



To: Board of Commissioners

From: Emily De La Guerra, Chief Financial Officer

Submitted By: Chandrika Karur, Controller

Subject: Santa Clara County Housing Authority's Housing Assistance Payment, Operating and Capital Budget for the Fiscal Year Ending June 30, 2027

Approved

A handwritten signature in blue ink, appearing to be "Paul R.", written over a horizontal line.

Date 05/29/26

**Recommendation**

1. Approve the Santa Clara Housing Authority's (**Authority**) Housing Assistance Payment (**HAP**) revenue and expenditure projections for the Fiscal Year (**FY**) ending June 30, 2027 (**FY 2027**), identified in Attachments A and B.
2. Approve the Authority's proposed Operating, Non-Operating and Use of Reserves Budget for the FY ending June 30, 2027, identified in Attachments A and B.
3. Approve the Authority's proposed Capital Budget for the FY ending June 30, 2027, 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 provided that the expenditures, collectively, do not exceed the annual budget thresholds of five percent (5%) of the approved FY 2027 total operating expenditure (up to \$2,441,994) or ten percent (10%) of the approved FY 2027 total capital expense (up to \$5,000), with the authority to expire June 30, 2027.
5. Accept the report on the Authority's Comparison of the FY 2026 and FY 2027 HAP and Operating budgets, identified in Attachment D; and
6. Direct the Executive Director to continue providing the Authority Board of Commissioners (Board) with quarterly variance reports on budget to actual HAP and operating revenues and expenditures.

## **Strategic Outcome**

The FY27 budget is intended to ensure that the Agency remains fiscally sound while investing in the Agency's future, and delivering services in accordance with our mission, the Agency's Strategic Plan, and the Community Plan to End Homelessness. The proposed FY 2027 budget drives our resident-centered mission forward: providing affordable housing solutions that support low-income communities in Santa Clara County. Through strategic partnerships, resident empowerment, and a commitment to operational excellence, we continue to cultivate long-term housing stability and affordability.

As part of implementation of the recently adopted 2026–2030 Strategic Plan, staff has aligned the Agency's FY 2027 organizational goals with the Strategic Pillars and Foundational Commitments established by the Board. Staff will present the proposed operational goals at the Board meeting in conjunction with the annual budget adoption process. Included in the FY27 budget are investments that will further the Board-adopted, long-term strategic goals of the Agency, which are:

- Housing Stability, Availability & Affordability
  - Deploy housing and rental assistance innovatively and strategically to support more families, seniors, and people with supportive housing needs.
  - Increase the supply of stable, affordable housing by growing our portfolio through new development and acquisition strategies in neighborhoods that meet the needs of our residents.
  - Preserve existing affordable housing to prevent displacement and protect long-term affordability across Santa Clara County.
  
- Resident Opportunity & Success
  - Reduce barriers residents face in securing and maintaining housing by coordinating services, partnerships, and supportive resources.
  - Strengthen the resident experience through the incorporation of the lived experience, advisory/leadership opportunities, inclusive communication, timely assistance, and intentional and caring program administration.
  - Support resident opportunity and well-being through access to services and programming.
  
- Operational Excellence
  - Enhance organizational capacity through investments in staffing, leadership development, succession planning, and workplace culture.
  - Improve operational efficiency and customer service through streamlined processes, technology, physical space, and communication.
  - Ensure long-term organizational and financial sustainability by managing risk responsibly, diversifying resources, and aligning investments with strategic priorities.

## - Partnerships

- Strengthen relationships with public partners, developers, owners, funders, and service providers to expand and preserve affordable housing.
- Serve as a trusted public partner by advancing policy, testing innovations, and building support for housing as a key component of vibrant, sustainable communities through partnership, research, engagement, and advocacy.
- Develop and nurture partnerships that increase resident stability, opportunity, and success.

In the coming months, staff will return to the Board with a high-level implementation roadmap outlining the sequencing of major initiatives, resource and capacity considerations, performance reporting structure, and how progress toward strategic priorities will be tracked and communicated over time. This phased approach is intended to ensure alignment between the Strategic Plan, organizational goals, budget priorities, and long-term operational sustainability.

## **Budget Principles and Framework**

As a community-based, resident-focused housing provider, we recognize that maximizing our resources is vital. Our budget serves as the blueprint that makes this possible - ensuring our spending aligns with strategic goals, our resources are allocated efficiently, and we are well-prepared for the future. To establish this framework, the Authority is required to formally adopt its Board-approved HAP projections, operating, and capital budgets prior to the start of each fiscal year on July 1.

To meet this requirement effectively, staff have streamlined and coordinated our annual planning process to tightly align the budget with our MTW Plan and Strategic Goals. This document, alongside the corresponding Board presentation, outlines how the Authority strategically invests those resources to deliver affordable housing solutions to our community throughout the fiscal year (July 1 to June 30).

## **Budget Structure**

The budget is organized into the following three major sections:

**HAP Budget** - HAP revenue and expenditure projections are developed for each FY in accordance with the required program regulations.

**Operating Budget** - The operating budget is categorized into:

- Operating Revenues and Expenditures - This section includes the following:
  - Federal Programs Administration: Housing Operations (including Housing Choice Voucher and special purpose voucher operations), Innovation & Impact department.

- Real Estate Administration: Development Operations, Asset Management Operations, Resident Services, and Supportive Housing Services.
  - Indirect Support Departments: Executive, Communications, Finance, Human Resources, Administrative Services, Information Technology, and Facilities.
  - Real Estate Development: Acquisition, Development, Preservation and Asset Management Activities.
  - Housing Authority Reserve Account (HARA).
- Non-Operating Revenues and Expenses and Use of Reserves - This section includes the Authority's investment activities. The "use of reserves" reflects the portion of the Authority's reserve funds utilized to balance funding shortfalls for FY 2027.

**Capital Budget** - Outlines planned spending on long-term, Authority-owned assets. Capital improvements and real estate activities for affiliate-owned properties are excluded here and brought to the Board via a separate approval process.

## **Budget Outlook**

At the federal level there is continued uncertainty surrounding long-term appropriations. Fluctuations in federal allocations, combined with potential policy shifts in CY 2026 and CY 2027, will continue to play a critical role in shaping long-term budget assumptions. While SCCHA's funding is ultimately determined at the federal level and significant uncertainty remains regarding future appropriations, it is essential to proceed with the timely adoption of the annual budget. The budget serves as a financial roadmap that enables the Authority to plan operations, allocate resources effectively, and fulfill its obligations to residents, partners, and staff.

