



To: Board of Commissioners

From: Katherine Harasz, Executive Director

Subject: The Santa Clara County Housing Authority's Operating and Capital Budget for the fiscal year ending June 30, 2021

Approved 
Katherine Harasz (May 27, 2020 15:24 PDT)

Date May 27, 2020

Recommendation

1. Report on the Housing Authority's Comparison of the FY 2020 and FY 2021 operating budgets (**Attachment A**);
2. Approve the Housing Authority's proposed Operating Budget for the fiscal year ending June 30, 2021 (FY 2021), including the revenues and expenditure of funds identified in **Attachment B**;
3. Approve the Housing Authority's proposed Capital Budget for the fiscal year ending June 30, 2021 (FY 2021), including the expenditure of funds identified in **Attachment C**;
4. Approve a delegation of authority to the Executive Director to authorize the use of additional funds to address unbudgeted expenditures of up to five percent (5%) of approved FY 2021 operating expenditures, or up to \$1,756,642, with the authority to expire June 30, 2021;
5. Approve a delegation of authority to the Executive Director to authorize the use of additional funds to address unbudgeted expenditures of up to ten percent (10%) of approved FY 2021 capital expenditures, or up to \$23,700, with the June 30, 2021; and
6. Direct the Executive Director to continue providing the Board with quarterly reports on budget to actual operating revenues and expenditures and MTW reserves.

Strategic Outcome

The reports and recommended actions support the Strategic Plan Goal 4, Objective 4.5: Maintain the Housing Authority's fiscal health and integrity.

Analysis

Before June 30 of each year, the Board of Commissioners must approve the agency's annual operating and capital budgets effective July 1, the beginning of the next fiscal year. The budget includes a projection of the coming fiscal year's operating revenues

(administrative and other fees, interest, etc.) and expenditures, including salaries and benefits, consultant and service contracts, facilities, equipment and supplies.

Today's Board actions are limited to approval of funds to pay for our agency operations - very limited program expenditures are included in this budget. Our primary program expenditure is rental assistance for our voucher programs and this is paid in accordance with governing program regulations. The Board approves discretionary expenditures of program funds (non-traditional uses of Moving to Work (**MTW**) funds for development and capital repairs, for example) on an ad hoc basis as the funds are needed.

Budget Overview

The proposed operating budget is a balanced budget based on projections of revenue and expenses, including:

- Federal funds that we anticipate receiving in CY 2020 pursuant to our MTW contracts with the Department of Housing and Urban Development (**HUD**), and other federal voucher program funds; and
- Local funds we anticipate earning from our development and asset management activities during FY 2020, as well as operating reserves for the agency's development operations as approved by the Board on May 2, 2019.

Due to the timing of this Board meeting, there are some important revenue and expense impacts *not* incorporated into the budget, notably, recommended cost of living adjustments and additional federal revenue under the CARES Act for COVID-19 related expenses.

The County's initial shelter in place order was issued March 16 - some ongoing expenses related to operations under COVID-19 protocols are known and were included in the operating expenses. The County's public health officer is revising her COVID directives every few weeks, and so it is possible that additional or other expenses will be incurred in complying with any future order. Also, while HUD has released two months of additional administrative fee to housing authorities across the country, these funds can be spent only on authorized expenses, and what is not spent on eligible items must be returned to HUD December 31, 2020. We have questions as to whether some expenses are eligible, but we did not have complete HUD guidance at the time this memo was written. We plan on providing an update to the Board and seek revisions to the budget, if needed, at the Board's August meeting. We have also tentatively scheduled a June 25 special meeting of the Board to discuss recommendations for cost of living adjustments for agency staff.

The projected operating expenses reflect that **overall operating costs are nearly eight percent (8.1%¹) of our total agency revenues**, an enviable ratio for government and non-profit organizations alike. **Attachment D, Total Revenue and Operating Expenses for the Fiscal Year ending June 30, 2021**, provides a graphic view of this ratio.

¹ Budgeted Operating Expenditures are \$35,132,838; total agency revenues are projected to be \$432,205,879.

The Housing Authority's proposed operating expenditures are \$35,132,838, which is an increase of \$3,060,643 over last year's budget of \$32,072,195 (**Attachment A**). This increase is primarily attributable to merit increases under our Compensation Plan, new positions, and increased administrative contract costs related to projects within Federal programs.

Revenues

Federal Programs

The Housing Authority's predominant source of funds comes through our **MTW** contracts, which set 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. HUD determines actual funding with reference to this eligibility amount, which is then prorated (up or down) according to funds Congress appropriates. For example, if renewal of the voucher program costs \$100 million, but HUD only makes \$95 million available, we would say we have a 95% pro-ration of HAP. Similarly, HUD typically appropriates much less than 100% of our eligible administrative fee, so the resulting administrative fee pro-ration is always substantially lower than the HAP pro-ration.

We recently learned that our Housing Assistance proration for CY 2020 is 99.4% of eligibility; our estimated proration for our CY 2020 MTW administrative fees is 81% of eligibility. For the period of January – June 2021, we are assuming a Housing Assistance proration of 99.55% and an administrative fee proration of 80.7%.

