



To: Board of Commissioners

From: Preston Prince, Executive Director

Submitted By: Baku Patel, CFO/Finance Director and Chandrika Karur, Controller

Subject: Santa Clara County Housing Authority's Operating and Capital Budget for the Fiscal Year Ending June 30, 2023

Approved *Nacwell Hama* Date *5/26/22*

Recommendation

1. Approve the Housing Authority (Authority)'s proposed Operating Budget for the Fiscal Year (FY) ending June 30, 2023 (FY 2023), identified in **Attachments A and B**;
2. Accept report on the Authority's Comparison of the FY 2022 and FY 2023 operating budgets **Attachment C**;
3. Approve the Authority's proposed Capital Budget for the FY ending June 30, 2023 (FY 2023) **Attachment D**;
4. Approve a delegation of authority to the Executive Director to authorize the use of additional funds to address unbudgeted expenditures and contingencies of up to five percent (5%) of approved FY 2023 operating expenditures, or up to \$1,954,095, with the authority to expire June 30, 2023;
5. Approve a delegation of authority to the Executive Director to authorize the use of additional funds to address unbudgeted capital expenditures of up to ten percent (10%) of approved FY 2023 capital expenditures, or up to \$49,452 with the authority to expire June 30, 2023; and
6. Direct the Executive Director to continue providing the Board with quarterly variance reports on actual to budget operating revenues and expenditures.

Strategic Outcome

The reports and recommended actions support the Strategic Plan Goal 4, Objective 4.5: Maintain the Authority's fiscal health and integrity. The recommended actions do not directly support the Community Plan to End Homelessness.

Budget Principles

This budget document provides information around where and how the Authority is investing its resources to achieve its goals of providing affordable housing solutions to the members of our community.

The budget was created using the following guidelines:

- The Authority is required to adopt an operating budget, approved by its Board of Commissioners before the beginning of each FY (July 1 to June 30).
- Budget projections are developed for the Authority's operations, which include the following cost centers:
 - Federal Programs: Housing Choice Vouchers (HCV), Special Purpose Vouchers (SPV), Public Housing (PH) programs
 - Real Estate Programs: Development and Asset management
 - Housing Authority Reserve Account (HARA)
 - Indirect Support Departments: Executive, Finance, Human Resources, Procurement, Information Technology and Facilities
- The Authority does not adopt a budget for Housing Assistance Payment (HAP) revenues and expenditures. However, HAP revenue and expenditure projections are developed for each FY and presented in the budget document. The primary expenditure for federal programs is HAP and is paid in accordance with governing program regulations. In addition, the Board approves discretionary expenditures of program funds, non-traditional uses of Moving to Work (MTW) funds for development and preservation HUD-approved activities, on an ad hoc basis as the funds are needed.
- The Authority primarily uses current year U.S. Department of Housing and Urban Development (HUD) administrative fee revenues, fees generated from its real estate programs and approved subsidies to fund the real estate operations. However, administrative fee funding shortfalls due to HUD's proration factor are covered with MTW program reserves using the single fund flexibility authority.

Budget Highlights

The highlights of the upcoming budget include:

Annual operating revenues are projected to be \$33.3 million. Primarily due to

- \$29.2 million in administrative fee, a net increase of \$3.1 million from FY 2022 due to higher admin fee rate, proration factor and increase in projected number of units leased.

- \$1.2 million in developer fee from the Park Ave Senior, Laurel park, Buena vista projects.
- \$1.0 million in service fee for the new Emergency Housing Vouchers (EHV) and \$0.6 million grant revenue for the Family Self Sufficiency (FSS) program.

Annual operating expenditures are projected to be \$39.1 million. Primarily due to:

- \$25.9 million in personnel expenses (wages and benefits) for the upcoming budget year.
- Administrative contracts will be \$3.5 million primarily due to housing search and inspection fees of \$1.1 million, information technology activities of \$0.5 million related to Section 8 software conversion, \$0.6 million in legal fees and feasibility study costs for the Authority's new office complex development.
- Tenant services of \$1.8 million include \$1.0 million in service costs for the EHV program and \$0.8 million for the FSS coordinator compensations.
- \$1.2 million investment in computer contracts related to software licenses, such as criminal background checks, asset management database, Yardi, ADP and procurement software.
- \$1.2 million in rent for the Julian building and temporary office space lease.

Annual MTW HCV and SPV program revenues are projected to be \$442.0 million, an increase of \$11.9 million from prior year. HAP payments directly made to landlords on behalf of SCCHA participants are projected to be \$433.2 million, an increase \$31.1 million due to a projected increase in the average per unit cost and the number of units leased. When HAP expenditures exceed the current year's program revenues, the Authority will use prior year reserves to cover the shortfall. In the case of SPV programs, when prior year reserves are not available, the Authority will use the MTW reserves to cover the shortfall based on MTW fungibility.

HAP revenues and expenditures are broken down by program in the table below:

HAP REVENUE AND EXPENDITURES BY PROGRAM

Program	HAP Revenue	HAP Expenditures	Excess / (Shortfall)
Housing Choice Voucher (HCV)	\$ 409,263,476	\$ 393,307,784	\$ 15,955,692
Veterans Affairs Supporting Housing (VASH)	21,434,245	22,356,243	(921,998)
Family Unification Program (FUP)	3,183,335	3,381,335	(198,000)
Non - Elderly Disabled (NED)	235,473	234,580	893
Mainstream	5,903,595	5,903,595	-
Moderate Rehabilitation	1,429,246	1,429,246	-
Foster Youth Independence Initiative (FYI)	316,473	504,374	(187,901)
Rental Assistance Demonstration (RAD)	286,994	246,990	40,005
Emergency Housing Voucher (EHV) **	-	5,884,557	(5,884,557)
TOTAL	\$ 442,052,837	\$ 433,248,704	\$ 8,804,133