The development of the FY 2027 budget has been particularly challenging due to the lack of certainty beyond the current federal funding cycle through December 2026. While funding assumptions for the first half of the fiscal year can be reasonably projected based on current guidance and historical patterns, the second half of the year remains subject to greater uncertainty. Early signals from Federal FY 2027 budget proposals indicate the potential for flat-funding or reductions in key HUD programs, which could further constrain available resources.

In response, and consistent with the approach taken in FY 2026, staff have adopted a conservative and prudent methodology in developing the FY 2027 budget. This includes preserving financial flexibility, prioritizing core program delivery, and accounting for potential variability in federal funding. Spending assumptions have been carefully reviewed and adjusted to reflect current conditions, and staff remains confident in the reasonableness of these projections under existing information.

Moving forward, the Authority will continue to closely monitor federal budget developments and policy changes affecting HUD and PHA funding streams and will adjust financial plans as necessary. Despite these external uncertainties, SCCHA remains committed to maintaining program stability, ensuring continuity of services, and supporting the households and communities it serves without disruption.

## HAP Budget

The Authority's primary funding comes from its Moving to Work (MTW) contracts with the U.S. Department of Housing and Urban Development (HUD), which provide the formula for calculating the total MTW funding. HUD determines actual funding based on this eligibility amount, adjusting it by an inflation factor tied to the area's fair market rents and then applying a proration based on Congressional appropriations. For Calendar Year (CY) 2026, HUD has confirmed an inflation rate of 0% and a proration rate of 99.61%. However, the inflation and proration rates for CY 2027—which cover the second half of Fiscal Year (FY) 2027—are not yet available. As a conservative measure, staff are using a 0% inflation rate and a 99% proration rate to estimate HAP revenues for FY 2027.

In addition to MTW HAP funds, the Authority receives HUD funding for Special Purpose Vouchers (**SPV**), including Veterans Affairs Supportive Housing (**VASH**), Mainstream, Non-Elderly Disabled (**NED**), Family Unification Program (**FUP**), Foster Youth to Independence (**FYI**), Emergency Housing Voucher (**EHV**), Stability Vouchers, and Moderate Rehabilitation. Other federal grants include Public Housing operating subsidy and Family Self Sufficiency (**FSS**) grants to pay for FSS coordinator salaries and benefits.

Annual revenues for the MTW Housing Choice Voucher (HCV) and Special Purpose Voucher (SPV) programs are projected at \$554.5 million, reflecting a \$12.9 million (2.4%) increase over the prior year's budget. This projected growth in HAP revenue is attributable to the following:

- \$19.5 million increase in MTW HAP funding due to higher HUD proration rates for CY 2026. The FY 2026 budget reflected a 95.32% blended proration rate, and the actual funding for CY 2026 was 0% inflation factor and a 99.61% proration rate. Accordingly, the agency's FY 2027 budget assumes an overall proration rate of 99.31%, reflecting a 99.61% rate for the first half of FY 2027 and a 99.0% rate for the second half of FY 2027.
- \$8.3 million increase in SPV HAP funding due to higher HAP expenditures. SPV HAP funding is based on prior-year HAP expenditures reported to HUD through the Voucher Management System (VMS).
- This is partially offset by a \$14.9 million reduction in EHV HAP funding, as the program is expected to sunset at the end of CY 2026.

HAP expenses, representing direct monthly assistance paid to landlords on behalf of program participants—are budgeted at \$541.8 million for FY 2027. This represents an increase of \$22.8 million (or 4.4%) over the prior year’s budget, driven by the following key components:

- \$12.0 million increase related to the potential lease up of about 400 new PBV units and costs included for estimated Small Area FMR payment standard and annual rent increases and changes in family composition and income.
- \$4.0 million increase to support the targeted leasing of approximately 200 additional VASH families, and \$2.0 million dedicated to expanding leasing utilization across the FUP, FYI, and Mainstream voucher programs.
- \$4.7 million allocated toward newly planned FY 2027 strategic initiatives, including shallow subsidies, direct rental assistance, and interim housing rental assistance programs.

In total, the Authority anticipates providing vital housing stability and rental assistance to more than 20,000 households in FY 2027.

FY 2027 HAP revenues and expenditures are broken down by program in the table below:

### HAP REVENUE AND EXPENDITURES BY PROGRAM

	HAP Revenue	HAP Expenditures	Excess / (Shortfall)
Move to Work (MTW)	\$ 486,730,500	\$ 467,935,068	18,795,432
Veterans Affairs Supporting Housing (VASH)	31,524,053	31,524,053	-
Family Unification Program (FUP)	6,978,017	7,238,826	(260,809)
Non - Elderly Disabled (NED)	263,618	278,270	(14,652)
Mainstream	10,277,104	10,277,104	-
Moderate Rehabilitation	1,728,156	1,728,156	-
Foster Youth Independence Initiative (FYI)	2,898,091	2,923,702	(25,611)
Stability Vouchers	2,465,241	2,747,277	(282,036)
Emergency Housing Voucher (EHV)	11,609,524	11,331,573	277,951
Interim Housing Rental Subsidy Program	-	5,784,000	(5,784,000)
<b>Total</b>	<b>\$ 554,474,304</b>	<b>\$ 541,768,029</b>	<b>\$ 12,706,275</b>

The HAP deficits in the special purpose voucher programs are covered by the program’s prior year reserves or by MTW reserves.