While our MTW contracts provide separate funding for rental assistance versus administrative fee, as an MTW agency we have the flexibility to combine the funds and use them for authorized purposes under the 1937 Housing Act and as authorized through our HUD-approved MTW Plans (single fund flexibility). Pursuant to Board direction, the Housing Authority staff calculates MTW operating revenues by blending the program and administrative fund prorations. We calculated revenues under a blended proration of 98.39% for the first half of the fiscal year; and 98.46% for the second half of the fiscal year, yielding an overall 98.43% proration for FY 2021. We are also recommending use of an additional \$5.7 million in MTW funds to cover our proposed capital and operating costs.

In addition to MTW funds, we receive other federal funds for specialized vouchers, including Veterans Affairs Supportive Housing (**VASH**), Mainstream, Non-Elderly Disabled, Family Unification and Moderate Rehabilitation. We also receive only partial funding for our Resident Opportunities and Self Sufficiency program, formerly Family Self Sufficiency, and so we are proposing to supplement this program and staff cost with our MTW funds. Our STRIVE scholarship program is also now an eligible MTW expense, and so these program funds in the amount of \$50,000 are included as part of our operating budget.

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.

Local Programs

In addition to federal funds, approximately \$2.6 million in revenues will be earned through our development and asset management activities. Additionally, approximately \$1.2 million in MTW funds is needed to fully fund our asset management activities, as permitted by MTW Activity 2012-4, which allows use of MTW funds for preservation of our existing housing portfolio. The Housing Authority's Development team will rely on reserves created with the Board's May 2 action to supplement development operation expenses with non-federal funds.

Expenditures

The majority of the agency's operating expenditures are the recurring cost of salaries and benefits. Our pension and Other Post Employment Benefit obligations are fully funded, meaning under required reporting standards, the funds are projected to be able to cover our current and future retiree obligations. A breakdown of expenses by department is graphically depicted on **Attachment E, Operating Expenses by Program for Fiscal Year ending June 30, 2021**.

Personnel

Personnel costs are the agency's primary operating expense, including salaries, benefits, training, facility and equipment needs. In the face of the health risks presented by COVID-19, we must take all steps necessary to protect our most precious asset, our workers. COVID-19 replaced our budget priorities this year and has forced us to think differently about how we can and should work. For example, due to the likelihood of ongoing restrictions to avoid the spread of COVID-19, we have suspended expectations for staff training. Meetings are now mostly virtual, which means all staff meetings are now replaced with all staff emails. While many are teleworking, some cannot due to the nature of their work and HUD regulations, and so we must ensure that the building is as safe as possible for them. At the time this budget was being prepared, the full realization of expenses we won't be incurring and others we did not expect to incur are not fully realized. We will update the Board on this planning as we learn more.

Capital Expenditures

A significant part of the proposed \$237,000 capital expenditures relates to our Julian Street office building to improve customer service (two lobby self-service stations/kiosks), protect private information (sound masking on first floor) and other improvements to IT infrastructure and equipment (new core switches, boardroom projector). Again, given COVID-19, we will reassess these projects given that we are not likely to have public in the building, for example, to use kiosks. We are also proposing funds for steel bracing for the Deborah Apartments in Santa Clara, our four remaining public housing apartments.

Program Expenditures

The budget also includes some planned program expenditures of our non-federal funds (Housing Authority Revenue Account, **HARA**) or of MTW funds under our single fund flexibility:

- \$153,000 in MTW funds are planned to pay for the Resident Opportunities and Self Sufficiency program, formerly Family Self Sufficiency; that only pays for part of our coordinator and LifeSTEP's services;
- \$615,000 in MTW funds are planned for housing search services for our Section 8 and VASH programs; and
- \$5,000 in HARA funds for STRIVE scholarship recipients that are residents of SCCHA properties and would not be paid from the \$50,000 MTW funds.

Status of Reserves

The agency holds over \$62 million in the HARA, which is the agency's non-federal revenue funds. Twenty million (\$20 million) is set aside to address program contingencies pursuant to the Board's policy. We expect that our overall HAP costs will increase with a substantial number of our Section 8 families seeking additional rent subsidy due to a loss of employment and this will likely impact our MTW reserve balance. While the federal government has appropriated funds for increased HAP costs in anticipation of COVID-related job losses, HUD has not yet decided how they will allocate them to housing authorities. HUD officials have indicated they intend to keep a substantial amount available on a shortfall basis, which means Santa Clara would not be eligible for these funds until our reserves are exhausted. In a separate report on this agenda, we note that our average cost per voucher currently exceeds the average voucher subsidy that we receive from HUD, and we expect this gap to grow. We will continue to track voucher leasing expenditures so we can project and manage available reserves and we will update the Board accordingly.

Contingency

The proposed budget is based on an estimate of the funds required and allowable to pay projected expenditures. The revenue and expense estimates and projections may vary, and so the Executive Director requests that the Board authorize the use of additional funds (Housing Authority Revenue Account, MTW or public housing proceeds where applicable) to address contingencies that may arise during the year as identified in the recommendations above. Expenditure of these contingency funds would be subject to the Board's delegation limit (currently \$150,000 per expenditure type), excepting urgent issues that do not allow time to obtain the Board's authority.

Conclusion

The Housing Authority is in sound fiscal condition and able to respond to reasonable funding challenges that may present themselves during the fiscal year. 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.