** For the EHV program, the Authority will be using prior year reserves to cover for the HAP expenditures in FY 2023

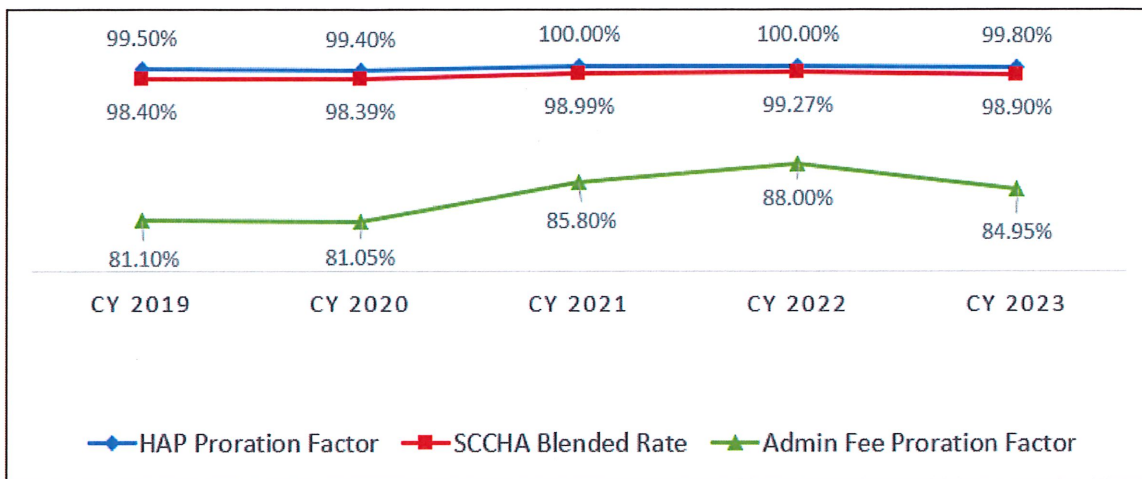
BUDGET LINE ITEM ANALYSIS

OPERATING REVENUES

The Authority's predominant source of funds comes through the HUD 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 HAP will be calculated, and a second formula provides how administrative fee will be calculated¹. HUD calculates 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 it is a 95% pro-ration of HAP. Similarly, Congress 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 proration. The table below shows a 5-year historical trend of HAP and administrative fee proration:

¹ 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.

HAP AND ADMINISTRATIVE FEE PRORATION TRENDS



HAP funding proration for Calendar Year (CY) 2022 is 100.0% of eligibility and the projected proration for administrative fee is at 88.0% of eligibility. Since the proration factors for the period of January – June 2023 are not yet available from HUD, the Authority is using a three-year average HAP proration of 99.80% and an administrative fee proration of 84.95%.

While the 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 Authority calculates the MTW operating revenues for the FY using a blended rate of HUD's program and administrative fund prorations.

For FY 2023 we calculated revenues under a blended proration of 99.27% for the first half of the FY, and 98.90% for the second half of the FY, yielding an overall 99.09% blended proration for FY 2023 (See table above for SCCHA blended rate trend). Therefore, the projection for operating revenues includes a \$3.36 million HAP funds subsidy to cover the shortfall created from HUD's administrative fee proration.

In addition to MTW HCV funds, we receive funds for specialized vouchers, including Veterans Affairs Supportive Housing (**VASH**), Mainstream, Non-Elderly Disabled (**NED**), Family Unification Program (**FUP**), Foster Youth to Independence (**FYI**), Rental Assistance Demonstration (**RAD**), Emergency Housing Voucher (**EHV**) and Moderate Rehabilitation.

The Authority also receives other federal grants, such as PH operating subsidy and FSS grants to pay for FSS coordinator salaries and benefits.

The Authority's budgeted operating revenues for FY 2023 are \$33,388,532, an increase of \$4,139,468 or 14.2% over last year's budget. Of this, \$30.9 million are from Federal Programs, \$1.8 million are from Real Estate Programs, and \$0.7 million from HARA. See the table below for a breakdown of operating revenues by program and revenue type.

OPERATING REVENUES BY PROGRAM AND TYPE

	Federal Programs	Real Estate Programs	HARA	Total
Administrative Fees Earned	\$ 29,201,298	\$ -	\$ -	\$ 29,201,298
Service Fee - Emergency Housing Voucher (EHV)	991,680	-	-	991,680
Family Self Sufficiency (FSS) Coordinator Fees	562,814	-	-	562,814
Developer Fees	-	1,209,000	-	1,209,000
Asset Management Fees	-	479,915	-	479,915
Building Rent Income	-	-	604,630	604,630
Public Housing Operating Subsidy	19,343	-	-	19,343
Other Revenue	136,138	119,888	63,826	319,852
TOTAL	\$30,911,273	\$ 1,808,803	\$ 668,456	\$ 33,388,532

Federal Programs

The operating revenue in Federal programs is projected to be \$30.9 million, an increase of \$4.2 million or 16.1% from last year's budget. This is primarily due to the following:

- Administrative fee earned will be \$29.2 million, an increase of \$3.1 million, due to an increase in the administrative fee rate per unit leased, proration factor, and the number of units leased.
- To support the operations of the new Emergency Housing Vouchers (EHV) program, the Authority will earn service fees of \$1.0 million that was not available in FY 2022.

Real Estate Programs

In addition to federal funds, \$1.8 million in revenues will be earned through our development and asset management activities. Of this, \$1.2 million are from Developer fees to be earned from Park Avenue, Laurel Park, Buena Vista, and Bellarmino development projects. The remaining \$0.6 million relates to fees earned from Asset Management activities.

HARA

HARA is projected to earn building rent of \$0.7 million for the occupancy of the Julian office building by the Federal and Real Estate programs.

OPERATING EXPENDITURES

Majority of the Authority's operating expenditures are the recurring cost of salaries, benefits, administrative contracts and software contracts. The Authority's budgeted operating expenditures for FY 2023 are \$39.1 million, an increase of \$1.6 million or 4.3% from last year's budget. The table below shows a two-year comparison of operating a by program. See **Attachment C** for a detailed two-year budget comparison.