### Operating Budget

	Federal Programs	Real Estate Administration	Indirect Departments	Real Estate Activities	HARA	Total
Operating Revenues	\$ 39,056,829	\$ 64,788	\$ -	\$ 9,282,781	\$ 763,288	\$ 49,167,687
Operating Expenses	(25,551,458)	(8,234,065)	(14,033,587)	(730,661)	(290,118)	(48,839,890)
Indirect Allocations	(11,832,230)	(2,107,734)	13,939,964	-	-	-
<b>Operating Income (Loss)</b>	<b>1,673,141</b>	<b>(10,277,011)</b>	<b>(93,623)</b>	<b>8,552,120</b>	<b>473,170</b>	<b>327,797</b>
Non Operating Revenue / (Expense)	500	-	-	3,589,116	(3,848,946)	(259,330)
Transfers In / (Out)	(8,200,352)	10,277,011	93,623	(571,624)	(1,598,658)	-
<b>Net Income (Loss) Prior to Reserves</b>	<b>(6,526,711)</b>	<b>-</b>	<b>-</b>	<b>11,569,612</b>	<b>(4,974,434)</b>	<b>68,467</b>
Use of Reserves	6,633,692	-	-	-	4,974,434	11,608,125
<b>Net Income (Loss)</b>	<b>106,981</b>	<b>-</b>	<b>-</b>	<b>11,569,612</b>	<b>-</b>	<b>11,676,592</b>

Total proposed operating revenues for FY 2027 are estimated at approximately \$49.2 million, driven primarily by federal program administrative fees and income from real estate activities. Total proposed operating expenses are projected at \$48.8 million, yielding an overall operating income of \$0.3 million. While the agency projects a net operating income overall, specific program administrative deficits are structurally offset using MTW and HARA subsidies (transfers in / out), and any net losses are covered through reserve utilization.

The net income of \$11.6 million from Real Estate Activities will increase the Authority's real estate reserves, supporting continued efforts to expand affordable housing in Santa Clara County.

### **Operating Revenues**

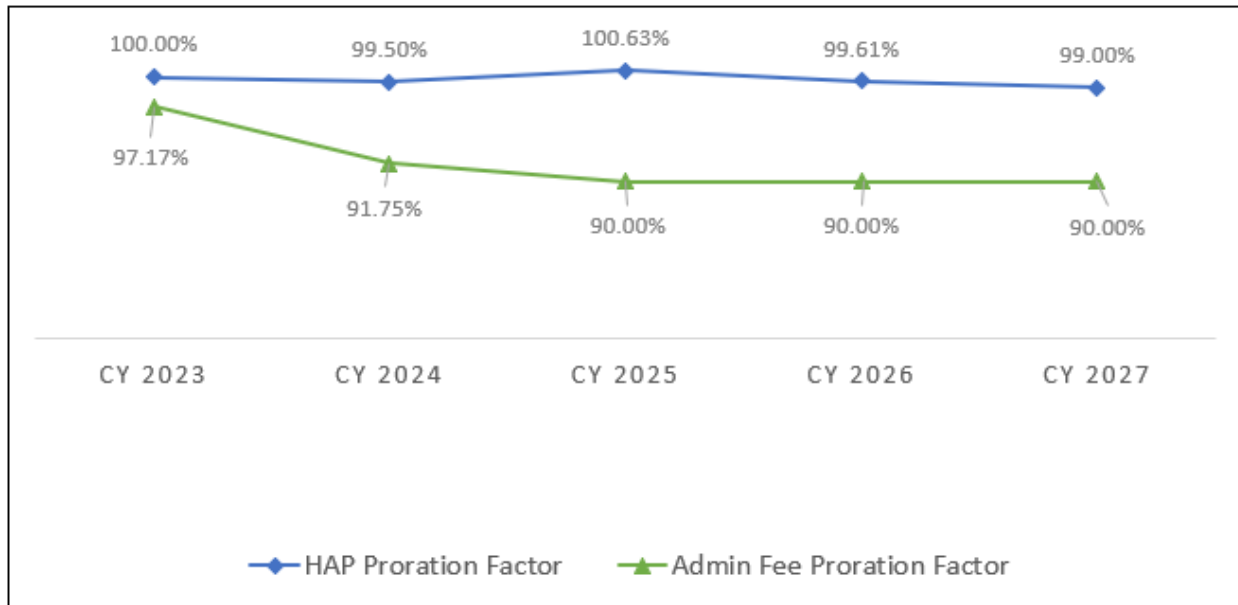
The Authority budgeted operating revenues of \$49.2 million for FY 2027, an increase of \$8.4 million or 20.5% from last year's budget. Of this, \$39.1 million are from Federal Programs, \$0.06 million from Real Estate Administration, \$9.3 million from Real Estate Activities, and \$0.8 million from HARA. See the table below for a breakdown of operating revenues by program and revenue type.

	<b>Federal Programs</b>	<b>Real Estate Administration</b>	<b>Real Estate Activities</b>	<b>HARA</b>	<b>Total</b>
Administrative Fees	\$ 34,678,884	\$ -	\$ -	\$ -	\$ 34,678,884
Port in HAP Earned	3,225,192	-	-	-	3,225,192
Family Self Sufficiency (FSS) Coordinator Fees	1,020,867	-	-	-	1,020,867
Public Housing Operating Subsidy	13,802	-	-	-	13,802
Developer Fees	-	-	5,479,218	-	5,479,218
General Partner Management Fees	-	-	2,656,236	-	2,656,236
Asset Management Fees	-	-	622,407	-	622,407
Resident Services Fee	-	-	426,112	-	426,112
Building Rent Income	-	-	-	763,288	763,288
Other Revenue	118,084	64,788	98,808	-	281,680
<b>Total</b>	<b>\$ 39,056,830</b>	<b>\$ 64,788</b>	<b>\$ 9,282,781</b>	<b>\$ 763,288</b>	<b>\$ 49,167,687</b>

### Federal Programs

The Authority's primary source of funds for administrative operations is the HCV Administrative Fee, which is based on a funding formula calculated by HUD. Like HAP funding, Congress typically appropriates less than 100% of the Authority's eligible Administrative Fee. The table below shows a 5-year historical trend of HAP and Administrative Fee proration:

## HAP AND ADMINISTRATIVE FEE PRORATION TRENDS



The projected proration for Administrative Fee funding from HUD is at 90.0% of eligibility for CY 2026. This proration only applies for the first half of FY 2027 (July 2026-December 2026). As the proration factors for the January–June 2027 period are not known, the Authority is assuming Administrative Fee proration for the second half of the fiscal year will remain at the same rate of 90.0%.

In addition to MTW HCV funds, we also receive administrative fees for Special Purpose Vouchers.

The operating revenue in Federal Programs is projected to be \$39.1 million, an increase of \$4.9 million, or 14.3%, from last year’s budget. This increase is primarily due to:

- The FY 2027 budget includes an anticipated \$3.2 million in Port-In HAP revenue, representing a policy change to transition from absorbing port-in families to utilizing a billing framework. Port-In HAP revenue is recognized based on corresponding Port-In HAP expenses incurred.
- Administrative fee earned will be \$34.7 million, a projected increase of \$1.5 million from last year’s budget, primarily driven by higher HUD administrative fee rates earned on a per-unit-month leased basis.