Attachments

- A. Two Year Annual Comparison of the FY 2020 and FY 2021 operating budgets
- B. Operating Budget for the year ending June 30, 2021
- C. Capital Budget for the year ending June 30, 2021
- D. Total Revenue and Operating Expenses for the Fiscal Year ending June 30, 2021
- E. Operating Expenses by Program for Fiscal Year ending June 30, 2021.

ATTACHMENT A
SANTA CLARA COUNTY HOUSING AUTHORITY
TWO YEAR COMPARISON - AGENCY WIDE
PROJECTED OPERATING BUDGET FOR THE YEAR ENDING JUNE 30, 2021

	FY20 Budget	FY21 Budget	\$ Change	% Change	Commentaries
INCOME					
Tenant Rental Income	19,224	7,560	(11,664)	-60.7%	
Building Rent	462,944	683,563	220,619	47.7%	The increase in building rent income is due to \$220k of prepaid bond principal amortization which is now included in the Julian building rent calculation. In prior years, it only included depreciation and replacement reserves.
Interest Income	699,225	1,004,573	305,348	43.7%	The increase in interest income is due to the following: (1) Effective FY20, the DOJ funds were combined with HARA. This budget now includes the interest income earned from the DOJ funds and (2) Effective FY21, the interest income associated with the Contingency Reserve Fund will now be recorded in HARA.
Interest Income From Bond	404,080	514,000	109,920	27.2%	
Gain/Loss on Investment	53,598	-	(53,598)	-100.0%	
Compliance Administrator Fee	21,549	21,549	-	0.0%	
Developer Fee	1,350,000	1,851,956	501,956	37.2%	Increase in Housing Development's developer fees is due to the following: (1) In FY20, \$1.35M of developer fees were budgeted for Laurel Grove versus (2) In FY21, developer fees included (a) \$1.5M for Park Avenue, (b) \$160k from Buena Vista's predevelopment services, and (c) \$192k from Laurel Grove.
Other Misc. Income	93,774	203,096	109,322	116.6%	
Property Management Fee	310,533	352,706	42,173	13.6%	
Income - Leasing & Compliance	1,020	1,020	-	0.0%	
Asset Management Fees	199,974	201,367	1,393	0.7%	
Admin Fee Earned (Main Stream)	146,943	280,662	133,719	91.0%	
Admin Fee Earned (HUD -VASH)	1,065,427	1,293,733	228,306	21.4%	Increase in Admin Fee Earned in the VASH program is primarily due to the following: (1) Increase in number of budgeted units leased and (2) Increase in proration factor from an average of 75% in FY20 to 80.85% in FY21.
Admin Fee Earned - FUP	103,901	136,633	32,732	31.5%	
Admin Fee Earned - Non Elderly with Disabilities	9,893	11,738	1,845	18.6%	
Admin Fee - City	8,414,622	8,993,362	578,740	6.9%	Increase in Admin Fee Earned in the Housing Choice Voucher program is primarily due to the following: (1) Increase in number of budgeted units leased and (2) Increase in proration factor from an average of 75% in FY20 to 80.85% in FY21.
Admin Fee - County	12,777,011	13,496,783	719,772	5.6%	
FSS Coordinator Fees	346,898	380,196	33,298	9.6%	
TOTAL INCOME	26,480,616	29,434,497	2,953,881	11.2%	
EXPENSE					
ADMINISTRATIVE:					
Administrative - Salaries	15,871,374	16,681,369	809,995	5.1%	The increase in Administrative Salaries is primarily due to merit increases and new positions added in FY21.
Admini. Salaries - FSS Coordinator	94,392	99,111	4,719	5.0%	
Compensated Balances-Vacation	1,111,362	1,213,707	102,345	9.2%	
Compensated Balances-Sick Earned	723,430	764,917	41,487	5.7%	
Compensated Balance - Sick Lv FSS	4,357	4,574	217	5.0%	
Compensated Balance - Vacation Lv FSS	8,350	8,768	418	5.0%	
Legal Expense - General	158,500	157,500	(1,000)	-0.6%	
Legal Expense - Employment	50,000	50,000	-	0.0%	
Staff Training Expense	272,286	305,770	33,484	12.3%	