OPERATING EXPENDITURES BY PROGRAM

	FY22 Budget	FY23 Budget	\$ Change	% Change
Federal Programs	\$ 20,698,597	\$ 20,490,739	\$ (207,858)	-1.0%
Real Estate Programs	3,915,627	4,105,204	189,577	4.8%
Indirect Departments	12,058,182	13,223,999	1,165,817	9.7%
HARA	787,213	1,261,956	474,743	60.3%
TOTAL	\$ 37,459,619	\$39,081,899	\$ 1,622,280	4.3%

Personnel

Wages & Benefits	FY22 Budget	FY23 Budget	\$ Change	% Change
Federal Programs	\$ 14,616,606	\$ 14,146,191	\$ (470,416)	-3.2%
Real Estate Programs	3,325,884	3,512,602	186,718	5.6%
Indirect Departments	8,926,952	8,254,032	(672,920)	-7.5%
HARA	-	-	-	0.0%
TOTAL	\$ 26,869,443	\$25,912,825	\$ (956,618)	-3.6%

Personnel costs, which represent 66% of the Authority's operating expenditures are projected to decrease by \$1.0 million or 3.6% from last year's budget. This is primarily due to a change in budget methodology adopted to align with actual expenditures for compensated absences. This resulted in a decrease of \$2.1 million in salaries and benefits. This decrease was offset by an increase of \$1.1 million for planned compensation changes, such as Cost of Living Adjustment (COLA) and pay step increases.

The FY 2023 budget includes a total of 168 positions. This is a decrease from the 176 positions budgeted in FY 2022 and an increase from the 153 currently filled positions. As the agency continues its workforce analysis and enhances resident and community engagement activities, staff will regularly evaluate staffing levels and return to the board with recommendations, if necessary.

Administrative Expenses

Administrative expenses are projected to increase by \$1.7 million or 56% from last year's budget. This is primarily due to the following:

Administrative	FY22 Budget	FY23 Budget	\$ Change	% Change
Federal Programs	\$ 1,555,252	\$ 1,851,571	\$ 296,320	19.1%
Real Estate Programs	255,483	286,979	31,497	12.3%
Indirect Departments	1,269,929	2,700,903	1,430,975	112.7%
HARA	41,381	30,842	(10,539)	-25.5%
TOTAL	\$ 3,122,044	\$ 4,870,296	\$ 1,748,252	56.0%

- \$1.1 million in building rent expense for the Julian building and a new office space lease.
- \$0.3 million in computer expenses, due to increases in subscription and maintenance contract costs and purchase of computer equipment for agency staff.
- Other administrative expenses, which includes legal fees and business travel expense increased by \$0.3 million.

Tenant Services Expense

Tenant Services are projected to increase by \$1.0 million from last year's budget, mainly due to an increase in service fee expenses (i.e. housing search services, tenant security deposits, owner incentives) to operate the new Emergency Housing Voucher (EHV) program. These expenses are reimbursable, and the corresponding revenues are also budgeted in FY23.

Tenant Services	FY22 Budget	FY23 Budget	\$ Change	% Change
Federal Programs	\$ 746,702	\$ 1,767,166	\$ 1,020,464	136.7%
Real Estate Programs	-	-	-	0.0%
Indirect Departments	-	-	-	0.0%
HARA	-	-	-	0.0%
TOTAL	\$ 746,702	\$ 1,767,166	\$ 1,020,464	136.7%

Utilities Expense

Utility expenses are approximately in line to last year's budget with a projected increase of \$2,714 or 0.9% from last year.

Utilities	FY22 Budget	FY23 Budget	\$ Change	% Change
Federal Programs	\$ 26,332	\$ 22,432	\$ (3,900)	-14.8%
Real Estate Programs	8,467	9,923	1,456	17.2%
Indirect Departments	209,312	205,020	(4,292)	-2.1%
HARA	62,640	72,090	9,450	15.1%
TOTAL	\$ 306,751	\$ 309,465	\$ 2,714	0.9%

Maintenance & Operations Expense

Maintenance & Operations expense is projected to increase by \$0.1 million or 17.7% from last year's budget, primarily due to carpet replacement costs for the Julian Street building.

Maintenance & Operations	FY22 Budget	FY23 Budget	\$ Change	% Change
Federal Programs	\$ 176,016	\$ 120,612	\$ (55,404)	-31.5%
Real Estate Programs	40,908	30,357	(10,551)	-25.8%
Indirect Departments	380,041	581,046	201,005	52.9%
HARA	191,910	196,130	4,220	2.2%
TOTAL	\$ 788,875	\$ 928,145	\$ 139,270	17.7%

General Expenses

General expenses are projected to increase by \$0.2 million or 25.0% from last year's budget primarily due to the following:

General	FY22 Budget	FY23 Budget	\$ Change	% Change
Federal Programs	\$ 148,187	\$ 178,511	\$ 30,324	20.5%
Real Estate Programs	36,747	113,449	76,702	208.7%
Indirect Departments	622,731	822,352	199,621	32.1%
HARA	179,832	119,944	(59,888)	-33.3%
TOTAL	\$ 987,497	\$ 1,234,256	\$ 246,759	25.0%

- \$0.1 million increase in COVID-19 expenses mainly due to additional daily preventive care services for the Julian building office.
- \$0.1 million increase in feasibility expenses relates to acquisition of new properties for development.