### Real Estate

The Real Estate Administration revenues are budgeted at \$0.06 million, a decrease of \$0.4 million, or 85.4%, compared to the prior year’s budget. The decrease is primarily attributable to the reclassification of resident services fee revenue to the Real Estate Activities budget for FY 2027.

### Real Estate Activities

The Real Estate Activities revenues are budgeted at \$9.3 million, an increase of \$3.9 million, or 71.0%, from FY 2026. This increase is primarily due to:

- For FY 2027, the Authority anticipates \$2.7 million in management fee revenue. This compensation reflects services rendered by the Authority and is budgeted in accordance with the formal asset management agreements signed with affiliated general partner entities during CY 2025.
- \$0.4 million in resident services fee revenue that was budgeted in FY 2026 under the Real Estate Administration and has been reclassified to the Real Estate Activities program in FY 2027.
- A \$0.7 million increase in developer fees compared to FY 2026. This increase is driven by anticipated receipts from several key projects, including Hawthorn Senior, Willows Resyndication, Orchard Gardens, Alvarado Park, and Laurel Grove.

### HARA

HARA is projected to earn \$0.8 million in building rent from the Authority's programs for the use of the Julian office building, which is in line with last year's budget.

### Operating Expenditures

The Authority's budgeted operating expenditures for FY 2027 are \$48.8 million, an increase of \$6.7 million, or 15.9%, from last year's budget. The table below shows a two-year comparison of operating expenditures by program. See **Attachment D** for a detailed two-year budget comparison. The projected expenditures for major categories are explained in detail below.

	<b>FY26 Budget</b>	<b>FY27 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Federal Programs Administration	\$ 20,248,374	\$ 25,551,458	\$ 5,303,084	26.2%
Real Estate Administration	7,565,337	8,234,065	668,728	8.8%
Indirect Support Departments	12,997,955	14,033,587	1,035,633	8.0%
Real Estate Activities	1,034,000	730,661	(303,339)	-29.3%
HARA	286,989	290,118	3,129	1.1%
<b>Total</b>	<b>\$ 42,132,654</b>	<b>\$ 48,839,890</b>	<b>\$ 6,707,236</b>	<b>15.9%</b>

### Personnel

Personnel costs, which account for 68.0% of the Authority's operating expenses, are projected to rise by \$2.7 million, or 8.9%, compared to last year's budget. This increase reflects merit increases, a 2.5% Cost of Living Adjustment (COLA), and a proposed increase of 11 budgeted positions from FY 2026.

	<b>FY26 Budget</b>	<b>FY27 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Federal Programs Administration	\$ 15,114,591	\$ 16,062,294	\$ 947,703	6.3%
Real Estate Administration	5,987,472	6,928,112	940,640	15.7%
Indirect Support Departments	9,409,631	10,223,104	813,473	8.6%
Real Estate Activities	-	-	-	0.0%
HARA	-	-	-	0.0%
<b>Total</b>	<b>\$ 30,511,694</b>	<b>\$ 33,213,510</b>	<b>\$ 2,701,816</b>	<b>8.9%</b>

### Administrative Expenses

Administrative expenses are projected to increase by \$0.9 million, or 15.9%, from last year's budget. This is primarily due to the following:

	<b>FY26 Budget</b>	<b>FY27 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Federal Programs Administration	\$ 3,260,071	\$ 3,853,849	\$ 593,778	18.2%
Real Estate Administration	789,615	855,273	65,658	8.3%
Indirect Support Departments	1,901,953	2,200,754	298,801	15.7%
Real Estate Activities	17,284	5,460	(11,824)	-68.4%
HARA	17,774	20,903	3,129	17.6%
<b>Total</b>	<b>\$ 5,986,697</b>	<b>\$ 6,936,239</b>	<b>\$ 949,542</b>	<b>15.9%</b>

- \$0.4 million in owner incentive costs reclassified as administrative expenses.
- \$0.2 million increase in software license costs, primarily driven by the implementation of a document management system which includes a one-time software license start-up expense.
- \$0.2 million increase in succession planning and staff training aimed at strengthening organizational sustainability, enhancing employee skills and

competencies, and ensuring staff remain current with evolving regulations, systems, and best practices.

Tenant Services Expense

The budget reflects a 21.0% year-over-year increase in tenant services expenditures, primarily driven by an operational shift to bring FSS coordinator services in-house. This transition follows the planned termination of the third-party contract, effective December 2026. To support continuity during the transition period, the budget also includes two months of overlapping billings from January 2027 through February 2027 as a contingency measure.

	FY26 Budget	FY27 Budget	\$ Change	% Change
Federal Programs Administration	\$ 970,735	\$ 1,159,478	\$ 188,743	19.4%
Real Estate Administration	5,000	20,750	15,750	100.0%
Indirect Support Departments	-	-	-	0.0%
Real Estate Activities	-	-	-	0.0%
HARA	-	-	-	0.0%
<b>Total</b>	<b>\$ 975,735</b>	<b>\$ 1,180,228</b>	<b>\$ 204,493</b>	<b>21.0%</b>

Maintenance & Operations Expense

Maintenance and operation expenses are projected to decrease by \$0.5 million, or 29.8%, compared to the prior year's budget. This reduction is driven primarily by lower security costs at the 1510 N. First Street property as it transitions into the construction phase for FY 2027. Additionally, the decrease reflects the deferral of the major HVAC integration repair; originally budgeted for FY 2026, this project has been rescheduled for FY 2029.