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	FY20 Budget	FY21 Budget	\$ Change	% Change	Commentaries
Tuition Reimbursement	35,000	35,000	-	0.0%	
Business Travel Expense	73,081	65,404	(7,677)	-10.5%	
Automobile Insurance	2,805	2,894	89	3.2%	
Other Auto Expense	1,940	1,940	-	0.0%	
Staff Mileage Reimbursement	4,955	4,375	(580)	-11.7%	
Mileage Reimbursements	150	150	-	0.0%	
Financial Audit	100,702	116,166	15,464	15.4%	
Accounting Fees	360	360	-	0.0%	
Building Rent	571,594	792,213	220,619	38.6%	The increase in building rent expense is due to \$220k of prepaid bond principal amortization which is now included in the Julian building rent calculation. In prior years, it only included depreciation and replacement reserves.
Storage Facilities	19,710	21,906	2,196	11.1%	
Temporary Help	225,931	355,488	129,557	57.3%	
Office Supplies	66,302	74,193	7,891	11.9%	
Communication Expense	19,036	19,038	2	0.0%	
Internet / Wan Expense	96,040	43,241	(52,799)	-55.0%	
Postage, Handling & Freight	174,602	136,273	(38,329)	-22.0%	
Office Equipment Rental	91,164	91,878	714	0.8%	
Publication & Membership	86,643	86,398	(245)	-0.3%	
Miscellaneous	557	670	113	20.3%	
Pre-Printed Forms	28,108	23,251	(4,857)	-17.3%	
Benefit Administrative Fee	18,250	20,550	2,300	12.6%	
Expendable Equipment	1,000	-	(1,000)	-100.0%	
Recruitment Expense	30,950	101,692	70,742	228.6%	
Program Promotion	243,195	264,655	21,460	8.8%	
Board Meeting Expense	15,000	9,500	(5,500)	-36.7%	
Admin. Contracts	2,711,324	3,832,505	1,121,181	41.4%	Increase in Admin Contracts is primarily due to the following Federal programs projects: (1) Migration and upgrade of Elite into the cloud (\$822k). (2) New project that provides housing search services to VASH clients (\$300k). (3) Tenant Application Portal and Waiting List project (\$225k).
Admin Contract - Tenant Svcs-ROSS	330,000	390,596	60,596	18.4%	
Property Management Fees	1,920	1,920	-	0.0%	
Scholarship Fund	55,300	55,750	450	0.8%	
Cellular Phone/Pagers	35,078	44,263	9,185	26.2%	
Agency Meeting Expense	18,500	19,995	1,495	8.1%	
Ergonomics Expense	10,000	10,000	-	0.0%	
Public Notices	4,000	7,000	3,000	75.0%	
Bank Charges	26,400	26,400	-	0.0%	
Payroll Expense	-	7,794	7,794	0.0%	
Computer Expense	126,254	37,922	(88,332)	-70.0%	
Software Purchases	7,500	7,500	-	0.0%	
Computer Contracts	1,131,591	1,036,646	(94,945)	-8.4%	
TOTAL ADMINISTRATIVE:	24,658,993	27,031,242	2,372,249	9.6%	

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PROJECTED OPERATING BUDGET FOR THE YEAR ENDING JUNE 30, 2021

	FY20 Budget	FY21 Budget	\$ Change	% Change	Commentaries
TENANT SERVICES:					
Resident Programs	2,374	2,374	-	0.0%	
Misc. Expense	50	50	-	0.0%	
TOTAL TENANT SERVICES:	2,424	2,424	-	0.0%	
UTILITIES:					
Water	32,661	29,239	(3,422)	-10.5%	
Electricity	135,154	149,987	14,833	11.0%	
Gas	14,233	12,145	(2,088)	-14.7%	
Sewer Fee	11,122	13,593	2,471	22.2%	
TOTAL UTILITIES:	193,170	204,964	11,794	6.1%	
MAINTENANCE OPERATIONS:					
Appliance Parts	600	600	-	0.0%	
Electrical	250	250	-	0.0%	
Hardware	4,600	4,600	-	0.0%	
Miscellaneous	3,400	3,400	-	0.0%	
Plumbing	500	500	-	0.0%	
Landscaping Materials	2,754	2,754	-	0.0%	
TOTAL MAINTENANCE OPERATIONS:	12,104	12,104	-	0.0%	
MAINTENANCE CONTRACTS:					
Garbage Service	11,782	15,632	3,850	32.7%	
Janitorial Contracts	95,242	156,351	61,109	64.2%	
Grounds Contract	138,472	48,863	(89,609)	-64.7%	
Automatic Door Maintenance	3,897	3,897	-	0.0%	
Electrical Work	7,450	8,750	1,300	17.4%	
Electric Gates Maintenance	6,092	6,092	-	0.0%	
Elevator Service	10,936	11,430	494	4.5%	
Boiler Maintenance	-	7,657	7,657	0.0%	
Plumbing Work	5,250	5,250	-	0.0%	
Fumigation	7,640	8,102	462	6.0%	
Other Maintenance Contract	89,847	86,300	(3,547)	-3.9%	
Floor Coverings	-	90,000	90,000	0.0%	
Painting and Decorating	500	500	-	0.0%	
Roof Repair	-	1,200	1,200	0.0%	
HVAC System	18,252	28,072	9,820	53.8%	
TOTAL MAINTENANCE CONTRACTS:	395,360	478,096	82,736	20.9%	
PROTECTIVE SERVICES:					
Protective Service - Materials	10,675	10,675	-	0.0%	
Protective Service Contracts	137,423	130,599	(6,824)	-5.0%	

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SANTA CLARA COUNTY HOUSING AUTHORITY
TWO YEAR COMPARISON - AGENCY WIDE
PROJECTED OPERATING BUDGET FOR THE YEAR ENDING JUNE 30, 2021

