of the coming fiscal year's operating revenues (grant funds, fees, interest, etc.) and expenditures, including staff, facilities, equipment and supplies. In addition, we are reporting on the HACSC's total projected sources of revenues and expenditures by program and type of revenues or expenditures for the fiscal year ending June 30, 2017 (Attachment A).

Program funds are paid primarily in the form of rental assistance, in accordance with governing regulations and program policies, and are not a part of HACSC's operating

budget. To the extent a discretionary expenditure of program funds is permitted, these decisions are brought to the Board for approval or are delegated by the Board to the Executive Director.

Analysis

Budget Overview

The proposed operating budget is a balanced budget based on a projection of federal funds that we anticipate receiving pursuant to our MTW contract with the Department of Housing and Urban Development (HUD), other federal grant funds, and local funds we anticipate earning from our development, preservation and asset management activities. The total projected revenues and expenditures reflect **overall operating costs are under ten percent (9.54%) of our total expenditures**, an enviable ratio for government and non-profit organizations alike.

HACSC's budgeted operating expenditures total \$26,896,131,¹ which is an increase of \$956,730 (3.6%) over last year's budget (**Attachment C**). This increase is primarily attributable to additional staffing positions, cost of living adjustments and merit increases.

Like last year, this budget is built on the revised organizational structure presented to the Board on April 28, 2015. A significant focus this year will be additional training and development of staff in support of our customer service focus. While staff keeps abreast of regulatory changes that affect their area of expertise – be it HUD regulations, financial accounting and reporting standards or workplace rules – a recent training needs survey indicated staff desire training on soft skills, stress management, business writing, and software tools.

HACSC's predominant source of funds comes from our HUD MTW contract. With the federal budget compromise of 2016 in place, the federal government's discretionary spending, from which the Housing Choice Voucher program is funded, will not be expanded from current levels. This budget was prepared assuming a 98% blended proration of eligible funds (see discussion of proration under Revenues, below).

With the battle over the extension of our MTW agreement behind us, the most critical issue facing the agency is HUD's implementation of US Treasury's rules on cash management. As a HUD official recently stated during a call with MTW agencies, HUD wants the US Treasury to be our bank, but it does not come with an ATM card or monthly bank statement. HUD has stated they must get to a functional \$0 of balances held by housing authorities. HUD will be sending our monthly rental assistance and administrative fees based on the prior quarter's expenditures, and sending non-traditional expenditures following the agency's request. HUD's goal is to have requests for MTW funds for non-traditional uses requested three days prior to the date needed for expenditure. We are skeptical that HUD has the staffing to handle processing of draw requests and payments to this level of detail. Finding a workable solution with

¹FY 2016 budgeted expenditures were \$25,939,401.

HUD and developing HACSC's processes for this new cash management model are underway. Because of this reason, HACSC's board-approved contingency reserve policy for MTW funds is uncertain at this time.

Revenues

Federal Programs

Our primary funds are federal funds paid through our MTW contract with HUD. Our contract sets forth two formulas for calculating the total amount of MTW funds that we are eligible for: one formula provides how our rental assistance or Housing Assistance Payments (**HAP**) will be calculated, and a second formula provides how our administrative fee will be calculated². This eligibility amount is then prorated (up or down) according to funds actually appropriated by Congress. Pursuant to Board direction, HACSC calculates revenues using a blended proration of 98%.

In addition to MTW funds, we receive other federal funds for specialized vouchers, including Continuum of Care, Veterans Affairs Supportive Housing (**VASH**), Mainstream, Non-Elderly Disabled, Family Unification, Moderate Rehabilitation and Family Self Sufficiency funds. We were recently awarded \$986,868 for 79 additional VASH vouchers, which is included in this budget.

Local Programs

In addition to federal funds, \$3 million in revenues will be earned through our development, preservation and asset management activities. In addition, approximately \$1.14 million in MTW funds is needed to fully fund our asset management activities, as permitted by MTW Activity 2012-4. HACSC's Development team will generate a surplus this year, and we intend to retain this surplus so we can build additional staff capacity to explore land acquisition and development opportunities.

Expenditures

Personnel

In order to better respond to the MTW mission, we have been refining our staffing needs and building additional training, outreach, compliance and information technology resources. We have trained Housing Assistants to better serve our customers, revised our lobby staffing to better serve all of the HACSC's customers, and created a new compliance unit to ensure program integrity. Our training and outreach team conducted the training needs assessment and developed the outline and budget for an agency-wide training plan, which the Human Resources team will administer.

We engaged Tax Credit Asset Management (**TCAM**), a consultant with expertise in asset management services for funders and owners of affordable housing, to assist us

² Public housing or Section 9 funds are also paid under this contract, but given that we have only four public housing units, this is an immaterial part of our budget.

in assessing our current asset management program and organizational structure and recommending best practices. They are mid-way through their work and we expect that implementation based on TCAM recommendations will be a significant effort in FY2017.

We have also engaged Rubino and Company, a firm based in Maryland, which provides public accounting, tax advisory and financial services nationwide, to study the operations of our Finance Department to recommend best practices, upgrades and efficiencies for our financial accounting and reporting processes. We want to ensure that we are taking advantage of current technology, and are adapting to the ever changing rules regarding accounting, reporting and financial management.

CalPERS requires that the Board approve the agency's Classification and Compensation Plan (**Attachment D**) annually, which is used to calculate a retiree's pensionable compensation. Given the challenges of hiring in the Bay Area's current job climate, we will be conducting a compensation study this fall, with the goal of incorporating the results into next fiscal year's operating budget. Concurrently, we will conduct an evaluation of various benefit plan options to determine if we can better appeal to a cross-generational and multi-cultural workforce. In order to attract and retain the skilled and adaptable workforce that our Strategic Plan calls for, we must maintain competitive compensation and flexible benefit structures that respond to the diverse needs of our current employees as well as the millennial generation entering the workforce.

CalPERS Pension Contribution and OPEB

While our CalPERS pension account has historically been fully funded, the new Government Accounting Standards Board (**GASB**) 68 (Pension accounting for Employers) accounting standards implemented in fiscal year 2015 requires employers to use a more fiscally conservative measure to report pension liability on their financial statements. Accordingly, CalPERS has recalculated each agency's pension obligation using revised assumptions regarding earnings on investments, life expectancy of pensioners, etc. This is a deviation from the previous years when employers were required to report only the unfunded portion of their pension's Annual Required Contributions (**ARC**). While our ARC is currently fully funded, CalPERS' yearly actuarial valuations of our pension fund need to be closely monitored to avoid any negative impact to our funding status. We will review these annual valuations and request Board action when necessary.

Similarly, in fiscal year 2018 HACSC's Other Postemployment Benefits (**OPEB**) actuarial valuation will be changing to comply with the new GASB 75 (Accounting and Financial Reporting for OPEB) reporting requirements. This new standard requires local governments to report a liability as employees earn OPEB benefits. This is in contrast to the current standard that requires employers to report a liability to the extent the annual required contributions are not funded. As a result, OPEB expense is likely to increase in the future. While our OPEB account with the California Employers Retiree Benefit Trust (**CERBT**) is fully funded with respect to current required contributions, the GASB 75 reporting will likely indicate future liability for retiree health based on the ages and

salaries of our current workforce. We have included a \$435,910 contribution to CERBT in the budget.

Capital Expenditures

Proposed capital expenditures relate primarily to our Julian Street office building. We have yet to secure permanent parking for our business needs,³ and the realignment of Julian Street has prompted significant development in the immediate area.

With new rules from HUD on protecting personal information, we have an increased need for private meeting space that is accessible to the public. Conference rooms have been a challenge since we merged all agency departments into one building. We will undertake a space planning effort with several objectives in mind:

- Separate the Section 8 voucher conference areas from the lobby area to afford more privacy to our families;
- Create meeting rooms for HCV staff to meet with program participants in a more private setting;
- Secure permanent parking for employees and visitors; and
- Use the space we have more efficiently.

Status of Reserves

With our lease rate under 90% for some time, we are accumulating significant MTW reserves. Some are committed for the Laurel Grove and Park Avenue projects, but significant reserves are available for other acquisition or development opportunities. Persistent staff vacancies at all levels in HACSC have hampered our efforts to explore these opportunities, but we have followed up on the City of Sunnyvale's request for proposals to develop a site, and will be considering acquisition of a site in Palo Alto. We continue to coordinate with other local housing partners in locating available, suitable parcels.

Contingency

The proposed budget is based on an estimate of the funds required and allowable to pay projected expenses. The revenue and expense estimates and projections may vary, and so the Executive Director requests that the Board authorize the transfer of additional MTW funds (or public housing proceeds where applicable) up to five percent (5%) of authorized operating expenditures (\$26,380,705), or up to \$1,319,035, to address contingencies that may arise during the year. Expenditure of these contingency funds would be subject to the Board's delegation limit (currently \$150,000), excepting urgent issues that do not allow time to obtain the Board's authority.

³ We lease about half of our parking area. The lease expires in 2023.

Conclusion

HACSC is in a sound fiscal condition and able to respond to future funding challenges. The Housing Authority has adequate financial strength to meet its normal obligations, including its long term employee retiree pension and health obligations, and housing program contingencies.

Fiscal Impact

The impact of this budget is described in the attached documents.