Other Expenses

Other expenses are projected to decrease by \$0.6 million or 12.5% from last year's budget primarily due to the following:

Other Expenses	FY22 Budget	FY23 Budget	\$ Change	% Change
Federal Programs	\$ 3,429,502	\$ 2,404,256	\$ (1,025,246)	-29.9%
Real Estate Programs	248,138	151,894	(96,244)	-38.8%
Indirect Departments	649,217	660,645	11,428	1.8%
HARA	311,450	842,950	531,500	170.7%
TOTAL	\$ 4,638,307	\$ 4,059,745	\$ (578,562)	-12.5%

- \$0.8 million decrease in administrative contracts, such as professional services fees, is primarily due to the cancellation of the Focus Forward project, Avero services contract and SCCHA 2.0 projects in FY 2022, offset by new projects planned in FY2023. For example, the Section 8 Elite system conversion and planning for the Authority's new office building complex.
- The above decrease is offset by \$0.2 million budgeted for moving expenses related to staff moving to a temporary new office space.

NON-OPERATING REVENUE / (EXPENSES)

Non-Operating Revenue are projected to decrease by \$0.2 million or 28.6% from last year's budget, primarily due to a decline in interest rates and the availability of funds in HARA for investments because of the purchase of the new building at 3553 North 1st street.

Non-Operating Revenue / (Expenses)	FY22 Budget	FY23 Budget	\$ Change	% Change
Federal Programs	\$ 349,100	\$ 357,367	\$ 8,267	2.4%
Real Estate Programs	17,200	4,800	(12,400)	-72.1%
Indirect Departments	-	-	-	0.0%
HARA	452,030	222,174	(229,856)	-50.8%
TOTAL	\$ 818,330	\$ 584,341	\$ (233,989)	-28.6%

USE OF RESERVES

The Authority plans on using the following reserve funds (see table below) to balance the FY 2023 budgets:

MTW Reserves	\$	3,831,909
HARA Reserves		1,112,140
VASH Reserves		165,991
Total Use of Reserves	\$	5,110,040

- The MTW reserves will be used to subsidize the operations of the Asset Management and Development departments based on our MTW approved activities.
- The HARA reserves will be used to cover for disallowed compensation based on HUD's federal statutory limit for the use of Section 8 and Section 9 funds to pay for executive salaries.
- The VASH reserves will be used to cover the administrative fee shortfall for the operation of the program.

CAPITAL EXPENDITURES

We are proposing a capital budget of \$0.5 million for FY 2023. The table below shows the breakdown of the budgeted capital projects.

Project	FY23
San Pedro Gardens park playground equipment	\$ 200,000
Tenant and Applicant Portal Enhancements	70,000
2x New Wall heaters for 2 units	12,000
Capital projects	212,525
Total	\$ 494,525

Conclusion

The Authority is in sound fiscal condition and able to respond to reasonable funding challenges that may present themselves during the FY. The 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 above sections of this memo.

Attachments

- A. Operating Budget Summary for the year ending June 30, 2023
- B. Operating Budget Detail for the year ending June 30, 2023
- C. Two-Year Operating Budget Comparison – Agency Wide for the year ending June 30, 2023
- D. Capital Budget for the year ending June 30, 2023

ATTACHMENT A
SANTA CLARA COUNTY HOUSING AUTHORITY
OPERATING BUDGET SUMMARY
FOR THE YEAR ENDING JUNE 30, 2023

	HARA	Total Federal Programs	Total Real Estate Programs	Total Indirect Departments	Total FY23
TOTAL INCOME	\$ 668,456	\$ 30,911,273	\$ 1,808,803	\$ -	\$ 33,388,532
TOTAL EXPENSES	1,261,956	20,490,739	4,105,204	13,223,999	39,081,899
GROSS SURPLUS (DEFICIT)	(593,500)	10,420,534	(2,296,401)	(13,223,999)	(5,693,366)
TOTAL INDIRECT ALLOCATIONS	-	(11,857,220)	(1,366,779)	13,223,999	-
NET SURPLUS (DEFICIT)	(593,500)	(1,436,686)	(3,663,181)	-	(5,693,366)
TOTAL NON OPERATING REVENUE / (EXPENSE)	222,174	357,367	4,800	-	584,341
Transfers In	408,783	27,733,351	3,658,380	-	31,800,514
Transfers Out	(1,149,597)	(30,650,917)	-	-	(31,800,514)
TOTAL TRANSFERS IN / (OUT)	(740,814)	(2,917,566)	3,658,380	-	-
TOTAL NET INCOME / (LOSS) PRIOR TO RESERVES	(1,112,140)	(3,996,885)	-	-	(5,109,026)
Use of reserves - Prior year	1,112,140	165,991	-	-	1,278,131
Use of reserves - MTW	-	3,831,909	-	-	3,831,909
NET INCOME (LOSS)	\$ -	\$ 1,014	\$ -	\$ -	\$ 1,014
TOTAL HOUSING ASSISTANCE EARNED	\$ -	\$ 442,052,837	\$ -	\$ -	\$ 442,052,837
TOTAL HOUSING ASSISTANCE PAYMENTS	\$ -	\$ 433,248,704	\$ -	\$ -	\$ 433,248,704