	FY20 Budget	FY21 Budget	\$ Change	% Change	Commentaries
TOTAL PROTECTIVE SERVICES:	148,098	141,274	(6,824)	-4.6%	
GENERAL EXPENSES:					
Commercial Package-Liability	74,193	78,576	4,383	5.9%	
Commercial Package-Casualty	53,966	53,966	-	0.0%	
Other Insurance	58,728	63,907	5,179	8.8%	
Insurance Deductible	150,000	300,000	150,000	100.0%	The increase in SCCHA's insurance deductible is due to the Directors & Officers Employment Practices Liability Insurance Retention because our insurance carrier (HAI Group) increased our deductible from \$100k to \$250k to keep the premium down.
Payment In Lieu Of Taxes	1,663	968	(695)	-41.8%	
Benefits-Administrative	2,847,351	3,010,192	162,841	5.7%	
Benefits- CalPERS EPMC	22,777	24,514	1,737	7.6%	
Benefits-CalPERS ER Contribution	1,353,780	1,431,152	77,372	5.7%	
Benefits FSS Coordinator	11,959	11,742	(217)	-1.8%	
Workers Compensation Insurance	294,526	318,012	23,486	8.0%	
Worker Comp - FSS Coordinator	1,817	1,965	148	8.1%	
Payroll Taxes	1,203,325	1,271,947	68,622	5.7%	
Payroll Taxes FSS	7,655	8,016	361	4.7%	
Benefits - Retirees	413,812	402,473	(11,339)	-2.7%	
Interest Expense - City Of S.J	38,900	38,900	-	0.0%	
City License Fee	826	826	-	0.0%	
Adm.Fee-Port Out-City	83,712	83,712	-	0.0%	
Property Tax	15,500	15,500	-	0.0%	
Other General Expenses	2,556	2,556	-	0.0%	
COVID-19 Expenses	-	118,810	118,810	100.0%	The increase is due to additional janitorial services and sanitizing supplies required for COVID19.
Project Feasibility Expenses	25,000	25,000	-	0.0%	
TOTAL GENERAL EXPENSES:	6,662,046	7,262,734	600,688	9.0%	
TOTAL EXPENSES	32,072,195	35,132,838	3,060,643	9.5%	
GROSS SURPLUS (DEFICIT)	(5,591,579)	(5,698,341)	(106,762)	1.9%	
INDIRECT ALLOCATIONS:					
Income - Indirect General Support	10,467,263	10,164,807	(302,456)	-2.9%	
Income - Facility Support	1,371,654	2,010,096	638,442	46.5%	
Indirect General Support - Finance	3,689,955	3,528,094	(161,861)	-4.4%	
Indirect General Support - Human Resources	1,445,878	1,663,096	217,218	15.0%	
Indirect General Support - Executive	1,915,517	2,025,237	109,720	5.7%	
Indirect General Support - General Services	1,543,599	1,223,431	(320,168)	-20.7%	
Indirect General Support - ITU	1,872,314	1,724,950	(147,364)	-7.9%	
Facility Support - Main Bldg (Julian)	1,371,654	2,010,095	638,441	46.5%	
TOTAL INDIRECT ALLOCATIONS:	-	-	-	0.0%	
NET SURPLUS (DEFICIT)	(5,591,579)	(5,698,341)	(106,762)	1.9%	

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PROJECTED OPERATING BUDGET FOR THE YEAR ENDING JUNE 30, 2021

	FY20 Budget	FY21 Budget	\$ Change	% Change	Commentaries
NON-OPERATING REV/(EXPENSE):					
Operating Subsidy	16,560	11,633	(4,927)	-29.8%	
Interest Income- Non Operating Revenue	-	155,875	155,875	0.0%	Increase is primarily due to interest income for Laurel Grove that was not budgeted in FY20 because the property was still under construction and the likelihood of the audit generating excess cash to make an interest payment was minimal. Laurel Grove has since started operations in late 2019 and interest income is anticipated in FY21.
Interest Income - Ground Lease	9,072	5,343	(3,729)	-41.1%	
Land Lease	146,685	146,685	-	0.0%	
TOTAL NON-OPERATING REV/(EXPENSE):	172,317	319,536	147,219	85.4%	
OPERATING SUBSIDY					
Transfers In	30,704,983	33,846,395	3,141,412	10.2%	
Transfers Out	30,704,983	33,846,395	3,141,412	10.2%	
TOTAL OPERATING SUBSIDY	-	-	-	0.0%	
NET INCOME (LOSS)	\$ (5,419,262)	\$ (5,378,805)	\$ 40,457	-0.7%	

ATTACHMENT B
SANTA CLARA COUNTY HOUSING AUTHORITY
PROJECTED OPERATING BUDGET SUMMARY
FOR THE YEAR ENDING JUNE 30, 2021

	HARA	Total Federal Programs	Total Local Programs	Total Indirect Departments	Total FY21
TOTAL INCOME	\$ 2,170,886	\$ 24,601,717	\$ 2,661,894	\$ -	\$ 29,434,497
TOTAL EXPENSES	292,880	18,936,964	3,728,091	12,174,903	35,132,838
GROSS SURPLUS (DEFICIT)	1,878,006	5,664,753	(1,066,197)	(12,174,903)	(5,698,341)
TOTAL INDIRECT ALLOCATIONS	-	(10,818,364)	(1,356,539)	12,174,903	-
NET SURPLUS (DEFICIT)	1,878,006	(5,153,611)	(2,422,736)	-	(5,698,341)
TOTAL NON-OPERATING REV/(EXPENSE)	30,685	288,851	-	-	319,536
OPERATING SUBSIDY					
Transfers In	-	32,651,157	1,195,238	-	33,846,395
Transfers Out	292,148	33,554,247	-	-	33,846,395
TOTAL OPERATING SUBSIDY	(292,148)	(903,090)	1,195,238	-	-
NET INCOME (LOSS) PRIOR TO RESERVES	1,616,543	(5,767,850)	(1,227,498)	-	(5,378,805)
Use of reserves - Prior year		366,160	1,227,498	-	1,593,658
Use of reserves - MTW		5,557,565	-	-	5,557,565
NET INCOME (LOSS)	\$ 1,616,543	\$ 155,875	\$ -	\$ -	\$ 1,772,418
TOTAL HOUSING ASSISTANCE PAYMENT	-	377,649,890	-	-	377,649,890
TOTAL HOUSING ASSISTANCE REVENUE EARNED	-	402,451,846	-	-	402,451,846