Strategic Plan

These reports support the Agency's Strategic Plan Goal V., Operating in an innovative, financially responsible manner.

Attachments

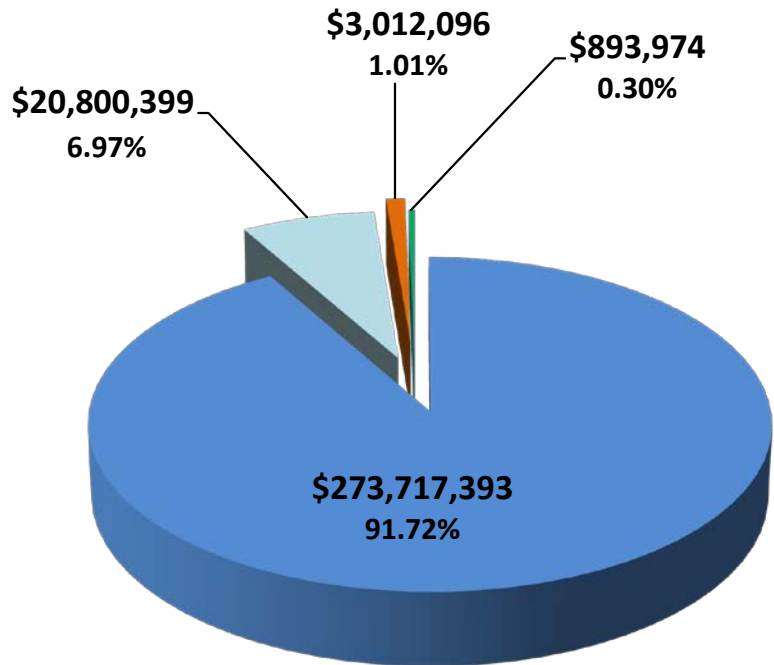
Attachment A: Sources of revenues and expenditures by program and type for the fiscal year ending June 30, 2017

Attachment B: HACSC Operating Budget for the fiscal year ending 2017

Attachment C: HACSC – Two Year Budget Comparison

Attachment D: HACSC Classification and Compensation Plan

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
PROJECTED SOURCES OF REVENUES BY PROGRAM AND TYPE
FISCAL YEAR ENDING JUNE 30, 2017**



- FEDERAL PROGRAMS - HUD HOUSING ASSISTANCE PAYMENTS EARNED
- FEDERAL PROGRAMS - OPERATING REVENUES & NON OPERATING REVENUES
- LOCAL PROGRAMS (note 1) - OPERATING REVENUES
- HARA - OPERATING REVENUES & NON OPERATING REVENUES

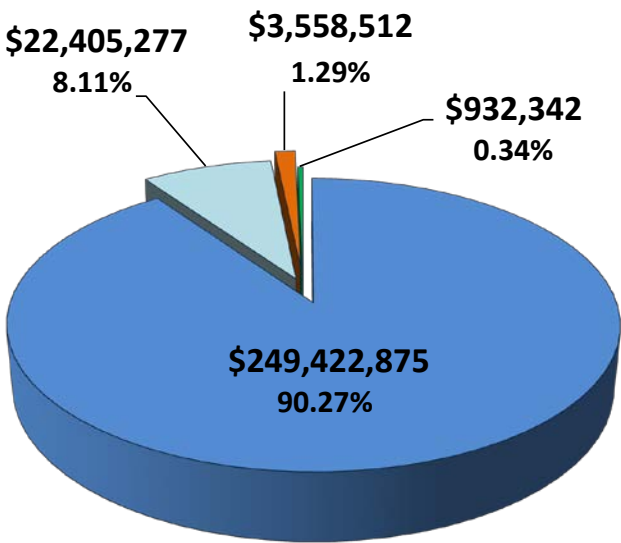
Note 1:

LOCAL PROGRAMS consist of:

- 1-Asset Management
- 2-Development
- 3-Eklund Gardens Park
- 4-San Pedro Gardens Park
- 5-Seifert House

Total projected sources of funds: \$298,423,862

**HOUSING AUTHORITY OF COUNTY OF SANTA CLARA
PROJECTED EXPENDITURES BY PROGRAM AND TYPE
FISCAL YEAR ENDING JUNE 30, 2017**



- FEDERAL PROGRAMS - HOUSING ASSISTANCE PAYMENTS
- FEDERAL PROGRAMS - OPERATIONAL, NON-ROUTINE OPERATIONAL EXPENSES & OTHER EXPENSES
- LOCAL PROGRAMS (note 1) - OPERATIONAL & OTHER EXPENSES
- HARA - OPERATIONAL EXPENSES & OTHER EXPENSES

Note 1:
LOCAL PROGRAMS consist of:
1-Asset Management
2-Development
3-Eklund Gardens Park
4-San Pedro Gardens Park
5-Seifert House

Total projected uses of funds: \$276,319,006

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
PROJECTED SOURCES IN AND OUT SUMMARY
FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Property	HARA	Total Federal Programs	Total Local Programs	Total Indirect Departments	Total
<u>SOURCES OF REVENUES</u>					
TOTAL HAP EARNED		\$ 273,717,393			\$ 273,717,393
TOTAL OPERATING REVENUES	863,289	20,652,792	3,012,096	2,659	24,530,836
TOTAL NON-OPERATING REVENUES	30,685	144,948			175,633
TOTAL SOURCES IN - REVENUES	<u>\$ 893,974</u>	<u>\$ 294,515,133</u>	<u>\$ 3,012,096</u>	<u>\$ 2,659</u>	<u>\$ 298,423,862</u>
<u>SOURCES OF EXPENDITURES</u>					
HAP PAYMENTS		249,422,875			249,422,875
OPERATING EXPENSES	752,342	12,720,915	2,382,377	10,127,308	25,982,942
MAINTENANCE EXPENSES				145,000	145,000
CAPITAL EXPENDITURES	180,000	324,378	8,389	255,421	768,188
TOTAL SOURCES OUT - EXPENDITURES	<u>932,342</u>	<u>262,468,168</u>	<u>2,390,766</u>	<u>10,527,729</u>	<u>276,319,005</u>
GROSS SURPLUS (DEFICIT)	(38,368)	32,046,965	621,330	(10,525,070)	22,104,857
INDIRECT ALLOCATIONS:		(9,357,324)	(1,167,746)	10,525,070	-
NET SURPLUS (DEFICIT) BEFORE TRANSFERS AND RESERVES	<u>(38,368)</u>	<u>22,689,641</u>	<u>(546,416)</u>	<u>-</u>	<u>22,104,857</u>
NET TRANSFERS IN (OUT)	(146,084)	(999,459)	1,145,543	-	-
NET SURPLUS (DEFICIT)	<u>(184,452)</u>	<u>21,690,182</u>	<u>599,127</u>	<u>-</u>	<u>22,104,857</u>
USE OF PRIOR YEAR RESERVES	184,452				184,452
USE OF MTW RESERVES		2,786,269			2,786,269
NET SURPLUS TRANSFERRED TO HUD RESERVES	\$ -	\$ 24,476,451		\$ -	\$ 24,476,451
NET SURPLUS OPERATIONS			\$ 599,127		599,127
TOTAL	<u>\$ -</u>	<u>\$ 24,476,451</u>	<u>\$ 599,127</u>	<u>\$ -</u>	<u>\$ 25,075,578</u>

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
Determination of MTW HCV Funding as Single fund based on Single Proration

	CY 2016-MTW SECTION 8-VOUCHERS			CY 2017-MTW SECTION 8-VOUCHERS			
	MTW HCV-HAP	MTW HCV-ADMIN FEE	TOTAL	MTW HCV-HAP	MTW HCV-ADMIN FEE	TOTAL	
FUNDING ELIGIBILITY	\$ 254,766,946	\$ 18,612,309	\$ 273,379,255	\$ 268,779,128	\$ 19,813,745	\$ 288,592,873	Note 1
Add: Additional authorized units within the year	\$ 911,821	\$ -	\$ 911,821	\$ 911,822			
TOTAL	\$ 255,678,767	\$ 18,612,309	\$ 274,291,076	\$ 269,690,949	\$ 19,813,745	\$ 289,504,694	
HUD Proration factor	0.996	0.84		0.996	0.82		Note 2
TOTAL FUNDING-based on HUD P. factor	\$ 254,610,030	\$ 15,634,340	\$ 270,244,370	\$ 268,563,641	\$ 16,247,271	\$ 284,810,912	
MTW Single Fund Pro. Factor	0.99	0.99		0.98	0.98		Note 3
TOTAL FUNDING-based on SINGLE FUND P. factor	\$ 251,906,654	\$ 18,337,716	\$ 270,244,370	\$ 265,318,410	\$ 19,492,502	\$ 284,810,912	
CHANGE	\$ (2,703,376)	\$ 2,703,376	\$ -	\$ (3,245,231)	\$ 3,245,231	\$ -	

	FY 2017-HAP Earned	FY 2017-Admin Fee Earned	TOTAL Revenues
FUNDING based on HUD P. Factor	\$ 261,586,836	\$ 15,940,805	\$ 277,527,641
FUNDING based on Single Fund P. Factor	\$ 258,612,532	\$ 18,915,109	\$ 277,527,641
Change	\$ (2,974,303)	\$ 2,974,303	\$ -

Note 1: CY 2016 and CY 2017 admin fee earned was based on FY 2017 budget projection. Actual was used for Jan through Mar 2016 and estimates were used for Apr through Jun 2016. For the period from July through December 2017, total admin fee earned was estimated to be equal to total budgeted admin fee earned from Jan through Jun 2017.