ATTACHMENT B
SANTA CLARA COUNTY HOUSING AUTHORITY
OPERATING BUDGET DETAIL
FOR THE YEAR ENDING JUNE 30, 2023

	HARA	Total Federal Programs	Total Real Estate Programs	Total Indirect Departments	Total FY23
INCOME					
Tenant Rental Income	\$ -	\$ 17,088	\$ -	\$ -	\$ 17,088
Rent Revenue Misc.	33,141	-	-	-	33,141
Building Rent	604,630	-	-	-	604,630
Rental Income	637,771	17,088	-	-	654,859
Admin Fee Earned (Main Stream)	-	388,396	-	-	388,396
Admin Fee Earned (HUD -VASH)	-	1,515,692	-	-	1,515,692
Admin Fee Earned - FUP	-	196,165	-	-	196,165
Admin Fee Earned - Non Elderly with Disabilities	-	14,057	-	-	14,057
Admin Fee - City	-	9,080,599	-	-	9,080,599
Admin Fee - County	-	14,643,241	-	-	14,643,241
Admin Fee Single Fund Flexibility	-	3,363,148	-	-	3,363,148
Service Fees	-	991,680	-	-	991,680
HUD Administrative Fees	-	30,192,978	-	-	30,192,978
FSS Coordinator Fees	-	562,814	-	-	562,814
FSS Coordinator Fees	-	562,814	-	-	562,814
Operating Subsidy	-	19,343	-	-	19,343
Operating Subsidy	-	19,343	-	-	19,343
Interest Income - Ground Lease	-	2,450	-	-	2,450
Compliance Administrator Fee	-	-	18,849	-	18,849
Developer Fee	-	-	1,209,000	-	1,209,000
Land Lease	30,685	116,000	-	-	146,685
Other Misc. Income	-	600	119,888	-	120,488
Asset Management Fees	-	-	87,500	-	87,500
Management Oversight Fee	-	-	373,566	-	373,566
Other Operating Revenues	30,685	119,050	1,808,803	-	1,958,538
TOTAL INCOME	668,456	30,911,273	1,808,803	-	33,388,532
EXPENSES					
Administrative - Salaries	-	10,162,473	2,649,727	6,170,533	18,982,733
Benefits-Administrative	-	1,994,795	362,213	882,728	3,239,736
Benefits-CalPERS ER Contribution	-	832,594	219,843	509,287	1,561,724
Benefits - 457B ER Contribution	-	12,000	3,000	21,000	36,000
Workers Compensation Insurance	-	202,485	36,744	131,516	370,744
Payroll Taxes	-	776,499	186,184	427,386	1,390,069
Benefits - Retirees	-	165,344	54,892	111,583	331,819
Wages & Benefits	-	14,146,191	3,512,602	8,254,032	25,912,825
Legal Expense - General	20,000	64,100	-	291,000	375,100
Legal Expense - Employment	-	-	-	100,000	100,000
Staff Training Expense	-	136,082	16,948	82,922	235,953
Tuition Reimbursement	-	-	-	35,000	35,000
Business Travel Expense	-	38,200	13,500	105,110	156,810
Automobile Insurance	-	-	-	6,493	6,493
Other Auto Expense	-	-	-	1,300	1,300

ATTACHMENT B
SANTA CLARA COUNTY HOUSING AUTHORITY
OPERATING BUDGET DETAIL
FOR THE YEAR ENDING JUNE 30, 2023

	HARA	Total Federal Programs	Total Real Estate Programs	Total Indirect Departments	Total FY23
Staff Mileage Reimbursement	-	700	3,800	4,200	8,700
Mileage Reimbursements	-	150	-	-	150
Financial Audit	1,337	102,855	12,383	-	116,575
Building Rent	-	-	-	1,200,346	1,200,346
Storage Facilities	-	1,691	2,805	21,614	26,110
Temporary Help	-	148,964	-	120,739	269,703
Office Supplies	-	45,508	3,793	21,652	70,953
Communication Expense	2,760	25,444	3,843	11,618	43,665
Internet / Wan Expense	-	23,858	3,861	9,654	37,373
Postage, Handling and Freight	-	128,315	250	3,300	131,865
Office Equipment Rental	-	72,654	9,122	19,972	101,748
Publication and Membership	6,500	-	-	81,482	87,982
Pre-Printed Forms	-	27,965	-	100	28,065
Benefit Administrative Fee	-	-	-	21,700	21,700
Recruitment Expense	-	9,682	88,405	35,450	133,537
Board Meeting Expense	-	-	-	9,500	9,500
Cellular Phone/Pagers	-	13,374	11,556	31,704	56,634
Agency Meeting Expense	-	23,200	2,000	56,800	82,000
Ergonomics Expense	-	-	-	15,000	15,000
Public Notices	-	4,000	-	-	4,000
Bank Charges	245	28,835	1,569	-	30,650
Payroll Expense	-	8,529	-	-	8,529
Computer Expense	-	148,101	23,484	54,215	225,800
Software Purchases	-	-	3,000	-	3,000
Computer Contracts	-	799,314	86,660	360,031	1,246,005
Misc. Expense	-	50	-	-	50
Administrative	30,842	1,851,571	286,979	2,700,903	4,870,296
Admini. Salaries - FSS Coordinator	-	108,301	-	-	108,301
Admin Contract - Tenant Svcs-ROSS	-	630,000	-	-	630,000
Resident Programs	-	2,672	-	-	2,672
Service Fee - Housing Search Assistance	-	347,088	-	-	347,088
Service Fee - Security / Utility Deposit / Rental App	-	297,504	-	-	297,504
Service Fee - Owner Incentive	-	297,504	-	-	297,504
Service Fee - Other	-	49,584	-	-	49,584
Benefits FSS Coordinator	-	23,657	-	-	23,657
Worker Comp - FSS Coordinator	-	2,235	-	-	2,235
Payroll Taxes FSS	-	8,621	-	-	8,621
Tenant Services	-	1,767,166	-	-	1,767,166
Water	35,340	6,192	9,024	12,960	63,516
Electricity	34,800	1,800	792	167,960	205,352
Gas	300	83	-	20,800	21,183
Sewer Fee	1,650	14,357	107	3,300	19,414
Utilities	72,090	22,432	9,923	205,020	309,465
Appliance Parts	-	600	-	-	600
Electrical	-	250	-	-	250
Hardware	-	7,000	-	-	7,000
Plumbing	-	1,000	-	-	1,000
Landscaping Materials	-	2,000	8,000	-	10,000
Garbage Service	-	10,538	-	10,745	21,283
Janitorial Contracts	18,320	1,704	4,723	95,576	120,323