ATTACHMENT B
SANTA CLARA COUNTY HOUSING AUTHORITY
PROJECTED OPERATING BUDGET DETAIL
FOR THE YEAR ENDING JUNE 30, 2021

	HARA	Total Federal Programs	Total Local Programs	Total Indirect Departments	Total FY21
INCOME					
Tenant Rental Income	\$ -	\$ 7,560	\$ -	\$ -	\$ 7,560
Building Rent	683,563	-	-	-	683,563
Interest Income	973,323	450	30,800	-	1,004,573
Interest Income From Bond	514,000	-	-	-	514,000
Gain/Loss on Investment	-	-	-	-	-
Compliance Administrator Fee	-	-	21,549	-	21,549
Developer Fee	-	-	1,851,956	-	1,851,956
Other Misc. Income	-	600	202,496	-	203,096
Property Management Fee	-	-	352,706	-	352,706
Income - Leasing & Compliance	-	-	1,020	-	1,020
Asset Management Fees	-	-	201,367	-	201,367
Admin Fee Earned (Main Stream)	-	280,662	-	-	280,662
Admin Fee Earned (HUD -VASH)	-	1,293,733	-	-	1,293,733
Admin Fee Earned - FUP	-	136,633	-	-	136,633
Admin Fee Earned - Non Elderly with Disabilities	-	11,738	-	-	11,738
Admin Fee - City	-	8,993,362	-	-	8,993,362
Admin Fee - County	-	13,496,783	-	-	13,496,783
FSS Coordinator Fees	-	380,196	-	-	380,196
TOTAL INCOME	2,170,886	24,601,717	2,661,894	-	29,434,497
EXPENSE					
ADMINISTRATIVE:					
Administrative - Salaries	-	9,088,354	2,070,834	5,522,181	16,681,369
Admini. Salaries - FSS Coordinator	-	99,111	-	-	99,111
Compensated Balances-Vacation	-	621,119	118,678	473,910	1,213,707
Compensated Balances-Sick Earned	-	416,831	95,328	252,758	764,917
Compensated Balance - Sick Lv FSS	-	4,574	-	-	4,574
Compensated Balance - Vacation Lv FSS	-	8,768	-	-	8,768
Legal Expense - General	20,000	15,500	15,000	107,000	157,500
Legal Expense - Employment	-	-	-	50,000	50,000
Staff Training Expense	-	162,171	21,934	121,665	305,770
Tuition Reimbursement	-	-	-	35,000	35,000
Business Travel Expense	-	15,000	9,600	40,804	65,404
Automobile Insurance	-	-	-	2,894	2,894
Other Auto Expense	-	-	-	1,940	1,940
Staff Mileage Reimbursement	-	875	1,300	2,200	4,375
Mileage Reimbursements	-	-	-	150	150
Financial Audit	222	102,641	13,303	-	116,166
Accounting Fees	-	360	-	-	360
Building Rent	-	-	-	792,213	792,213
Storage Facilities	-	243	2,408	19,255	21,906
Temporary Help	-	260,580	-	94,908	355,488
Office Supplies	-	36,770	3,697	33,726	74,193
Communication Expense	-	10,131	1,610	7,297	19,038
Internet / Wan Expense	-	24,323	4,366	14,552	43,241
Postage, Handling & Freight	-	132,373	500	3,400	136,273
Office Equipment Rental	-	61,117	8,095	22,666	91,878
Publication & Membership	9,208	-	-	77,190	86,398
Miscellaneous	-	-	-	670	670
Pre-Printed Forms	-	22,651	-	600	23,251
Benefit Administrative Fee	-	-	-	20,550	20,550
Expendable Equipment	-	-	-	-	-
Recruitment Expense	-	21,788	65,829	14,075	101,692
Program Promotion	17,700	128,855	-	118,100	264,655
Board Meeting Expense	-	-	-	9,500	9,500
Admin. Contracts	240,000	2,558,180	401,953	632,372	3,832,505
Admin Contract - Tenant Svcs-ROSS	-	390,596	-	-	390,596
Property Management Fees	-	1,920	-	-	1,920
Scholarship Fund	5,750	50,000	-	-	55,750
Cellular Phone/Pagers	-	12,543	8,763	22,957	44,263
Agency Meeting Expense	-	600	170	19,225	19,995
Ergonomics Expense	-	-	-	10,000	10,000
Public Notices	-	7,000	-	-	7,000