	FY26 Budget	FY27 Budget	\$ Change	% Change
Federal Programs Administration	\$ 31,315	\$ 28,183	\$ (3,132)	-10.0%
Real Estate Administration	61,500	51,674	(9,826)	-16.0%
Indirect Support Departments	735,524	547,006	(188,518)	-25.6%
Real Estate Activities	736,923	471,301	(265,622)	-36.0%
HARA	-	-	-	0.0%
<b>Total</b>	<b>\$ 1,565,262</b>	<b>\$ 1,098,164</b>	<b>\$ (467,098)</b>	<b>-29.8%</b>

### General Expense

General expenses are projected to increase by \$2.9 million, or 249.0%, compared to the prior year's budget. This increase is primarily due to:

	<b>FY26 Budget</b>	<b>FY27 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Federal Programs Administration	\$ 306,720	\$ 3,528,640	\$ 3,221,920	1050.4%
Real Estate Administration	616,758	315,749	(301,009)	-48.8%
Indirect Support Departments	148,461	156,248	7,787	5.2%
Real Estate Activities	103,569	107,409	3,839	3.7%
HARA	25	25	-	0.0%
<b>Total</b>	<b>\$ 1,175,533</b>	<b>\$ 4,108,071</b>	<b>\$ 2,932,538</b>	<b>249.5%</b>

- A projected \$3.2 million in Port-In HAP expenses to administer incoming portable vouchers. This expense directly offsets the corresponding Port-In HAP revenue, reflecting the policy change from absorbing port-in families to utilizing a billing framework, as noted in the revenue section above.
- This is partially offset by a \$0.2 million decrease in project feasibility expenses related to development activities.

### Other Expenses

Other expenses are projected to increase by \$0.4 million, or 29.4%, compared to the prior year's budget, primarily due to higher professional service costs, including inspection and printing services, as well as additional consulting support to assist departments in implementing strategic goal initiatives.

	<b>FY26 Budget</b>	<b>FY27 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Federal Programs Administration	\$ 559,931	\$ 913,751	\$ 353,821	63.2%
Real Estate Administration	95,893	52,708	(43,185)	-45.0%
Indirect Support Departments	543,033	640,075	97,043	17.9%
Real Estate Activities	47,502	85,812	38,310	80.6%
HARA	269,190	269,190	-	0.0%
<b>Total</b>	<b>\$ 1,515,548</b>	<b>\$ 1,961,536</b>	<b>\$ 445,988</b>	<b>29.4%</b>

### ***Non-Operating Revenue / (Expense)***

The Authority projects a \$5.2 million increase in net non-operating expenses for FY 2027, primarily attributed to a one-time funding contribution to support various homeless prevention programs. This major expenditure is offset by an increase of \$0.5 million in investment earnings culminating in a total net decrease in non-operating revenue / (expense) of \$4.7 million.

	<b>FY26 Budget</b>	<b>FY27 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Interest Income	\$ 4,452,964	\$ 4,940,670	\$ 487,706	11.0%
Interest Expense	(38,900)	-	38,900	100.0%
Grants & Contributions Expense	-	(5,200,000)	(5,200,000)	-100.0%
<b>Total</b>	<b>\$ 4,414,064</b>	<b>\$ (259,330)</b>	<b>\$ (4,673,394)</b>	<b>-105.9%</b>

### ***Use of Reserves***

To cover projected operational deficits, the Authority intends to utilize MTW current-year surplus funds and HARA reserves. The shortfall across these programs will be balanced using the following:

	<b>FY27 Budget</b>
MTW	\$ 6,633,692
HARA	4,974,434
<b>Total Use of Reserves</b>	<b>\$ 11,608,126</b>

### **Capital Budget**

Staff are proposing a capital budget of \$0.05 million to acquire data backup hardware for the IT department to strengthen data protection, support business continuity, and reduce the risk of data loss or service disruptions in the event of system failures or cyber incidents.

<b>Project</b>	<b>FY27</b>
Cohesity Data Backup Appliance Replacement	\$ 50,000
<b>Total</b>	<b>\$ 50,000</b>

## **Summary**

Given the uncertainty surrounding future federal funding, the FY 2027 proposed budget has been developed with a conservative and strategic approach. While the CY 2027 funding remains highly uncertain due to potential policy and funding shifts, our budget response has been to prioritize fiscal prudence, service continuity, and flexibility. The Authority remains committed to monitoring federal developments closely and will adapt as needed to ensure the stability of programs and continued support for the families we serve.

## **Fiscal Impact**

The impact of this budget is described in the above sections of this memo.

## **Attachments**

- A. Housing Assistance Payments and Operating Budget Summary for the year ending June 30, 2027
- B. Housing Assistance Payments and Operating Budget Detail for the year ending June 30, 2027
- C. Capital Budget for the year ending June 30, 2027
- D. Two-Year Housing Assistance Payments and Operating Budget Comparison for the year ending June 30, 2027
- E. Resolution 26-38

**ATTACHMENT A  
SANTA CLARA COUNTY HOUSING AUTHORITY  
HOUSING ASSISTANCE PAYMENT AND OPERATING BUDGET SUMMARY  
FOR THE YEAR ENDING JUNE 30, 2027**

	Federal Programs Administration	Real Estate Administration	Indirect Departments	Real Estate Activities	HARA	Total FY27
<b>TOTAL REVENUE</b>	\$ 39,056,829	\$ 64,788	\$ -	\$ 9,282,781	\$ 763,288	\$ 49,167,687
<b>TOTAL EXPENSES</b>	25,551,458	8,234,065	14,033,587	730,661	290,118	48,839,890
<b>GROSS SURPLUS (DEFICIT)</b>	13,505,371	(8,169,277)	(14,033,587)	8,552,120	473,170	327,797
<b>TOTAL INDIRECT ALLOCATIONS</b>	(11,832,230)	(2,107,734)	13,939,964	-	-	-
<b>NET SURPLUS (DEFICIT)</b>	1,673,141	(10,277,011)	(93,623)	8,552,120	473,170	327,797
<b>TOTAL NON OPERATING REVENUE / (EXPENSE)</b>	500	-	-	3,589,116	(3,848,946)	(259,330)
Transfers In	28,327,599	10,277,011	93,623	-	-	38,698,233
Transfers Out	(36,527,951)	-	-	(571,624)	(1,598,658)	(38,698,233)
<b>TOTAL TRANSFERS IN / (OUT)</b>	(8,200,352)	10,277,011	93,623	(571,624)	(1,598,658)	-
<b>TOTAL NET INCOME / (LOSS) PRIOR TO RESERVES</b>	(6,526,711)	-	-	11,569,612	(4,974,434)	68,467
Use of reserves	-	-	-	-	4,974,434	4,974,434
Use of reserves - MTW	6,633,692	-	-	-	-	6,633,692
<b>NET INCOME (LOSS)</b>	\$ 106,981	\$ -	\$ -	\$ 11,569,612	\$ -	\$ 11,676,592
<b>TOTAL HOUSING ASSISTANCE EARNED</b>	\$ 554,474,304	\$ -	\$ -	\$ -	\$ -	\$ 554,474,304
<b>TOTAL HOUSING ASSISTANCE PAYMENTS</b>	\$ 541,768,029	\$ -	\$ -	\$ -	\$ -	\$ 541,768,029