Note 2: Due to the unavailability of CY 2017 AAF, proration factors and the fee rates used for admin fee, CY 2016 funding formula and funding factors were used to calculate for CY 2017 HAP funding. For Admin fee funding, CY 2017 proration factor was estimated at 82% (average of CY 2016 new proration factor and the old proration factor).

Note 3: MTW single fund proration factor is determined based on the total funding of HAP and admin fee as a single fund.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA

PROJECTED BUDGET - FEDERAL PROGRAMS - MOVING TO WORK AND NON MOVING TO WORK PUBLIC AND INDIAN HOUSING
FOR THE FISCAL YEAR ENDING JUNE 30, 2017

Property	ROSS	Mod Rehab	Continuum of Care	Section 8 Vouchers	Policy Team	Compliance Team	Training Team	Main Stream	VASH	MTW	FUP	NED	Public Housing Deborah	Park Avenue	Total Federal Programs
TOTAL INCOME	\$345,000	\$ 104,556	\$ 340,787	\$ 43,191	\$ -	\$ -	\$ -	\$ 57,519	\$ 706,336	\$ 18,915,109	\$ 94,958	\$ 10,024	\$ 35,312	\$ -	\$ 20,652,792
TOTAL EXPENSES	345,000	46,231	235,003	9,241,644	962,758	879,286	442,401	-	527,367	-	-	-	35,593	5,632	12,720,915
GROSS SURPLUS (DEFICIT)	-	58,325	105,784	(9,198,453)	(962,758)	(879,286)	(442,401)	57,519	178,969	18,915,109	94,958	10,024	(281)	(5,632)	7,931,877
TOTAL INDIRECT ALLOCATIONS:	-	(38,893)	(105,784)	(8,729,354)	-	-	-	-	(483,293)	-	-	-	-	-	(9,357,324)
NET SURPLUS (DEFICIT)	-	19,432	-	(17,927,807)	(962,758)	(879,286)	(442,401)	57,519	(304,324)	18,915,109	94,958	10,024	(281)	(5,632)	(1,425,447)
NON-OPERATING REV/(EXPENSE):															
Land Lease	-	-	-	116,000	-	-	-	-	-	-	-	-	-	-	116,000
Interest Income - Ground Lease	-	-	-	28,948	-	-	-	-	-	-	-	-	-	-	28,948
TOTAL NON-OPERATING REV/(EXPENSE):	-	-	-	144,948	-	-	-	-	-	-	-	-	-	-	144,948
NON-ROUTINE MAINTENANCE:															
Facility Repairs/Rehab	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-ROUTINE MAINTENANCE:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPITAL EXPENDITURES:															
Other expenses	-	-	-	324,378	-	-	-	-	-	-	-	-	-	-	324,378
TOTAL CAPITAL EXPENDITURES:	-	-	-	324,378	-	-	-	-	-	-	-	-	-	-	324,378
OPERATING SUBSIDY															
Transfers In	-	-	-	19,052,634	962,758	879,286	442,401	-	304,324	-	-	-	281	5,632	21,647,316
Transfers Out	-	-	-	945,397	-	-	-	-	-	21,701,378	-	-	-	-	22,646,775
TOTAL OPERATING SUBSIDY	-	-	-	18,107,237	962,758	879,286	442,401	-	304,324	(21,701,378)	-	-	281	5,632	(999,459)
Net Income (Loss) prior to Reserves	-	19,432	-	-	-	-	-	57,519	-	(2,786,269)	94,958	10,024	-	-	(2,604,336)
Use of reserves - Prior year															-
Use of reserves - MTW										2,786,269					2,786,269
NET INCOME (LOSS)	\$ -	\$ 19,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,519	\$ -	\$ -	\$ 94,958	\$ 10,024	\$ -	\$ -	\$ 181,933

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
PROJECTED BUDGET - LOCAL PROGRAMS
FOR THE FISCAL YEAR ENDING JUNE 30, 2017

Property	Development Budget	Asset Mgmt Budget	Eklund Park Budget	Seifert Budget	San Pedro Garden Park Budget	Total Local Programs
TOTAL INCOME	\$ 2,400,133	\$ 594,339	\$ -	\$ 5,106	\$ 12,518	\$ 3,012,096
TOTAL EXPENSES	1,185,074	1,171,120	6,184	7,481	12,518	2,382,377
GROSS SURPLUS (DEFICIT)	1,215,059	(576,781)	(6,184)	(2,375)	-	629,719
TOTAL INDIRECT ALLOCATIONS:	(607,543)	(560,203)	-	-	-	(1,167,746)
NET SURPLUS (DEFICIT)	607,516	(1,136,984)	(6,184)	(2,375)	-	(538,027)
NON-OPERATING REV/(EXPENSE):						
Land Lease	-	-	-	-	-	-
Interest Income - Ground Lease	-	-	-	-	-	-
TOTAL NON-OPERATING REV/(EXPENSE):	-	-	-	-	-	-
NON-ROUTINE MAINTENANCE:						
Facility Repairs/Rehab	-	-	-	-	-	-
TOTAL NON-ROUTINE MAINTENANCE:	-	-	-	-	-	-
CAPITAL EXPENDITURES:						
Other expenses	8,389	-	-	-	-	8,389
TOTAL CAPITAL EXPENDITURES:	8,389	-	-	-	-	8,389
OPERATING SUBSIDY						
Transfers In	-	1,136,984	6,184	2,375	-	1,145,543
Transfers Out	-	-	-	-	-	-
TOTAL OPERATING SUBSIDY	-	1,136,984	6,184	2,375	-	1,145,543
Net Income (Loss) prior to Reserves	599,127	-	-	-	-	599,127
Use of reserves - Prior year						
Use of reserves - MTW						
NET INCOME (LOSS)	\$ 599,127	\$ -	\$ -	\$ -	\$ -	\$ 599,127

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
PROJECTED BUDGET -INDIRECT AND FACILITIES
FOR THE FISCAL YAR ENDING JUNE 30, 2017

Property	Finance	Human Resource	Executive	Board	General Services	Information Technology	Facility	Total Indirect Departments
TOTAL INCOME	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,659	\$ 2,659
TOTAL EXPENSES	3,101,335	1,123,116	1,724,297	60,580	1,205,650	1,314,660	1,597,670	10,127,308
GROSS SURPLUS (DEFICIT)	(3,101,335)	(1,123,116)	(1,724,297)	(60,580)	(1,205,650)	(1,314,660)	(1,595,011)	(10,124,649)
TOTAL INDIRECT ALLOCATIONS:	3,153,551	1,196,436	1,762,874	60,580	1,225,385	1,386,233	1,740,011	10,525,070
NET SURPLUS (DEFICIT)	52,216	73,320	38,577	-	19,735	71,573	145,000	400,421
NON-OPERATING REV/(EXPENSE):								
Land Lease	-	-	-	-	-	-	-	-
Interest Income - Ground Lease	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING REV/(EXPENSE):	-	-	-	-	-	-	-	-
NON-ROUTINE MAINTENANCE:								
Facility Repairs/Rehab	-	-	-	-	-	-	145,000	145,000
TOTAL NON-ROUTINE MAINTENANCE:	-	-	-	-	-	-	145,000	145,000
CAPITAL EXPENDITURES:								
Other expenses	52,216	73,320	38,577	-	19,735	71,573	-	255,421
TOTAL CAPITAL EXPENDITURES:	52,216	73,320	38,577	-	19,735	71,573	-	255,421
OPERATING SUBSIDY								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OPERATING SUBSIDY	-	-	-	-	-	-	-	-
Net Income (Loss) prior to Reserves	-	-	-	-	-	-	-	-
Use of reserves - Prior year								
Use of reserves - MTW								
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
PROJECTED BUDGET - HOUSING AUTHORITY RESERVES AND
ACTIVITIES (HARA)**

FOR THE FISCAL YEAR ENDING JUNE 30, 2017

Property	HARA
TOTAL INCOME	\$ 863,289
TOTAL EXPENSES	752,342
 GROSS SURPLUS (DEFICIT)	<hr/> 110,947 <hr/>
TOTAL INDIRECT ALLOCATIONS:	-
 NET SURPLUS (DEFICIT)	<hr/> 110,947 <hr/>
 NON-OPERATING REV/(EXPENSE):	
Land Lease	30,685
Interest Income - Ground Lease	-
 TOTAL NON-OPERATING REV/(EXPENSE):	<hr/> 30,685 <hr/>
 NON-ROUTINE MAINTENANCE:	
Facility Repairs/Rehab	-
 TOTAL NON-ROUTINE MAINTENANCE:	-
 CAPITAL EXPENDITURES:	
Other expenses	180,000
 TOTAL CAPITAL EXPENDITURES:	<hr/> 180,000 <hr/>
 OPERATING SUBSIDY	
Transfers In	-
Transfers Out	146,084
 TOTAL OPERATING SUBSIDY	<hr/> (146,084) <hr/>
Net Income (Loss) prior to Reserves	(184,452)
Use of reserves - Prior year	184,452
Use of reserves - MTW	
 NET INCOME (LOSS)	<hr/> <hr/> \$ - <hr/> <hr/>