ATTACHMENT B
SANTA CLARA COUNTY HOUSING AUTHORITY
PROJECTED OPERATING BUDGET DETAIL
FOR THE YEAR ENDING JUNE 30, 2021

	HARA	Total Federal Programs	Total Local Programs	Total Indirect Departments	Total FY21
Bank Charges	-	26,400	-	-	26,400
Payroll Expense	-	7,794	-	-	7,794
Computer Expense	-	25,816	2,660	9,446	37,922
Software Purchases	-	-	7,500	-	7,500
Computer Contracts	-	584,601	73,058	378,987	1,036,646
TOTAL ADMINISTRATIVE:	292,880	14,899,585	2,926,586	8,912,191	27,031,242
TENANT SERVICES:					
Resident Programs	-	2,374	-	-	2,374
Misc. Expense	-	50	-	-	50
TOTAL TENANT SERVICES:	-	2,424	-	-	2,424
UTILITIES:					
Water	-	7,114	6,467	15,658	29,239
Electricity	-	2,511	732	146,744	149,987
Gas	-	49	-	12,096	12,145
Sewer Fee	-	13,486	107	-	13,593
TOTAL UTILITIES:	-	23,160	7,306	174,498	204,964
MAINTENANCE OPERATIONS:					
Appliance Parts	-	600	-	-	600
Electrical	-	250	-	-	250
Hardware	-	4,600	-	-	4,600
Miscellaneous	-	-	3,400	-	3,400
Plumbing	-	500	-	-	500
Landscaping Materials	-	2,754	-	-	2,754
TOTAL MAINTENANCE OPERATIONS:	-	8,704	3,400	-	12,104
MAINTENANCE CONTRACTS:					
Garbage Service	-	6,661	-	8,971	15,632
Janitorial Contracts	-	1,727	4,074	150,550	156,351
Grounds Contract	-	16,950	18,965	12,948	48,863
Automatic Door Maintenance	-	-	-	3,897	3,897
Electrical Work	-	-	-	8,750	8,750
Electric Gates Maintenance	-	-	-	6,092	6,092
Elevator Service	-	-	-	11,430	11,430
Boiler Maintenance	-	-	-	7,657	7,657
Plumbing Work	-	-	-	5,250	5,250
Fumigation	-	2,750	-	5,352	8,102
Other Maintenance Contract	-	5,000	1,200	80,100	86,300
Floor Coverings	-	-	-	90,000	90,000
Painting and Decorating	-	500	-	-	500
Roof Repair	-	-	-	1,200	1,200
HVAC System	-	500	-	27,572	28,072
TOTAL MAINTENANCE CONTRACTS:	-	34,088	24,239	419,769	478,096
PROTECTIVE SERVICES:					
Protective Service - Materials	-	-	-	10,675	10,675
Protective Service Contracts	-	6,550	-	124,049	130,599
TOTAL PROTECTIVE SERVICES:	-	6,550	-	134,724	141,274
GENERAL EXPENSES:					
Commercial Package-Liability	-	49,062	8,326	21,188	78,576
Commercial Package-Casualty	-	-	-	53,966	53,966
Other Insurance	-	3,700	-	60,207	63,907
Insurance Deductible	-	-	-	300,000	300,000
Payment In Lieu Of Taxes	-	968	-	-	968
Benefits-Administrative	-	1,845,266	324,818	840,108	3,010,192
Benefits- CalPERS EPMC	-	-	-	24,514	24,514

ATTACHMENT B
SANTA CLARA COUNTY HOUSING AUTHORITY
PROJECTED OPERATING BUDGET DETAIL
FOR THE YEAR ENDING JUNE 30, 2021

	HARA	Total Federal Programs	Total Local Programs	Total Indirect Departments	Total FY21
Benefits-CalPERS ER Contribution	-	783,758	177,297	470,097	1,431,152
Benefits FSS Coordinator	-	11,742	-	-	11,742
Workers Compensation Insurance	-	178,765	27,563	111,684	318,012
Worker Comp - FSS Coordinator	-	1,965	-	-	1,965
Payroll Taxes	-	722,503	152,260	397,184	1,271,947
Payroll Taxes FSS	-	8,016	-	-	8,016
Benefits - Retirees	-	218,596	48,740	135,137	402,473
Interest Expense - City Of S.J	-	38,900	-	-	38,900
City License Fee	-	-	-	826	826
Adm.Fee-Port Out-City	-	83,712	-	-	83,712
Property Tax	-	15,500	-	-	15,500
Other General Expenses	-	-	2,556	-	2,556
COVID-19 Expenses	-	-	-	118,810	118,810
Project Feasibility Expenses	-	-	25,000	-	25,000
TOTAL GENERAL EXPENSES:	-	3,962,453	766,560	2,533,721	7,262,734
TOTAL EXPENSES	292,880	18,936,964	3,728,091	12,174,903	35,132,838
GROSS SURPLUS (DEFICIT)	1,878,006	5,664,753	(1,066,197)	(12,174,903)	(5,698,341)
INDIRECT ALLOCATIONS:					
Income - Indirect General Support	-	-	-	10,164,807	10,164,807
Income - Facility Support	-	-	-	2,010,096	2,010,096
Indirect General Support - Finance	-	3,124,255	403,839	-	3,528,094
Indirect General Support - Human Resources	-	1,472,731	190,365	-	1,663,096
Indirect General Support - Executive	-	1,793,420	231,817	-	2,025,237
Indirect General Support - General Services	-	1,083,393	140,038	-	1,223,431
Indirect General Support - ITU	-	1,527,505	197,445	-	1,724,950
Facility Support - Main Bldg (Julian)	-	1,817,060	193,035	-	2,010,095
TOTAL INDIRECT ALLOCATIONS:	-	(10,818,364)	(1,356,539)	12,174,903	-
NET SURPLUS (DEFICIT)	1,878,006	(5,153,611)	(2,422,736)	-	(5,698,341)
NON-OPERATING REV/(EXPENSE):					
Operating Subsidy	-	11,633	-	-	11,633
Interest Income- Non Operating Revenue	-	155,875	-	-	155,875
Interest Income - Ground Lease	-	5,343	-	-	5,343
Land Lease	30,685	116,000	-	-	146,685
TOTAL NON-OPERATING REV/(EXPENSE):	30,685	288,851	-	-	319,536
OPERATING SUBSIDY					
Transfers In	-	32,651,157	1,195,238	-	33,846,395
Transfers Out	292,148	33,554,247	-	-	33,846,395
TOTAL OPERATING SUBSIDY	(292,148)	(903,090)	1,195,238	-	-
NET INCOME (LOSS) PRIOR TO RESERVES	1,616,543	(5,767,850)	(1,227,498)	-	(5,378,805)
Use of reserves - Prior year	-	366,160	1,227,498	-	1,593,658
Use of reserves - MTW	-	5,557,565	-	-	5,557,565
NET INCOME (LOSS)	\$ 1,616,543	\$ 155,875	\$ -	\$ -	\$ 1,772,418
HOUSING ASSISTANCE PAYMENT					
HAP-Occupied- City	-	138,561,564	-	-	138,561,564
HAP Occupied (Main Stream)	-	5,201,516	-	-	5,201,516
HAP Occupied (HUD - VASH)	-	21,743,935	-	-	21,743,935
HAP - Occupied - FUP	-	2,932,308	-	-	2,932,308
HAP-Occupied Units-Non Elderly person w/disabilities	-	227,460	-	-	227,460
HAP Occupied - County	-	208,983,107	-	-	208,983,107