**ATTACHMENT B  
SANTA CLARA COUNTY HOUSING AUTHORITY  
HOUSING ASSISTANCE PAYMENT AND OPERATING BUDGET DETAIL  
FOR THE YEAR ENDING JUNE 30, 2027**

	Federal Programs Administration	Real Estate Administration	Indirect Departments	Real Estate Activities	HARA	Total FY27
<b>OPERATING REVENUE</b>						
Tenant Rent	\$ 23,952	\$ -	\$ -	\$ -	\$ -	\$ 23,952
Building Rent	-	-	-	-	763,288	763,288
Rent Revenue Misc.	-	-	-	74,808	-	74,808
<b>Rental Income</b>	<b>23,952</b>	<b>-</b>	<b>-</b>	<b>74,808</b>	<b>763,288</b>	<b>862,049</b>
Section 8 Admin. Fee Income	34,678,884	-	-	-	-	34,678,884
<b>HUD Administrative Fees</b>	<b>34,678,884</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,678,884</b>
Section 8 FSS Grant Income	1,020,867	-	-	-	-	1,020,867
<b>FSS Coordinator Fees</b>	<b>1,020,867</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,020,867</b>
HUD PHA Operating Grants/Subsidy	13,802	-	-	-	-	13,802
<b>Operating Subsidy</b>	<b>13,802</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,802</b>
Port-In Admin Fees Earned	52,692	-	-	-	-	52,692
Port In HAP Earned	3,172,500	-	-	-	-	3,172,500
Asset Management Fees	-	-	-	72,500	-	72,500
Management Oversight Fee	-	-	-	453,210	-	453,210
Compliance Administrator Fee	-	-	-	18,849	-	18,849
Resident Services Fee	-	-	-	426,112	-	426,112
General Partner Management Fee	-	-	-	2,656,236	-	2,656,236
Fraud Recovery	39,554	-	-	-	-	39,554
Miscellaneous Other Income	645	64,788	-	77,848	-	143,281
Land Lease	50,000	-	-	24,000	-	74,000
Developer Fee	-	-	-	5,479,218	-	5,479,218
Interest Income - Ground Lease	3,933	-	-	-	-	3,933
<b>Other Operating Revenues</b>	<b>3,319,324</b>	<b>64,788</b>	<b>-</b>	<b>9,207,973</b>	<b>-</b>	<b>12,592,085</b>
<b>TOTAL OPERATING REVENUE</b>	<b>39,056,829</b>	<b>64,788</b>	<b>-</b>	<b>9,282,781</b>	<b>763,288</b>	<b>49,167,687</b>
<b>OPERATING EXPENSES</b>						
Administrative - Salaries	11,633,686	5,306,387	7,804,392	-	-	24,744,465
Benefits-Administrative	1,824,033	646,132	810,707	-	-	3,280,872

**ATTACHMENT B**  
**SANTA CLARA COUNTY HOUSING AUTHORITY**  
**HOUSING ASSISTANCE PAYMENT AND OPERATING BUDGET DETAIL**  
**FOR THE YEAR ENDING JUNE 30, 2027**

	Federal Programs Administration	Real Estate Administration	Indirect Departments	Real Estate Activities	HARA	Total FY27
Benefits-CalPERS ER Contribution	994,620	396,867	620,944	-	-	2,012,431
Benefits - 457B ER Contribution	12,000	-	36,000	-	-	48,000
Workers Compensation Insurance	266,417	121,516	178,721	-	-	566,654
Payroll Taxes	865,891	376,663	522,595	-	-	1,765,149
Benefits - Retirees	465,647	80,547	249,745	-	-	795,939
<b>Wages &amp; Benefits</b>	<b>16,062,294</b>	<b>6,928,112</b>	<b>10,223,104</b>	<b>-</b>	<b>-</b>	<b>33,213,510</b>
General Legal Expense	56,500	31,000	125,000	-	-	212,500
Legal Expense - Employment	-	-	110,000	-	-	110,000
Staff Training Expense	173,993	59,565	88,492	-	-	322,050
Staff Training Expense - agencywide	-	-	45,899	-	-	45,899
Travel	67,512	53,950	100,432	-	-	221,894
Other Auto Expense	-	-	6,800	-	-	6,800
Auditing Fees	124,192	18,776	-	-	1,200	144,168
Marketing	67	-	-	-	-	67
Office Rent	802,446	252,383	514,642	-	-	1,569,471
Membership and Fees	-	4,784	109,807	-	9,371	123,962
Public Notices	7,200	-	20,000	-	-	27,200
Office Supplies	22,833	9,682	19,627	-	10,332	62,474
Computer Parts	93,574	29,433	43,994	-	-	167,001
Postage	240,320	720	3,400	-	-	244,440
Software Lisense Fees	1,674,314	231,728	564,849	-	-	2,470,891
Internet / Wan Expense	2,446	769	52,245	-	-	55,460
Cellular Phone/Pagers	16,400	20,125	28,335	-	-	64,860
Temporary Administrative Labor	21,000	-	63,942	-	-	84,942
Bank Charges	2,359	-	-	-	-	2,359
Other Misc Admin Expenses	30	-	-	5,460	-	5,490
Tuition Reimbursement	-	-	10,000	-	-	10,000
Storage Facilities	1,478	2,735	18,777	-	-	22,990
Communication Expense	32,313	9,966	16,751	-	-	59,030
Pre-Printed Forms	24,935	1,000	-	-	-	25,935
Benefit Administrative Fee	-	-	24,865	-	-	24,865
Recruitment Expense	9,675	102,862	31,153	-	-	143,690
Board Meeting Expense	-	-	5,900	-	-	5,900
Agency Meeting Expense	10,000	3,100	93,623	-	-	106,723
Ergonomics Expense	-	-	23,000	-	-	23,000
Payroll Expense	9,784	-	-	-	-	9,784
Other Misc Admin Expenses	-	5,000	-	-	-	5,000
Office Equipment Rental	70,478	17,695	24,045	-	-	112,218