ATTACHMENT B
SANTA CLARA COUNTY HOUSING AUTHORITY
OPERATING BUDGET DETAIL
FOR THE YEAR ENDING JUNE 30, 2023

	HARA	Total Federal Programs	Total Real Estate Programs	Total Indirect Departments	Total FY23
Grounds Contract	28,200	44,120	16,434	16,243	104,997
Automatic Door Maintenance	-	-	-	4,563	4,563
Electrical Work	-	-	-	10,750	10,750
Electric Gates Maintenance	-	-	-	6,700	6,700
Elevator Service	7,700	-	-	11,875	19,575
Boiler Maintenance	-	-	-	11,605	11,605
Plumbing Work	-	-	-	6,500	6,500
Fumigation	-	2,750	-	6,062	8,812
Other Maintenance Contract	12,000	500	1,200	161,100	174,800
Painting and Decorating	-	500	-	-	500
Roof Repair	8,800	-	-	1,200	10,000
HVAC System	-	500	-	54,838	55,338
Protective Service - Materials	-	-	-	10,875	10,875
Protective Service Contracts	121,110	49,150	-	172,414	342,674
Maintenance & Operations	196,130	120,612	30,357	581,046	928,145
Commercial Package-Liability	8,116	67,527	10,793	21,970	108,406
Commercial Package-Casualty	79,820	-	-	64,811	144,631
Insurance - Flood	7,008	-	-	-	7,008
Other Insurance	-	5,250	-	159,572	164,822
Insurance Deductible	25,000	-	-	300,000	325,000
Payment In Lieu Of Taxes	-	1,116	-	-	1,116
City License Fee	-	-	-	1,039	1,039
State Fee	-	-	100	-	100
Admin Fee-Port Out-City and County (HCV)	-	26,362	-	-	26,362
Admin Fee - Port Out - County (SPV)	-	76,856	-	-	76,856
Other General Expenses	-	-	2,556	-	2,556
COVID-19 Expenses	-	1,400	-	274,960	276,360
Project Feasibility Expenses	-	-	100,000	-	100,000
General	119,944	178,511	113,449	822,352	1,234,256
Accounting Fees	-	456	-	-	456
Miscellaneous	-	-	-	1,073	1,073
Program Promotion	36,200	122,355	7,000	90,700	256,255
Administrative Contract	750,000	2,204,525	144,894	394,872	3,494,291
Property Management Fees	51,000	1,920	-	-	52,920
Scholarship Fund	5,750	75,000	-	-	80,750
Moving Expense	-	-	-	174,000	174,000
Other Expenses	842,950	2,404,256	151,894	660,645	4,059,745
TOTAL EXPENSES	1,261,956	20,490,739	4,105,204	13,223,999	39,081,899
GROSS SURPLUS (DEFICIT)	(593,500)	10,420,534	(2,296,401)	(13,223,999)	(5,693,366)
INDIRECT ALLOCATIONS					
Income - Indirect General Support	-	-	-	10,428,731	10,428,731
Income - Facility Support	-	-	-	2,795,268	2,795,268
Indirect General Support - Finance	-	(3,248,291)	(391,062)	-	(3,639,353)
Indirect General Support - Human Resources	-	(1,855,885)	(223,430)	-	(2,079,315)
Indirect General Support - Executive	-	(1,990,716)	(239,662)	-	(2,230,378)
Indirect General Support - ITU	-	(1,749,263)	(210,594)	-	(1,959,857)
Indirect General Support - Customer Services	-	-	-	-	-
Indirect General Support - Procurement	-	(463,970)	(55,857)	-	(519,828)

ATTACHMENT B
SANTA CLARA COUNTY HOUSING AUTHORITY
OPERATING BUDGET DETAIL
FOR THE YEAR ENDING JUNE 30, 2023

	HARA	Total Federal Programs	Total Real Estate Programs	Total Indirect Departments	Total FY23
Facility Support - Main Bldg (Julian)	-	(2,549,094)	(246,175)	-	(2,795,268)
TOTAL INDIRECT ALLOCATIONS	-	(11,857,220)	(1,366,779)	13,223,999	-
NET SURPLUS (DEFICIT)	(593,500)	(1,436,686)	(3,663,181)	-	(5,693,366)
NON OPERATING REVENUE / (EXPENSE)					
Interest Income	42,425	396,267	4,800	-	443,492
Interest Income From Bond	179,749	-	-	-	179,749
Interest Expense - City Of S.J	-	(38,900)	-	-	(38,900)
TOTAL NON OPERATING REVENUE / (EXPENSE)	222,174	357,367	4,800	-	584,341
TRANSFERS IN/(OUT)					
Transfers In	408,783	27,733,351	3,658,380	-	31,800,514
Transfers Out	(1,149,597)	(30,650,917)	-	-	(31,800,514)
TOTAL TRANSFERS IN / (OUT)	(740,814)	(2,917,566)	3,658,380	-	-
TOTAL NET INCOME / (LOSS) PRIOR TO RESERVES	(1,112,140)	(3,996,885)	-	-	(5,109,026)
Use of reserves - Prior year	1,112,140	165,991	-	-	1,278,131
Use of reserves - MTW	-	3,831,909	-	-	3,831,909
NET INCOME (LOSS)	\$ 1,112,140	\$ 3,997,900	\$ -	\$ -	\$ 5,110,040
TOTAL HOUSING ASSISTANCE EARNED	\$ -	\$ 442,052,837	\$ -	\$ -	\$ 442,052,837
TOTAL HOUSING ASSISTANCE PAYMENTS	\$ -	\$ 433,248,704	\$ -	\$ -	\$ 433,248,704

ATTACHMENT C
SANTA CLARA COUNTY HOUSING AUTHORITY
TWO-YEAR OPERATING BUDGET COMPARISON - AGENCY WIDE
FOR THE YEAR ENDING JUNE 30, 2023