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
PROJECTED OPERATING BUDGET SUMMARY
FOR FISCAL YEAR ENDING JUNE 30, 2017

Property	HARA	Total Federal Programs	Total Local Programs	Total Indirect Departments	Total
TOTAL INCOME	\$ 863,289	\$ 20,652,792	\$ 3,012,096	\$ 2,659	\$ 24,530,836
TOTAL EXPENSES	752,342	12,720,915	2,382,377	10,127,308	25,982,942
GROSS SURPLUS (DEFICIT)	110,947	7,931,877	629,719	(10,124,649)	(1,452,106)
TOTAL INDIRECT ALLOCATIONS:	-	(9,357,324)	(1,167,746)	10,525,070	-
NET SURPLUS (DEFICIT)	110,947	(1,425,447)	(538,027)	400,421	(1,452,106)
NON-OPERATING REV/(EXPENSE):					
Land Lease	30,685	116,000	-	-	146,685
Interest Income - Ground Lease	-	28,948	-	-	28,948
TOTAL NON-OPERATING REV/(EXPENSE):	30,685	144,948	-	-	175,633
NON-ROUTINE MAINTENANCE:					
Facility Repairs/Rehab	-	-	-	145,000	145,000
TOTAL NON-ROUTINE MAINTENANCE:	-	-	-	145,000	145,000
CAPITAL EXPENDITURES:					
Other expenses	180,000	324,378	8,389	255,421	768,188
TOTAL CAPITAL EXPENDITURES:	180,000	324,378	8,389	255,421	768,188
OPERATING SUBSIDY					
Transfers In	-	21,647,316	1,145,543	-	22,792,859
Transfers Out	146,084	22,646,775	-	-	22,792,859
TOTAL OPERATING SUBSIDY	(146,084)	(999,459)	1,145,543	-	-
Net Income (Loss) prior to Reserves	(184,452)	(2,604,336)	599,127	-	(2,189,661)
Use of reserves - Prior year	184,452	-			184,452
Use of reserves - MTW		2,786,269			2,786,269
NET INCOME (LOSS)	\$ -	\$ 181,933	\$ 599,127	\$ -	\$ 781,060



**OPERATING BUDGET REVENUES BY PROGRAM
FISCAL YEAR ENDING JUNE 30, 2017**

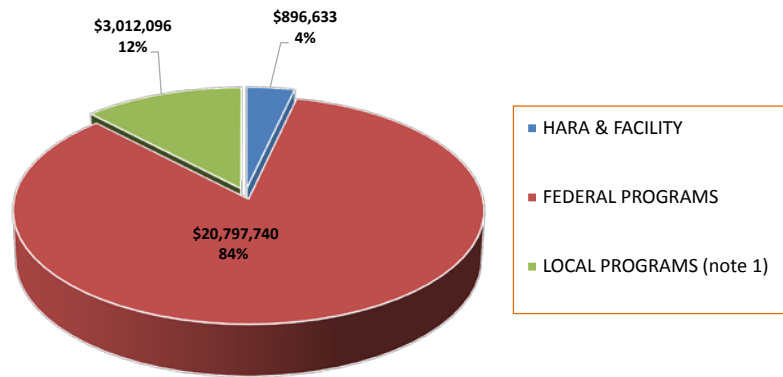


Figure 1

Note 1: Local Program consists of :
 1. Asset Management
 2. Development
 3. Eklund Garden Park
 4. San Pedro Garden Park
 5. Seifert House

**OPERATING BUDGET EXPENDITURES
FISCAL YEAR ENDING JUNE 30, 2017**

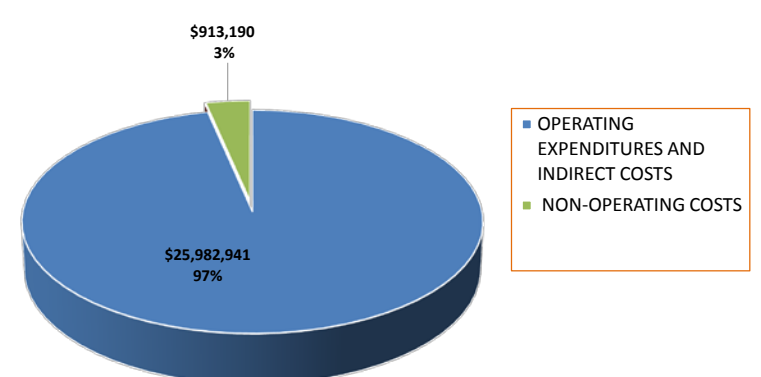


Figure 2

TOTAL OPERATING BUDGET REVENUE 2017: \$24,706,469
TOTAL OPERATING BUDGET REVENUE 2016: \$23,365,631

TOTAL OPERATING BUDGETED EXPENDITURES 2017: \$26,896,131
TOTAL OPERATING BUDGETED EXPENDITURES 2016: \$25,939,401

Operating Budgeted Revenues	\$24,706,469	(as shown in Fig. 1)
Transfer from MTW Reserve	\$2,786,269	
Transfer from prior year reserves	\$184,452	
Total Budgeted Revenues	<u>\$27,677,190</u>	
Total Budgeted Expenditures	<u>(\$26,896,131)</u>	(as shown in Fig. 2)
Total Operating Net Income	<u><u>\$781,059</u></u>	

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
BUDGET FISCAL YEAR ENDING JUNE 30, 2017
INDIRECT COSTS ALLOCATION DISTRIBUTION**

Revision 2

PROPERTY CODE	PROGRAMS	UNIT#	UNIT %	INTERNAL ALLOCATION	EXECUTIVE	FINANCE	GENERAL SERVICES	HUMAN RESOURCES	INFORMATION TECHNOLOGY	TOTAL
					\$ 1,823,454	\$ 3,153,551	\$ 1,225,385	\$ 1,196,436	\$ 1,386,233	\$ 8,785,059
	FEDERAL PROGRAMS	18,045	89.04%		1,623,537	2,807,807	1,091,038	1,065,263	1,234,251	7,821,897
	HUD MTW -									
A04879	Section 8 - Vouchers	16,671	92.39%	0.90%	1,514,582	2,619,375	1,017,819	993,773	1,151,421	7,296,970
	HUD NON - MTW			-	-	-	-	-	-	-
A03879	Mod Rehab	75	0.42%		6,748	11,670	4,535	4,428	5,130	32,510
A04479	Continuum of Care Program (CoC)	204	1.13%		18,354	31,742	12,334	12,043	13,953	88,427
A04979	Mainstream	53	0.29%	-0.29%	-	-	-	-	-	-
A05079	VASH	932	5.16%		83,854	145,019	56,351	55,019	63,747	403,990
A05479	FUP	100	0.55%	-0.55%	-	-	-	-	-	-
A05579	N.E.D.	10	0.06%	-0.06%	-	-	-	-	-	-
	SUB-TOTAL	18,045	100.00%	0.00%	1,623,537	2,807,807	1,091,038	1,065,263	1,234,251	7,821,897
PROPERTY CODE	PROGRAMS	UNIT#	*FTE %		EXECUTIVE	FINANCE	GENERAL SERVICES	HUMAN RESOURCES	INFORMATION TECHNOLOGY	TOTAL
	LOCAL PROGRAMS		10.96%		\$ 199,917	\$ 345,744	\$ 134,347	\$ 131,173	\$ 151,982	\$ 963,162
A08505	Asset Management		47.97%	47.97%	95,906	165,864	64,450	62,928	72,910	462,057
A08303	Development		52.03%	52.03%	104,011	179,880	69,897	68,245	79,071	501,104
	SUB-TOTAL	2,222	100.00%	100.00%	199,917	345,744	134,347	131,173	151,982	963,162
	TOTAL	20,267			\$ 1,823,454	\$ 3,153,551	\$ 1,225,385	\$ 1,196,436	\$ 1,386,233	\$ 8,785,059

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
BUDGET FISCAL YEAR ENDING JUNE 30, 2017
FACILITY COSTS ALLOCATION - BASED ON UNITS, SQUARE FOOTAGE AND FTE**

Revision 2

PROPERTY CODE	DEPARTMENT/PROGRAM	UNIT#	UNIT %	INTERNAL ALLOCATION	JULIAN BLDG		TOTAL
					*ALLOC. %	\$	
						\$ 1,740,011	\$ 1,740,011
	FEDERAL PROGRAMS	18,045			88.24%	1,535,427	1,535,427
	HUD MTW -						
A04879	Section 8 - Vouchers	16,671	92.39%	0.90%		1,432,384	1,432,384
	HUD NON - MTW						-
A03879	Mod Rehab	75	0.42%	-		6,382	6,382
A04479	Continuum of Care Program	204	1.13%	-		17,358	17,358
A04979	Mainstream	53	0.29%	-0.29%		-	-
A05079	VASH	932	5.16%	-		79,303	79,303
A05479	FUP	100	0.55%	-0.55%		-	-
A05579	N.E.D.	10	0.06%	-0.06%		-	-
	SUB-TOTAL	18,045	100.00%	0.00%	-	1,535,427	\$ 1,535,427
PROPERTY CODE	DEPARTMENT/PROGRAM	UNIT#	SQ FT	INTERNAL ALLOCATION	JULIAN BLDG		TOTAL
	LOCAL PROGRAMS				11.76%	204,584	204,584
A08505	Asset Management		802	47.97%		98,145	98,145
A08303	Development		869	52.03%		106,439	106,439
	SUB-TOTAL	2,222	1,671	100.00%		204,584	204,584
	TOTAL	20,267				\$ 1,740,011	\$ 1,740,011