**ATTACHMENT B  
SANTA CLARA COUNTY HOUSING AUTHORITY  
HOUSING ASSISTANCE PAYMENT AND OPERATING BUDGET DETAIL  
FOR THE YEAR ENDING JUNE 30, 2027**

	Federal Programs Administration	Real Estate Administration	Indirect Departments	Real Estate Activities	HARA	Total FY27
Owner Incentives	390,000	-	-	-	-	390,000
Automobile Insurance	-	-	23,728	-	-	23,728
Lease Expense	-	-	31,448	-	-	31,448
<b>Administrative</b>	<b>3,853,849</b>	<b>855,273</b>	<b>2,200,754</b>	<b>5,460</b>	<b>20,903</b>	<b>6,936,239</b>
Tenant Services Salaries	439,256	-	-	-	-	439,256
Payroll Taxes FSS	34,730	-	-	-	-	34,730
Benefits FSS Coordinator	128,886	-	-	-	-	128,886
Worker Comp - FSS Coordinator	10,059	-	-	-	-	10,059
Staff Training Expense - FSS	10,000	-	-	-	-	10,000
Resident Programs	3,299	20,750	-	-	-	24,049
Tenant Services Contract Costs	533,248	-	-	-	-	533,248
<b>Tenant Services</b>	<b>1,159,478</b>	<b>20,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,180,228</b>
Water	1,918	8,900	20,160	12,002	-	42,980
Electricity	417	792	229,340	33,681	-	264,230
Gas	53	-	11,800	-	-	11,853
Sewer Fee	2,875	107	5,100	14,996	-	23,078
<b>Utilities</b>	<b>5,263</b>	<b>9,799</b>	<b>266,400</b>	<b>60,680</b>	<b>-</b>	<b>342,142</b>
Supplies-Grounds	500	10,500	-	-	-	11,000
Supplies-Appliance	1,400	-	-	-	-	1,400
Supplies-Electrical	300	-	-	-	-	300
Supplies-Plumbing	2,000	-	-	-	-	2,000
Supplies-Hardware	5,200	-	-	-	-	5,200
Contract-Decorating/Painting	500	-	-	-	-	500
Contract-Electrical	-	-	4,800	-	-	4,800
Contract-Pest Control	2,370	-	6,600	4,500	-	13,470
Contract-Grounds	4,420	28,484	45,326	15,600	-	93,830
Contract-Janitorial/Cleaning	2,700	11,490	184,094	-	-	198,284
Contract-Plumbing	-	-	6,500	-	-	6,500
Contract-HVAC	1,000	-	68,308	-	-	69,308
Contract-Equipment Rental	-	-	-	22,566	-	22,566
Contract-Elevator Monitoring	-	-	12,061	3,600	-	15,661
Contract-Alarm Monitoring	-	-	-	9,948	-	9,948
Contract-Automatic Door Maintenance	-	-	10,780	-	-	10,780
Contract-Boiler Maintenance	-	-	9,010	-	-	9,010
Contract-Roof Repair	-	-	1,595	-	-	1,595

**ATTACHMENT B**  
**SANTA CLARA COUNTY HOUSING AUTHORITY**  
**HOUSING ASSISTANCE PAYMENT AND OPERATING BUDGET DETAIL**  
**FOR THE YEAR ENDING JUNE 30, 2027**

	Federal Programs Administration	Real Estate Administration	Indirect Departments	Real Estate Activities	HARA	Total FY27
Contract-Garbage Service	7,406	-	12,963	8,400	-	28,769
Contract Costs-Other	-	1,200	34,950	-	-	36,150
Security/Law Enforcement	387	-	149,069	404,947	-	554,404
Protective Service - Materials	-	-	950	1,740	-	2,690
<b>Maintenance &amp; Operations</b>	<b>28,183</b>	<b>51,674</b>	<b>547,006</b>	<b>471,301</b>	<b>-</b>	<b>1,098,164</b>
Port Out Admin Fee Paid	150,000	-	-	-	-	150,000
Property Insurance	-	-	70,225	69,134	-	139,359
Liability Insurance	82,649	25,057	33,019	22,846	-	163,571
Payment In Lieu Of Taxes	2,236	-	-	-	-	2,236
Misc. Taxes/Licenses/Insurance	-	-	-	15,429	-	15,429
Port-In HAP Expense	3,172,500	-	-	-	-	3,172,500
Other Insurance	121,255	38,136	51,826	-	-	211,217
City License Fee	-	-	1,178	-	-	1,178
State Fee	-	-	-	-	25	25
Other General Expenses	-	2,556	-	-	-	2,556
Project Feasibility Expenses	-	250,000	-	-	-	250,000
<b>General</b>	<b>3,528,640</b>	<b>315,749</b>	<b>156,248</b>	<b>107,409</b>	<b>25</b>	<b>4,108,071</b>
Accounting Fees	624	-	-	-	-	624
Property Management Fees	1,920	-	-	85,812	-	87,732
Program Promotion	48,600	400	220,900	-	34,190	304,090
Administrative Contract	787,607	52,308	419,175	-	150,000	1,409,090
Scholarship Fund	75,000	-	-	-	85,000	160,000
<b>Other Expense</b>	<b>913,751</b>	<b>52,708</b>	<b>640,075</b>	<b>85,812</b>	<b>269,190</b>	<b>1,961,536</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>25,551,458</b>	<b>8,234,065</b>	<b>14,033,587</b>	<b>730,661</b>	<b>290,118</b>	<b>48,839,890</b>
<b>GROSS SURPLUS (DEFICIT)</b>	<b>13,505,371</b>	<b>(8,169,277)</b>	<b>(14,033,587)</b>	<b>8,552,120</b>	<b>473,170</b>	<b>327,797</b>
<b>INDIRECT ALLOCATIONS</b>						
Income - Indirect General Support	-	-	12,504,227	-	-	12,504,227
Income - Facility Support	-	-	1,435,737	-	-	1,435,737
Indirect General Support - Finance	(3,562,934)	(539,531)	-	-	-	(4,102,465)
Indirect General Support - Human Resources	(1,721,920)	(260,748)	-	-	-	(1,982,669)
Indirect General Support - Communications	(632,455)	(95,772)	-	-	-	(728,227)