	FY22 Budget	FY23 Budget	\$ Change	% Change
INCOME				
Tenant Rental Income	\$ 17,112	\$ 17,088	\$ (24)	-0.1%
Rent Revenue Misc.	32,176	33,141	965	3.0%
Building Rent	-	604,630	604,630	0.0%
Rental Income	49,288	654,859	605,571	1228.6%
Admin Fee Earned (Main Stream)	366,727	388,396	21,669	5.9%
Admin Fee Earned (HUD -VASH)	1,334,945	1,515,692	180,747	13.5%
Admin Fee Earned - FUP	137,680	196,165	58,485	42.5%
Admin Fee Earned - Non Elderly with Disabilities	12,272	14,057	1,785	14.5%
Admin Fee - City	7,930,542	9,080,599	1,150,057	14.5%
Admin Fee - County	12,135,040	14,643,241	2,508,201	20.7%
Admin Fee Single Fund Flexibility	4,144,209	3,363,148	(781,061)	-18.8%
Service Fees	-	991,680	991,680	0.0%
HUD Administrative Fees	26,061,415	30,192,978	4,131,563	15.9%
FSS Coordinator Fees	424,607	562,814	138,207	32.5%
FSS Coordinator Fees	424,607	562,814	138,207	32.5%
Operating Subsidy	11,633	19,343	7,710	66.3%
Operating Subsidy	11,633	19,343	7,710	66.3%
Interest Income - Ground Lease	4,564	2,450	(2,114)	-46.3%
Compliance Administrator Fee	18,849	18,849	-	0.0%
Developer Fee	1,849,000	1,209,000	(640,000)	-34.6%
Land Lease	146,685	146,685	-	0.0%
Other Misc. Income	211,583	120,488	(91,095)	-43.1%
Asset Management Fees	104,185	87,500	(16,685)	-16.0%
Management Oversight Fee	367,255	373,566	6,311	1.7%
Other Operating Revenues	2,702,121	1,958,538	(743,583)	-27.5%
TOTAL INCOME	29,249,064	33,388,532	4,139,468	14.2%
EXPENSES				
Administrative - Salaries	17,972,062	18,982,733	1,010,670	5.6%
Compensated Balances-Vacation	1,227,625	-	(1,227,625)	-100.0%
Compensated Balances-Sick Earned	823,674	-	(823,674)	-100.0%
Benefits-Administrative	3,191,156	3,239,736	48,580	1.5%
Benefits-CalPERS ER Contribution	12,000	1,561,724	1,549,724	12914.4%
Benefits - 457B ER Contribution	1,487,217	36,000	(1,451,217)	-97.6%
Workers Compensation Insurance	359,819	370,744	10,925	3.0%
Payroll Taxes	1,365,048	1,390,069	25,021	1.8%
Benefits - Retirees	430,841	331,819	(99,022)	-23.0%

ATTACHMENT C
SANTA CLARA COUNTY HOUSING AUTHORITY
TWO-YEAR OPERATING BUDGET COMPARISON - AGENCY WIDE
FOR THE YEAR ENDING JUNE 30, 2023

	FY22 Budget	FY23 Budget	\$ Change	% Change
Wages & Benefits	26,869,443	25,912,825	(956,618)	-3.6%
Legal Expense - General	181,500	375,100	193,600	106.7%
Legal Expense - Employment	100,000	100,000	-	0.0%
Staff Training Expense	292,795	235,953	(56,842)	-19.4%
Tuition Reimbursement	35,000	35,000	-	0.0%
Business Travel Expense	72,792	156,810	84,018	115.4%
Automobile Insurance	4,587	6,493	1,906	41.5%
Other Auto Expense	2,600	1,300	(1,300)	-50.0%
Staff Mileage Reimbursement	4,075	8,700	4,625	113.5%
Mileage Reimbursements	150	150	-	0.0%
Financial Audit	120,744	116,575	(4,169)	-3.5%
Building Rent	87,050	1,200,346	1,113,296	1278.9%
Storage Facilities	23,472	26,110	2,638	11.2%
Temporary Help	280,417	269,703	(10,713)	-3.8%
Office Supplies	67,320	70,953	3,633	5.4%
Communication Expense	25,224	43,665	18,441	73.1%
Internet / Wan Expense	37,074	37,373	299	0.8%
Postage, Handling and Freight	133,308	131,865	(1,443)	-1.1%
Office Equipment Rental	101,748	101,748	(0)	0.0%
Publication and Membership	82,669	87,982	5,313	6.4%
Pre-Printed Forms	23,744	28,065	4,321	18.2%
Benefit Administrative Fee	21,700	21,700	-	0.0%
Recruitment Expense	115,247	133,537	18,290	15.9%
Board Meeting Expense	9,500	9,500	-	0.0%
Cellular Phone/Pagers	45,264	56,634	11,370	25.1%
Agency Meeting Expense	19,696	82,000	62,304	316.3%
Ergonomics Expense	10,000	15,000	5,000	50.0%
Public Notices	4,000	4,000	-	0.0%
Bank Charges	38,940	30,650	(8,290)	-21.3%
Payroll Expense	7,950	8,529	579	7.3%
Computer Expense	21,200	225,800	204,600	965.1%
Software Purchases	7,500	3,000	(4,500)	-60.0%
Computer Contracts	1,144,728	1,246,005	101,277	8.8%
Misc. Expense	50	50	-	0.0%
Administrative	3,122,044	4,870,296	1,748,252	56.0%
Admini. Salaries - FSS Coordinator	101,832	108,301	6,469	6.4%
Compensated Balance - Sick Lv FSS	4,704		(4,704)	-100.0%
Compensated Balance - Vacation Lv FSS	9,012		(9,012)	-100.0%
Admin Contract - Tenant Svcs-ROSS	597,996	630,000	32,004	5.4%
Resident Programs	2,594	2,672	78	3.0%
Service Fee - Housing Search Assistance	-	347,088	347,088	0.0%
Service Fee - Security / Utility Deposit / Rental App	-	297,504	297,504	0.0%
Service Fee - Owner Incentive	-	297,504	297,504	0.0%

ATTACHMENT C
SANTA CLARA COUNTY HOUSING AUTHORITY
TWO-YEAR OPERATING BUDGET COMPARISON - AGENCY WIDE
FOR THE YEAR ENDING JUNE 30, 2023