ATTACHMENT B
SANTA CLARA COUNTY HOUSING AUTHORITY
PROJECTED OPERATING BUDGET DETAIL
FOR THE YEAR ENDING JUNE 30, 2021

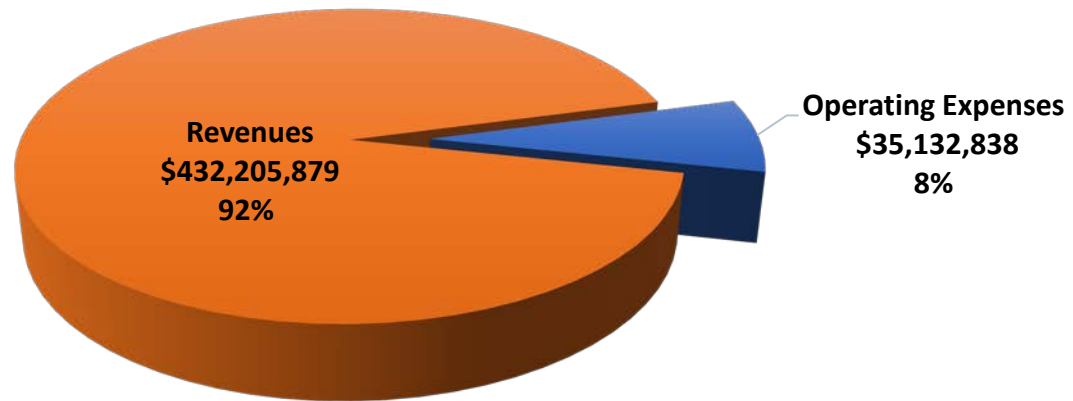
	HARA	Total Federal Programs	Total Local Programs	Total Indirect Departments	Total FY21
TOTAL HOUSING ASSISTANCE PAYMENT	-	377,649,890	-	-	377,649,890
HOUSING ASSISTANCE PAYMENT EARNED					
HAP Payments Earned (Main Stream)	-	4,157,966	-	-	4,157,966
HAP Earned (HUD - VASH)	-	20,147,162	-	-	20,147,162
HAP - Earned	-	3,362,052	-	-	3,362,052
HAP Earned - Non Elderly Persons w/Disabilities	-	195,364	-	-	195,364
Hap Earned - City	-	142,472,698	-	-	142,472,698
Hap Earned - County	-	232,116,604	-	-	232,116,604
TOTAL HOUSING ASSISTANCE REVENUE EARNED	-	402,451,846	-	-	402,451,846

ATTACHMENT C
SANTA CLARA COUNTY HOUSING AUTHORITY
PROJECTED CAPITAL BUDGET
FOR THE YEAR ENDING JUNE 30, 2021

Department	Project	FY21
Facilities	Soundmasking on 1st Floor	\$ 42,000
Facilities	Boardroom Projector	\$ 5,000
General Sevices	Lobby self-service stations / kiosk (2x)	\$ 30,000
IT Department	New Core Switches	\$ 60,000
Public Housing - Deborah	Steel bracing on parking structure for Deborah	\$ 100,000
Total		\$ 237,000

Attachment D SANTA CLARA COUNTY HOUSING AUTHORITY

**Total Revenues and Operating Expenses
Fiscal Year Ending 2021**



Attachment E SANTA CLARA COUNTY HOUSING AUTHORITY