*The allocation between Federal and Local programs are based on square footage. The allocation between Departments is by Units and FTE.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
PROJECTED CONSOLIDATED BUDGET STATEMENT
FOR THE FISCAL YEAR ENDING JUNE 30, 2017

	HARA	FEDERAL PROGRAMS	LOCAL PROGRAMS	INDIRECT DEPARTMENTS	FACILITY	TOTAL
INCOME						
Tenant Rental Income	\$ -	\$ 20,040	\$ 1,746	\$ -	\$ -	\$ 21,786
Rental Income - HAP- Tenant Based	-	-	3,360	-	-	3,360
Admin Fee Earned - COC	-	235,942	-	-	-	235,942
Operating Subsidy	-	14,772	-	-	-	14,772
Building Rent	840,000	-	-	-	-	840,000
Interest Income	23,289	21,925	1,850	-	-	47,064
Compliance Administrator Fee	-	-	23,548	-	-	23,548
Laundry Receipt	-	500	-	-	-	500
Developer Fee	-	-	2,398,283	-	-	2,398,283
Other Misc. Income	-	21,516	211,130	-	2,659	235,305
Property Management Fee	-	-	230,279	-	-	230,279
Incentive Management Fee Income	-	-	25,000	-	-	25,000
Income - Leasing & Compliance	-	-	1,008	-	-	1,008
Asset Management Fees	-	-	115,000	-	-	115,000
Admin. Fee Earned	-	104,845	892	-	-	105,737
Admin Fee Earned (Main Stream)	-	57,519	-	-	-	57,519
Admin Fee Earned (HUD -VASH)	-	706,336	-	-	-	706,336
Admin Fee Earned - FUP	-	94,958	-	-	-	94,958
Admin Fee Earned - Non Elderly with Disabilities	-	10,024	-	-	-	10,024
Admin Fee - City	-	6,572,621	-	-	-	6,572,621
Admin Fee - County	-	9,605,613	-	-	-	9,605,613
Admin Fee Single Fund Flexibility	-	2,841,181	-	-	-	2,841,181
FSS Coordinator Fees	-	345,000	-	-	-	345,000
TOTAL INCOME	\$ 863,289	\$ 20,652,792	\$ 3,012,096	\$ -	\$ 2,659	\$ 24,530,836
EXPENSE						
ADMINISTRATIVE:						
Administrative - Salaries	-	6,315,157	1,343,161	4,353,714	114,271	12,126,303
Leasing & Program Compliance	-	1,008	-	-	-	1,008
Admini. Salaries - FSS Coordinator	-	76,044	-	-	-	76,044
Compensated Balances-Vacation	-	447,749	86,539	304,433	8,776	847,497
Compensated Balances-Sick Earned	-	286,319	61,722	199,213	5,265	552,519
Compensated Balance - Sick Lv FSS	-	3,510	-	-	-	3,510
Compensated Balance - Vacation Lv FSS	-	6,727	-	-	-	6,727
Legal Expense - General	200,000	241,003	27,500	97,250	-	565,753
Legal Expense - Employment	-	-	-	50,000	-	50,000
Staff Training Expense	-	121,914	31,193	79,703	455	233,264
Tuition Reimbursement	-	-	-	50,000	-	50,000
Business Travel Expense	-	38,901	5,000	43,445	-	87,346
Automobile Insurance	-	-	-	-	2,596	2,596
Other Auto Expense	-	-	-	-	3,240	3,240
Staff Mileage Reimbursement	-	699	6,600	3,600	-	10,899
Mileage Reimbursements	-	-	-	750	-	750
Financial Audit	384	81,119	12,528	-	-	94,031
Accounting Fees	-	360	-	-	-	360
Building Rent	-	-	-	-	905,086	905,086
Storage Facilities	-	1,483	1,395	12,922	-	15,800
Temporary Help	-	101,268	22,880	121,888	-	246,036
Office Supplies	-	56,432	6,743	34,983	1,634	99,792
Communication Expense	-	9,774	1,762	8,777	2,355	22,668
Internet / Wan Expense	-	19,696	3,332	11,089	224	34,341
Postage, Handling & Freight	-	137,930	2,008	15,433	-	155,371
Office Equipment Rental	-	92,027	10,390	34,395	800	137,612
Publication & Membership	-	-	1,967	64,308	-	66,275
Miscellaneous	-	-	385	-	692	1,077
Pre-Printed Forms	-	27,264	-	2,047	-	29,311
Benefit Administrative Fee	-	-	-	19,100	-	19,100
Expendable Equipment	-	4,994	-	-	-	4,994
Recruitment Expense	-	11,386	14,441	59,425	-	85,252
Program Promotion	20,300	40,409	-	327,640	-	388,349
Board Meeting Expense	-	-	-	19,980	-	19,980
Admin. Contracts	264,000	704,590	152,000	402,507	-	1,523,097
Admin Contract - Tenant Svcs-ROSS	-	300,000	-	-	-	300,000
Property Management Fees	-	1,920	255	-	-	2,175
Scholarship Fund	30,000	-	-	-	-	30,000
Cellular Phone/Pagers	-	4,842	5,126	11,870	1,490	23,328
Agency Meeting Expense	-	-	-	17,000	-	17,000
Asset Management Fee	-	480	-	-	-	480
Public Notices	-	3,000	-	-	-	3,000
Bank Charges	-	70,000	-	-	-	70,000
Payroll Expense	-	67	-	30,576	-	30,643
Computer Expense	-	14,828	4,646	13,943	169	33,586
Software Purchases	-	7,911	1,170	3,281	90	12,452
Computer Contracts	-	260,405	25,044	151,110	1,632	438,191
TOTAL ADMINISTRATIVE:	\$ 514,684	\$ 9,491,217	\$ 1,827,785	\$ 6,544,382	\$ 1,048,776	\$ 19,426,844

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
PROJECTED CONSOLIDATED BUDGET STATEMENT
FOR THE FISCAL YEAR ENDING JUNE 30, 2017

	HARA	FEDERAL PROGRAMS	LOCAL PROGRAMS	INDIRECT DEPARTMENTS	FACILITY	TOTAL
TENANT SERVICES:						
Resident Programs	-	2,340	2,346	-	-	4,686
TOTAL TENANT SERVICES:	-	2,340	2,346	-	-	4,686
UTILITIES:						
Water	-	845	2,970	-	11,178	14,993
Electricity	-	355	1,830	-	136,362	138,547
Gas	-	105	330	-	12,567	13,002
Sewer Fee	-	4,182	410	-	3,068	7,660
TOTAL UTILITIES:	-	5,487	5,540	-	163,175	174,202
MAINTENANCE OPERATIONS:						
Appliance Parts	-	300	-	-	-	300
Electrical	-	250	-	-	-	250
Hardware	-	155	-	-	-	155
Miscellaneous	-	-	950	-	-	950
Plumbing	-	500	-	-	-	500
Landscaping Materials	-	40	75	-	-	115
TOTAL MAINTENANCE OPERATIONS:	-	1,245	1,025	-	-	2,270
MAINTENANCE CONTRACTS:						
Garbage Service	-	3,325	210	-	8,776	12,311
Janitorial Contracts	-	1,020	1,269	-	68,955	71,244
Grounds Contract	-	6,090	9,790	-	21,170	37,050
Automatic Door Maintenance	-	-	-	-	3,750	3,750
Electrical Work	-	-	-	-	7,000	7,000
Electric Gates Maintenance	-	-	-	-	1,000	1,000
Elevator Service	-	-	-	-	10,507	10,507
Boiler Maintenance	-	-	-	-	1,184	1,184
Plumbing Work	-	-	-	-	3,500	3,500
Fumigation	-	1,775	-	-	3,372	5,147
Other Maintenance Contract	-	2,400	709	-	21,200	24,309
Painting and Decorating	-	500	-	-	-	500
HVAC System	-	190	-	-	19,433	19,623
TOTAL MAINTENANCE CONTRACTS:	-	15,300	11,978	-	169,847	197,124
PROTECTIVE SERVICES:						
Protective Service - Materials	-	-	-	-	10,500	10,500
Protective Service Contracts	-	250	-	-	77,397	77,647
TOTAL PROTECTIVE SERVICES:	-	250	-	-	87,897	88,147
GENERAL EXPENSES:						
Commercial Package-Liability	-	40,594	7,297	17,451	406	65,748
Commercial Package-Casualty	-	-	-	-	18,841	18,841
Other Insurance	-	-	2,942	128,848	-	131,790
Insurance Deductible	-	-	-	-	50,000	50,000
Payment In Lieu Of Taxes	-	1,808	-	-	-	1,808
Benefits-Administrative	-	1,523,574	248,282	817,116	28,862	2,617,834
Benefits- CalPERS EPMC	-	90,201	13,180	71,458	2,282	177,121
Benefits-CalPERS ER Contribution	-	491,821	104,738	338,052	8,935	943,546
PMI 401K Contribution Expense	-	95	-	-	-	95
Benefits FSS Coordinator	-	11,934	-	-	-	11,934
Workers Compensation Insurance	-	138,992	19,957	92,289	9,401	260,639
Worker Comp - FSS Coordinator	-	1,673	-	-	-	1,673
Payroll Taxes	-	510,021	101,370	322,248	8,713	942,352
Payroll Taxes FSS	-	6,251	-	-	-	6,251
Benefits - Retirees	-	248,587	8,366	197,792	-	454,745
Interest Exp - Mortgage To Trustee	-	4,250	-	-	-	4,250
Interest Expense - Bond	234,158	-	-	-	-	234,158
Interest Expense - City Of S.J	-	38,900	-	-	-	38,900
Misc General Expense	3,500	-	-	-	-	3,500
City License Fee	-	-	-	-	536	536
Adm.Fee-Port Out-City	-	96,377	-	-	-	96,377
Other General Expenses	-	-	2,569	-	-	2,569
Project Feasibility Expenses	-	-	25,000	-	-	25,000
TOTAL GENERAL EXPENSES:	237,658	3,205,078	533,701	1,985,254	127,975	6,089,667
TOTAL EXPENSES	\$ 752,342	\$ 12,720,917	\$ 2,382,376	\$ 8,529,636	\$ 1,597,670	\$ 25,982,941
GROSS SURPLUS (DEFICIT)	110,947	7,931,875	629,720	(8,529,636)	(1,595,011)	(1,452,106)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
PROJECTED CONSOLIDATED BUDGET STATEMENT
FOR THE FISCAL YEAR ENDING JUNE 30, 2017