	FY22 Budget	FY23 Budget	\$ Change	% Change
Service Fee - Other	-	49,584	49,584	0.0%
Benefits FSS Coordinator	20,220	23,657	3,437	17.0%
Worker Comp - FSS Coordinator	2,124	2,235	111	5.2%
Payroll Taxes FSS	8,220	8,621	401	4.9%
Tenant Services	746,702	1,767,166	1,020,464	136.7%
Water	55,492	63,516	8,024	14.5%
Electricity	209,715	205,352	(4,363)	-2.1%
Gas	19,753	21,183	1,430	7.2%
Sewer Fee	21,791	19,414	(2,377)	-10.9%
Utilities	306,751	309,465	2,714	0.9%
Appliance Parts	600	600	-	0.0%
Electrical	250	250	-	0.0%
Hardware	6,000	7,000	1,000	16.7%
Plumbing	500	1,000	500	100.0%
Landscaping Materials	10,750	10,000	(750)	-7.0%
Garbage Service	18,642	21,283	2,641	14.2%
Janitorial Contracts	104,598	120,323	15,725	15.0%
Grounds Contract	172,678	104,997	(67,681)	-39.2%
Automatic Door Maintenance	3,147	4,563	1,416	45.0%
Electrical Work	7,750	10,750	3,000	38.7%
Electric Gates Maintenance	5,592	6,700	1,108	19.8%
Elevator Service	19,315	19,575	260	1.3%
Boiler Maintenance	9,653	11,605	1,952	20.2%
Plumbing Work	5,250	6,500	1,250	23.8%
Fumigation	7,637	8,812	1,175	15.4%
Other Maintenance Contract	39,900	174,800	134,900	338.1%
Painting and Decorating	500	500	-	0.0%
Roof Repair	7,800	10,000	2,200	28.2%
HVAC System	41,629	55,338	13,709	32.9%
Protective Service - Materials	10,625	10,875	250	2.4%
Protective Service Contracts	316,059	342,674	26,616	8.4%
Maintenance & Operations	788,875	928,145	139,270	17.7%
Commercial Package-Liability	170,726	108,406	(62,320)	-36.5%
Commercial Package-Casualty	121,496	144,631	23,135	19.0%
Insurance - Flood	-	7,008	7,008	0.0%
Other Insurance	117,967	164,822	46,855	39.7%
Insurance Deductible	325,000	325,000	-	0.0%
Payment In Lieu Of Taxes	1,194	1,116	(78)	-6.5%
City License Fee	826	1,039	213	25.8%
State Fee	100	100	-	0.0%
Admin Fee-Port Out-City and County (HCV)	83,712	26,362	(57,350)	-68.5%
Admin Fee - Port Out - County (SPV)	-	76,856	76,856	0.0%

ATTACHMENT C
SANTA CLARA COUNTY HOUSING AUTHORITY
TWO-YEAR OPERATING BUDGET COMPARISON - AGENCY WIDE
FOR THE YEAR ENDING JUNE 30, 2023

	FY22 Budget	FY23 Budget	\$ Change	% Change
Other General Expenses	2,556	2,556	-	0.0%
COVID-19 Expenses	138,920	276,360	137,440	98.9%
Project Feasibility Expenses	25,000	100,000	75,000	300.0%
General	987,497	1,234,256	246,759	25.0%
Accounting Fees	360	456	96	26.7%
Miscellaneous	732	1,073	341	46.6%
Program Promotion	189,355	256,255	66,900	35.3%
Administrative Contract	4,314,190	3,494,291	(819,899)	-19.0%
Property Management Fees	52,920	52,920	-	0.0%
Scholarship Fund	80,750	80,750	-	0.0%
Moving Expense	-	174,000	174,000	0.0%
Other Expenses	4,638,307	4,059,745	(578,562)	-12.5%
TOTAL EXPENSES	37,459,619	39,081,899	1,622,280	4.3%
INDIRECT ALLOCATIONS				
Income - Indirect General Support	10,856,675	10,428,731	(427,944)	-3.9%
Income - Facility Support	1,201,506	2,795,268	1,593,762	132.6%
Indirect General Support - Finance	(3,583,854)	(3,639,353)	(55,499)	1.5%
Indirect General Support - Human Resources	(2,164,143)	(2,079,315)	84,828	-3.9%
Indirect General Support - Executive	(2,075,035)	(2,230,378)	(155,343)	7.5%
Indirect General Support - General Services	(1,253,000)	-	1,253,000	-100.0%
Indirect General Support - ITU	(1,780,643)	(1,959,857)	(179,214)	10.1%
Indirect General Support - Procurement	-	(519,828)	(519,828)	0.0%
Facility Support - Main Bldg (Julian)	(1,201,506)	(2,795,268)	(1,593,762)	132.6%
TOTAL INDIRECT ALLOCATIONS	-	-	-	0.0%
NET SURPLUS (DEFICIT)	(8,210,555)	(5,693,366)	2,517,188	-30.7%
NON OPERATING REVENUE / (EXPENSE)				
Interest Income	473,930	443,492	(30,438)	-6.4%
Interest Income From Bond	383,300	179,749	(203,551)	-53.1%
Interest Expense - City Of S.J	(38,900)	(38,900)	-	0.0%
TOTAL NON OPERATING REVENUE / (EXPENSE)	818,330	584,341	(233,989)	-28.6%
TRANSFERS IN/(OUT)				
Transfers In	36,111,843	31,800,514	(4,311,329)	-11.9%
Transfers Out	(36,111,843)	(31,800,514)	4,311,329	-11.9%
TOTAL TRANSFERS IN / (OUT)	-	-	-	0.0%
NET INCOME / (LOSS)	\$ (7,392,223)	\$ (5,109,026)	\$ 2,283,197	-30.9%

ATTACHMENT D
SANTA CLARA COUNTY HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE YEAR ENDING JUNE 30, 2023

Project	FY23
San Pedro Gardens park playground equipment	\$ 200,000
Tenant and Applicant Portal Enhancements	70,000
2x New Wall heaters for 2 units	12,000
Capital projects	212,525
TOTAL CAPITAL BUDGET	\$ 494,525