	HARA	FEDERAL PROGRAMS	LOCAL PROGRAMS	INDIRECT DEPARTMENTS	FACILITY	TOTAL
INDIRECT ALLOCATIONS:						
Income - Indirect General Support	-	-	-	8,785,059	-	8,785,059
Income - Facility Support	-	-	-	-	1,740,011	1,740,011
Indirect General Support - Finance	-	2,807,806	345,744	-	-	3,153,550
Indirect General Support - Human Resources	-	1,065,263	131,173	-	-	1,196,436
Indirect General Support - Executive	-	1,623,538	199,917	-	-	1,823,455
Indirect General Support - General Services	-	1,091,039	134,347	-	-	1,225,386
Indirect General Support - ITU	-	1,234,251	151,981	-	-	1,386,232
Facility Support - Main Bldg (Julian)	-	1,535,427	204,584	-	-	1,740,011
TOTAL INDIRECT ALLOCATIONS:	-	(9,357,324)	(1,167,746)	8,785,059	1,740,011	-
NET SURPLUS (DEFICIT)	110,947	(1,425,449)	(538,026)	255,423	145,000	(1,452,106)
NON-OPERATING REV/(EXPENSE):						
Land Lease	30,685	116,000	-	-	-	146,685
Interest Income - Ground Lease	-	28,948	-	-	-	28,948
TOTAL NON-OPERATING REV/(EXPENSE):	30,685	144,948	-	-	-	175,633
NON-ROUTINE MAINTENANCE:						
Facility Repairs/Rehab	-	-	-	-	145,000	145,000
TOTAL NON-ROUTINE MAINTENANCE:	-	-	-	-	145,000	145,000
CAPITAL EXPENDITURES:						
Other expenses	180,000	324,378	8,389	255,423	-	768,190
TOTAL CAPITAL EXPENDITURES:	180,000	324,378	8,389	255,423	-	768,190
OPERATING SUBSIDY						
Transfers In	-	21,647,316	1,145,543	-	-	22,792,859
Transfers Out	146,084	22,646,775	-	-	-	22,792,859
TOTAL OPERATING SUBSIDY	(146,084)	(999,459)	1,145,543	-	-	-
Net Income (Loss) prior to Reserves	(184,452)	(2,604,338)	599,128	-	-	(2,189,661)
Use of Reserves - Prior year						184,452
Use of Reserves - MTW						2,786,269
NET INCOME (LOSS)						\$ 781,060
HOUSING ASSISTANCE PAYMENT:						
HAP-Occupied- City	-	95,942,892	-	-	-	95,942,892
HAP Occupied (Main Stream)	-	756,212	-	-	-	756,212
HAP Occupied (HUD - VASH)	-	8,682,648	-	-	-	8,682,648
HAP - Occupied - FUP	-	1,701,952	-	-	-	1,701,952
HAP-Occupied Units-Non Elderly person w/disabilitie	-	134,919	-	-	-	134,919
HAP Occupied - County	-	142,204,252	-	-	-	142,204,252
TOTAL HOUSING ASSISTANCE PAYMENT:	\$ -	\$ 249,422,875	\$ -	\$ -	\$ -	\$ 249,422,875
HOUSING ASSISTANCE PAYMENT EARNED:						
HAP Payment Earned	-	3,741,813	-	-	-	3,741,813
HAP Payments Earned (Main Stream)	-	664,992	-	-	-	664,992
HAP Earned (HUD - VASH)	-	8,006,831	-	-	-	8,006,831
HAP - Earned	-	1,392,378	-	-	-	1,392,378
HAP Earned - Non Elderly Persons w/Disabilities	-	109,650	-	-	-	109,650
Hap Earned - City	-	101,458,542	-	-	-	101,458,542
Hap Earned - County	-	161,184,368	-	-	-	161,184,368
Hap Earned - Single Fund Flexibility	-	(2,841,181)	-	-	-	(2,841,181)
TOTAL HOUSING ASSISTANCE PAYMENT EARNED:	\$ -	\$ 273,717,393	\$ -	\$ -	\$ -	\$ 273,717,393

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
TWO YEAR ANNUAL COMPARISON - AGENCY WIDE
PROJECTED BUDGET FOR FISCAL YEAR: JULY 2016 - JUNE 2017

		Jun-16 Budget	Jun-17 Budget	\$ Variance	% Variance	Comments on Variance above \$100K (+/-)
3000-0000	INCOME					
3110-0100	Tenant Rental Income	\$ 30,480	\$ 21,786	\$ (8,694)	-29%	
3115-0100	Rental Income - HAP- Tenant Based	20,556	3,360	(17,196)	-84%	
3401-1300	Admin Fee Earned - COC	266,067	341,679	75,612	28%	
3401-1900	Operating Subsidy	13,788	14,772	984	7%	
3500-0100	Building Rent	840,000	840,000	-	0%	
3610-0000	Interest Income	42,077	47,064	4,987	12%	
3610-0100	Interest Income From Bond	35,142	-	(35,142)	-100%	
3690-0100	Compliance Administrator Fee	23,549	23,548	(1)	0%	
3690-0600	Laundry Receipt	389	500	111	29%	
3690-0800	Developer Fee	1,547,802	2,398,283	850,481	55%	The variance is due to increase in developer fees related to McCreery, Laurel Grove and Park Avenue projected for FY 2017.
3690-1600	Other Misc. Income	268,742	235,305	(33,437)	-12%	
3690-1800	Property Management Fee	220,287	230,279	9,992	5%	
3690-1801	Partnership Management Fee	313,799	-	(313,799)	-100%	In fiscal year 2017 the partnership management fees and the general partner (GP) expenditures will be recorded within the GP financials instead of asset management's financials as was the practice in prior years. The variance is a result of this change in reporting.
3690-1805	Incentive Management Fee Income	-	25,000	25,000	100%	
3690-2200	Income - Leasing & Compliance	1,008	1,008	-	0%	
3690-3100	Asset Management Fees	90,000	115,000	25,000	28%	
3700-0101	Admin Fee Earned (Main Stream)	51,100	57,519	6,419	13%	
3700-0102	Admin Fee Earned (HUD -VASH)	720,609	706,336	(14,273)	-2%	
3700-0103	Admin Fee Earned - FUP	90,514	94,958	4,444	5%	
3700-0104	Admin Fee Earned - Non Elderly with Disabilities	8,457	10,024	1,567	19%	
3700-9999	Admin Fee - City and County	18,439,143	19,019,415	580,272	3%	The variance is primarily due to higher HUD proration rate projected for FY2017. HUD Administrative Fee proration rate is projected at 84% from Jul. - Dec. 2016 and 82% for Jan. 2017 - Jun. 2017, compared to 74% projected in FY2016.
3700-0400	FSS Coordinator Fees	342,122	345,000	2,878	1%	
3999-0000	TOTAL INCOME	23,365,631	24,530,836	1,165,205	5%	
4000-0000	EXPENSE					
4001-0000	ADMINISTRATIVE:					
4110-0100	Administrative - Salaries	11,225,770	12,126,303	900,533	8%	The variance is primarily due to following: 1. Additional budgeted positions added in FY2017 2. Cost of Living Adjustment (COLA) 3. Merit increases.
4110-0600	Leasing & Program Compliance	875	1,008	133	15%	
4110-0800	Admin. Salaries - FSS Coordinator	74,190	76,044	1,854	2%	
4120-0000	Compensated Balances-Vacation	746,364	847,497	101,133	14%	The variance is primarily due to additional budgeted positions added in FY2017, Cost of Living Adjustment (COLA), and merit increases.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
TWO YEAR ANNUAL COMPARISON - AGENCY WIDE
PROJECTED BUDGET FOR FISCAL YEAR: JULY 2016 - JUNE 2017

		Jun-16 Budget	Jun-17 Budget	\$ Variance	% Variance	Comments on Variance above \$100K (+/-)
4120-0100	Compensated Balances-Sick Earned	270,547	552,519	281,972	104%	The variance is due to 100% (96 hours) of sick leave hours budgeted for all eligible staff in FY 2017, compared to 50% (48 hrs) budgeted in FY2016.
4120-0801	Compensated Balance - Sick Lv FSS	1,712	3,510	1,798	105%	
4120-0802	Compensated Balance - Vacation Lv FSS	5,707	6,727	1,020	18%	
4130-0100	Legal Expense - General	751,525	565,753	(185,772)	-25%	The variance is due to a decrease in legal expenses projected for FY2017, based on pending lawsuits statuses.
4130-0200	Legal Expense - Employment	100,000	50,000	(50,000)	-50%	
4140-0100	Staff Training Expense	270,334	233,264	(37,070)	-14%	
4140-0200	Tuition Reimbursement	50,000	50,000	-	0%	
4150-0100	Business Travel Expense	102,764	87,346	(15,418)	-15%	
4160-0100	Automobile Insurance	7,277	2,596	(4,681)	-64%	
4160-0400	Other Auto Expense	5,640	3,240	(2,400)	-43%	
4165-0100	Staff Mileage Reimbursement	12,767	10,899	(1,868)	-15%	
4165-9900	Mileage Reimbursements	200	750	550	275%	
4170-0100	Financial Audit	102,060	94,031	(8,029)	-8%	
4170-0200	Accounting Fees	360	360	-	0%	
4180-0100	Building Rent	922,950	905,086	(17,864)	-2%	
4180-0300	Storage Facilities	16,028	15,800	(228)	-1%	
4190-0100	Temporary Help	144,501	246,036	101,535	70%	The variance is due to temporary staffing needs to cover for vacancies related to retirement and employee leave absences.
4190-0200	Office Supplies	105,345	99,792	(5,553)	-5%	
4190-0300	Communication Expense	25,848	22,668	(3,180)	-12%	
4190-0302	Internet / Wan Expense	35,152	34,341	(811)	-2%	
4190-0400	Postage, Handling & Freight	155,670	155,371	(299)	0%	
4190-0500	Office Equipment Rental	76,485	137,612	61,127	80%	
4190-0600	Publication & Membership	72,423	66,275	(6,148)	-8%	
4190-0900	Miscellaneous	6,043	1,077	(4,966)	-82%	
4190-1000	Pre-Printed Forms	39,181	29,311	(9,870)	-25%	
4190-1100	Benefit Administrative Fee	25,000	19,100	(5,900)	-24%	
4190-1200	Expendable Equipment	7,100	4,994	(2,106)	-30%	
4190-1300	Recruitment Expense	135,477	85,252	(50,225)	-37%	
4190-1400	Program Promotion	194,631	388,349	193,718	100%	The variance is primarily due to \$250,000 budgeted for the HACSC's 50th Anniversary celebration event planned in FY 2017.
4190-1500	Board Meeting Expense	19,500	19,980	480	2%	
4190-1600	Admin. Contracts	1,520,473	1,823,097	302,624	20%	The variance is primarily related to additional costs budgeted for new contracts in FY 2017 related to departmental operational studies (TCAM and Finance), agency-wide compensation study, and benefit structure analysis
4190-1700	Property Management Fees	3,451	2,175	(1,276)	-37%	
4190-1900	Scholarship Fund	47,000	30,000	(17,000)	-36%	
4190-2100	Cellular Phone/Pagers	23,062	23,328	266	1%	
4190-2300	Agency Meeting Expense	11,461	17,000	5,539	48%	
4190-3100	Asset Management Fee	480	480	-	0%	

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
TWO YEAR ANNUAL COMPARISON - AGENCY WIDE
PROJECTED BUDGET FOR FISCAL YEAR: JULY 2016 - JUNE 2017**

		Jun-16 Budget	Jun-17 Budget	\$ Variance	% Variance	Comments on Variance above \$100K (+/-)
4190-3400	Public Notices	3,000	3,000	-	0%	
4190-3500	Bank Charges	70,000	70,000	-	0%	
4190-3600	Payroll Expense	31,651	30,643	(1,008)	-3%	
4195-0100	Computer Expense	38,733	33,586	(5,147)	-13%	
4195-0200	Software Purchases	-	12,452	12,452	100%	
4195-0400	Computer Contracts	334,222	438,191	103,969	31%	The variance is due to new computer contracts (such as BidSync/Novatus, ADP, Peelle Imaging, and GoSection8) are being added to the budget in FY2017.
4199-9900	TOTAL ADMINISTRATIVE:	17,792,959	19,426,843	1,633,884	9%	
4200-0000	TENANT SERVICES:					
4210-0000	Resident Programs	6,826	4,686	(2,140)	-31%	
4299-0000	TOTAL TENANT SERVICES:	6,826	4,686	(2,140)	-31%	
4300-0000	UTILITIES:					
4310-0000	Water	19,379	14,993	(4,386)	-23%	
4320-0000	Electricity	181,738	138,547	(43,191)	-24%	
4330-0000	Gas	22,618	13,002	(9,616)	-43%	
4390-0100	Sewer Fee	15,369	7,660	(7,709)	-50%	
4399-0000	TOTAL UTILITIES:	239,104	174,202	(64,902)	-27%	
4400-0000	MAINTENANCE OPERATIONS:					
4420-0100	Maintenance-Material/Supply	500	-	(500)	-100%	
4420-0101	Appliance Parts	2,200	300	(1,900)	-86%	
4420-0102	Electrical	2,550	250	(2,300)	-90%	
4420-0103	Hardware	650	155	(495)	-76%	
4420-0104	Janitorial	20,000	-	(20,000)	-100%	
4420-0105	Miscellaneous	1,975	950	(1,025)	-52%	
4420-0106	Paint	200	-	(200)	-100%	
4420-0107	Plumbing	3,925	500	(3,425)	-87%	
4420-0109	Tools	200	-	(200)	-100%	
4420-0200	Landscaping Materials	115	115	-	0%	
4420-0300	Playground Contract/ Materials	5,300	-	(5,300)	-100%	
4421-9900	TOTAL MAINTENANCE OPERATIONS:	37,615	2,270	(35,345)	-94%	
4430-0000	MAINTENANCE CONTRACTS:					
4430-0200	Garbage Service	11,920	12,311	391	3%	
4430-0600	Janitorial Contracts	52,289	71,244	18,955	36%	
4430-0700	Grounds Contract	34,332	37,050	2,718	8%	
4430-0900	Automatic Door Maintenance	3,750	3,750	-	0%	
4430-1000	Electrical Work	5,200	7,000	1,800	35%	
4430-1100	Electric Gates Maintenance	1,000	1,000	-	0%	
4430-1200	Elevator Service	10,320	10,507	187	2%	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
TWO YEAR ANNUAL COMPARISON - AGENCY WIDE
PROJECTED BUDGET FOR FISCAL YEAR: JULY 2016 - JUNE 2017

		Jun-16 Budget	Jun-17 Budget	\$ Variance	% Variance	Comments on Variance above \$100K (+/-)
4430-1300	Boiler Maintenance	12,500	1,184	(11,316)	-91%	
4430-1400	Plumbing Work	5,225	3,500	(1,725)	-33%	
4430-1500	Fumigation	4,307	5,147	840	20%	
4430-1900	Other Maintenance Contract	33,992	24,309	(9,683)	-28%	
4430-2000	Window Hangings	2,000	-	(2,000)	-100%	
4430-2100	Floor Coverings	10,000	-	(10,000)	-100%	
4430-2200	Painting and Decorating	148	500	352	238%	
4430-2400	Hardware Maintenance/Repair	500	-	(500)	-100%	
4430-2700	HVAC System	20,188	19,623	(565)	-3%	
4430-9900	TOTAL MAINTENANCE CONTRACTS:	207,671	197,125	(10,546)	-5%	
4460-0000	PROTECTIVE SERVICES:					
4470-0100	Protective Service - Materials	10,900	10,500	(400)	-4%	
4480-0100	Protective Service Contracts	93,213	77,647	(15,566)	-17%	
4480-9900	TOTAL PROTECTIVE SERVICES:	104,113	88,147	(15,966)	-15%	
4501-0000	GENERAL EXPENSES:					
4510-0100	Commercial Package-Liability	115,290	65,748	(49,542)	-43%	
4510-0700	Commercial Package-Casualty	70,270	18,841	(51,429)	-73%	
4510-0900	Other Insurance	145,225	131,790	(13,435)	-9%	
4510-1100	Insurance Deductible	-	50,000	50,000	100%	
4520-0100	Payment In Lieu Of Taxes	2,140	1,808	(332)	-16%	
4540-0100	Benefits-Administrative	2,938,834	2,617,834	(321,000)	-11%	The variance is due to medical insurances budgeted in FY2017 using actual coverage status compared to family coverage used in FY2016
4540-0101	Benefits- CalPERS EPMC	338,454	177,121	(161,333)	-48%	The variance is due to the reduction in HACSC's percentage of the CalPERS employee (only Classic employees) contribution from 4% in FY2016 to 2% in FY2017.
4540-0102	Benefits-CalPERS ER Contribution	877,570	943,546	65,976	8%	
4540-0600	PMI 401K Contribution Expense	89	95	6	7%	
4540-0700	Benefits FSS Coordinator	23,119	11,934	(11,185)	-48%	
4540-1700	Workers Compensation Insurance	286,241	260,639	(25,602)	-9%	
4540-1704	Worker Comp - FSS Coordinator	1,933	1,673	(260)	-13%	
4540-1800	Payroll Taxes	884,258	942,352	58,094	7%	
4540-1801	Payroll Taxes FSS	6,110	6,251	141	2%	
4540-1900	Benefits - Retirees	440,206	454,745	14,539	3%	
4580-0100	Interest Exp - Mortgage To Trustee	4,250	4,250	-	0%	
4580-0200	Interest Expense - Bond	237,608	234,158	(3,450)	-1%	
4580-0400	Interest Expense - City Of S.J	38,900	38,900	-	0%	
4580-0900	Misc General Expense	3,500	3,500	-	0%	
4590-0100	City License Fee	536	536	-	0%	
4590-0200	State Fee	1,700	-	(1,700)	-100%	
4590-0300	Adm.Fee-Port Out-City	96,377	96,377	-	0%	
4590-0310	Admin Fee - Port Out - County	37,068	-	(37,068)	-100%	
4590-0900	Other General Expenses	2,569	2,569	-	0%	

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
TWO YEAR ANNUAL COMPARISON - AGENCY WIDE
PROJECTED BUDGET FOR FISCAL YEAR: JULY 2016 - JUNE 2017**

		Jun-16 Budget	Jun-17 Budget	\$ Variance	% Variance	Comments on Variance above \$100K (+/-)
4590-0902	Strategic Planning	10,000	-	(10,000)	-100%	
4590-2000	Project Feasibility Expenses	40,000	25,000	(15,000)	-38%	
4599-0000	TOTAL GENERAL EXPENSES:	6,602,247	6,089,667	(512,580)	-8%	
4999-0000	TOTAL EXPENSES	24,990,535	25,982,940	992,405	4%	
4999-5000	GROSS SURPLUS	(1,624,904)	(1,452,104)	172,800	0	
INDIRECT ALLOCATIONS:						
3690-2400	Income - Indirect General Support	8,471,492	8,785,059	313,567	4%	
3690-2401	Income - Facility Support	1,919,174	1,740,011	(179,163)	-9%	
4590-1301	Indirect General Support - Finance	2,576,385	3,153,550	577,165	22%	
4590-1302	Indirect General Support - Human Resources	1,345,857	1,196,436	(149,421)	-11%	
4590-1304	Indirect General Support - Executive	1,726,459	1,823,455	96,996	6%	
4590-1308	Indirect General Support - General Services	1,195,999	1,225,386	29,387	2%	
4590-1309	Indirect General Support - ITU	1,626,794	1,386,232	(240,562)	-15%	
4590-1407	Facility Support - Main Bldg (Julian)	1,919,174	1,740,011	(179,163)	-9%	
	TOTAL INDIRECT ALLOCATIONS:	(2)	-	2	-100%	
4999-9000	NET SURPLUS	(1,624,906)	(1,452,104)	172,802	-11%	
NON-OPERATING REV/(EXPENSE):						
3690-1000	Land Lease	160,536	146,685	(13,851)	-9%	
3610-0600	Interest Income - Ground Lease	20,000	28,948	8,948	45%	
	TOTAL NON-OPERATING REV/(EXPENSE):	180,536	175,633	(4,903)	-3%	
NON-ROUTINE MAINTENANCE:						
4610-2100	Floor Coverings	250,000	-	(250,000)	-100%	The variance is related to the floor covering replacement project budgeted in FY2016 is on hold pending space planning study.
4610-2200	Facility Repairs/Rehab	115,000	145,000	30,000	26%	
	TOTAL NON-ROUTINE MAINTENANCE:	365,000	145,000	(220,000)	-60%	
CAPITAL EXPENDITURES:						
4999-7016	Other expenses	764,400	768,190	3,790	0%	
	TOTAL CAPITAL EXPENDITURES:	764,400	768,190	3,790	0%	
4999-9001	OPERATING SUBSIDY					

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
TWO YEAR ANNUAL COMPARISON - AGENCY WIDE
PROJECTED BUDGET FOR FISCAL YEAR: JULY 2016 - JUNE 2017**

	Jun-16 Budget	Jun-17 Budget	\$ Variance	% Variance	Comments on Variance above \$100K (+/-)
4999-9002 Transfers In	19,503,078	22,792,859	3,289,781	17%	Transfers In and Transfers Out represent transfers from MTW reserves to cover budgeted deficits in Federal and Local Programs. The net variance is \$1,047,959. \$ 590,568 of the variance is due to a higher admin fee transfer from MTW funding related to single fund flexibility and \$544, 651 of the variance relates to transfers that cover budgeted deficits in VASH program and Asset Management.
4999-9030 Transfers Out	18,455,119	22,792,859	4,337,740	24%	
TOTAL OPERATING SUBSIDY	1,047,959	-	(1,047,959)	-100%	
NET INCOME PRIOR TO TRANSFER	(1,525,809)	(2,189,661)	(663,852)	44%	
Use of reserves - Prior year	1,709,569	184,452	(1,525,117)	-89%	
Use of reserves - MTW		2,786,269	2,786,269	100%	
NET INCOME (LOSS)	183,760	781,060	597,300	325%	
HOUSING ASSISTANCE PAYMENT:					
4715-0100 HAP-Occupied- City	89,204,949	95,942,892	6,737,943	8%	The variance is primarily due to a higher voucher utilization rate projected for FY 2017. Voucher utilization for City CA056 is projected at 95% for FY2017, compared to 90% in FY2016. In addition, a 5% increase in per unit HAP cost projected for Oct. 2016 - Jun. 2017, based on anticipated increase in HAP costs due to the release of HUD's new Fair Market Rents (FMR) and higher contract rent requests from Section 8 property owners.
4715-0101 HAP Occupied (Main Stream)	718,954	756,212	37,258	5%	
4715-0103 HAP Occupied (HUD - VASH)	10,182,386	8,682,648	(1,499,738)	-15%	The variance is due to a lower VASH voucher utilization rate projected for FY 2017. VASH voucher utilization rate is projected at 79% for FY2017, compared to 92.40% in FY2016. The decrease is partially offset by the 5% increase in per unit HAP cost projected for Oct. 2016 - Jun. 2017, based on anticipated increase in HAP costs due to the release of HUD's new Fair Market Rents (FMR) and higher contract rent requests from Section 8 property owners.
4715-0104 HAP - Occupied - FUP	1,743,316	1,701,952	(41,364)	-2%	
4715-0105 HAP-Occupied Units-Non Elderly person w/disabilities	98,704	134,919	36,215	37%	
4715-0110 HAP Occupied - County	134,100,414	142,204,252	8,103,838	6%	The variance is primarily due to a 5% increase in per unit HAP cost projected for Oct. 2016 - Jun. 2017, based on anticipated increase in HAP costs due to the release of HUD's new Fair Market Rents (FMR) and higher contract rent requests from Section 8 property owners.
TOTAL HOUSING ASSISTANCE PAYMENT:	236,048,723	249,422,875	13,374,152	6%	

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
TWO YEAR ANNUAL COMPARISON - AGENCY WIDE
PROJECTED BUDGET FOR FISCAL YEAR: JULY 2016 - JUNE 2017**

		Jun-16 Budget	Jun-17 Budget	\$ Variance	% Variance	Comments on Variance above \$100K (+/-)
HOUSING ASSISTANCE PAYMENT EARNED:						
3700-0200	HAP Payment Earned (CoC)	3,580,944	3,636,968	56,024	2%	
3700-0201	HAP Payments Earned (Main Stream)	591,247	664,992	73,745	12%	
3700-0202	HAP Earned (HUD - VASH)	8,123,801	8,006,831	(116,970)	-1%	The variance is primarily due to increase in VASH funding projected for FY 2017 (per HUD funding letter CY 2016) compared to the funding budgeted in FY2016 , offset by decrease in revenue due to lower new VASH units projected in FY2017. 79 additional VASH units (\$986K) are projected to be awarded by HUD in FY2017, compared to 218 units (\$1.5M) projected in FY2016.
3700-0203	HAP - Earned (FUP)	1,461,024	1,497,223	36,199	2%	
3700-0204	HAP Earned - Non Elderly Persons w/Disabilities	81,579	109,650	28,071	34%	
3700-9999	HAP Earned - City and County	240,521,252	259,801,729	19,280,477	8%	The variance is due to the increase in MTW HCV HAP revenue based on higher inflation factor (1.055) for HAP eligibility in FY 2017. compared to the inflation factor (1.00) used in FY2016.
TOTAL HOUSING ASSISTANCE PAYMENT EARNED:		\$ 254,359,847	\$ 273,717,393	\$ 19,357,546	8%	