**ATTACHMENT B  
SANTA CLARA COUNTY HOUSING AUTHORITY  
HOUSING ASSISTANCE PAYMENT AND OPERATING BUDGET DETAIL  
FOR THE YEAR ENDING JUNE 30, 2027**

	Federal Programs Administration	Real Estate Administration	Indirect Departments	Real Estate Activities	HARA	Total FY27
Indirect General Support - Executive	(2,356,589)	(356,856)	-	-	-	(2,713,445)
Indirect General Support - ITU	(1,565,000)	(236,986)	-	-	-	(1,801,987)
Indirect General Support - Procurement	(1,020,849)	(154,586)	-	-	-	(1,175,435)
Facility Support - Main Bldg (Julian)	(871,448)	(415,126)	-	-	-	(1,286,574)
Facility Support - Almaden	(101,034)	(48,129)	-	-	-	(149,163)
<b>TOTAL INDIRECT ALLOCATIONS</b>	<b>(11,832,230)</b>	<b>(2,107,734)</b>	<b>13,939,964</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>1,673,141</b>	<b>(10,277,011)</b>	<b>(93,623)</b>	<b>8,552,120</b>	<b>473,170</b>	<b>327,797</b>
<b>NON OPERATING REVENUE / (EXPENSE)</b>						
Interest Income	500	-	-	3,589,116	99,535	3,689,151
Interest Income From Bond	-	-	-	-	1,239,400	1,239,400
Restricted Interest Income	-	-	-	-	12,119	12,119
Grant & Contributions Expense	-	-	-	-	(5,200,000)	(5,200,000)
<b>TOTAL NON OPERATING REVENUE / (EXPENSE)</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>3,589,116</b>	<b>(3,848,946)</b>	<b>(259,330)</b>
Transfers In	28,327,599	10,277,011	93,623	-	-	38,698,233
Transfers Out	(36,527,951)	-	-	(571,624)	(1,598,658)	(38,698,233)
<b>TOTAL TRANSFERS IN / (OUT)</b>	<b>(8,200,352)</b>	<b>10,277,011</b>	<b>93,623</b>	<b>(571,624)</b>	<b>(1,598,658)</b>	<b>-</b>
<b>TOTAL NET INCOME / (LOSS) PRIOR TO RESERVES</b>	<b>(6,526,711)</b>	<b>-</b>	<b>-</b>	<b>11,569,612</b>	<b>(4,974,434)</b>	<b>68,467</b>
Use of reserves	-	-	-	-	4,974,434	4,974,434
Use of reserves - MTW	6,633,692	-	-	-	-	6,633,692
<b>NET INCOME (LOSS)</b>	<b>\$ 106,981</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,569,612</b>	<b>\$ -</b>	<b>\$ 11,676,592</b>
<b>HOUSING ASSISTANCE EARNED</b>						
Section 8 HAP Earned	554,474,304	-	-	-	-	554,474,304
<b>TOTAL HOUSING ASSISTANCE EARNED</b>	<b>\$ 554,474,304</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 554,474,304</b>
<b>HOUSING ASSISTANCE PAYMENTS</b>						
Housing Assistance Payments	529,528,894	-	-	-	-	529,528,894
FSS Escrow Payments	1,559,135	-	-	-	-	1,559,135
Interim Housing Rental Subsidy Payment	5,784,000	-	-	-	-	5,784,000

**ATTACHMENT B  
 SANTA CLARA COUNTY HOUSING AUTHORITY  
 HOUSING ASSISTANCE PAYMENT AND OPERATING BUDGET DETAIL  
 FOR THE YEAR ENDING JUNE 30, 2027**

	<b>Federal Programs Administration</b>	<b>Real Estate Administration</b>	<b>Indirect Departments</b>	<b>Real Estate Activities</b>	<b>HARA</b>	<b>Total FY27</b>
Housing Assistance Payments - Shallow Subsidy	2,460,000	-	-	-	-	2,460,000
Housing Assistance Payments - Direct Rental Assistance	2,436,000	-	-	-	-	2,436,000
<b>TOTAL HOUSING ASSISTANCE PAYMENTS</b>	<b>\$ 541,768,029</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 541,768,029</b>

**ATTACHMENT C**  
**SANTA CLARA COUNTY HOUSING AUTHORITY**  
**CAPITAL BUDGET**  
**FOR THE YEAR ENDING JUNE 30, 2027**

<b>Project</b>	<b>FY27</b>
Cohesity Data Backup Appliance Replacement	\$ 50,000
<b>TOTAL CAPITAL BUDGET</b>	<b>\$ 50,000</b>

**ATTACHMENT D**  
**SANTA CLARA COUNTY HOUSING AUTHORITY**  
**TWO-YEAR HOUSING ASSISTANCE PAYMENT AND OPERATING BUDGET COMPARISON**  
**FOR THE YEAR ENDING JUNE 30, 2027**

	FY26 Budget	FY27 Budget	\$ Change	% Change
<b>OPERATING REVENUE</b>				
Tenant Rent	\$ 23,652	\$ 23,952	\$ 300	1%
Building Rent	734,302	763,288	28,986	4%
Rent Revenue Misc.	24,808	74,808	50,000	202%
<b>Rental Income</b>	<u>782,762</u>	<u>862,049</u>	<u>79,286</u>	<u>10%</u>
Section 8 Admin. Fee Income	33,205,453	34,678,884	1,473,431	4%
<b>HUD Administrative Fees</b>	<u>33,205,453</u>	<u>34,678,884</u>	<u>1,473,431</u>	<u>4%</u>
Section 8 FSS Grant Income	797,518	1,020,867	223,349	28%
<b>FSS Coordinator Fees</b>	<u>797,518</u>	<u>1,020,867</u>	<u>223,349</u>	<u>28%</u>
HUD PHA Operating Grants/Subsidy	14,633	13,802	(831)	-6%
<b>Operating Subsidy</b>	<u>14,633</u>	<u>13,802</u>	<u>(831)</u>	<u>-6%</u>
Port-In Admin Fees Earned	-	52,692	52,692	100%
Port In HAP Earned	-	3,172,500	3,172,500	100%
Asset Management Fees	87,500	72,500	(15,000)	-17%
Management Oversight Fee	449,061	453,210	4,149	1%
Compliance Administrator Fee	18,849	18,849	-	0%
Resident Services Fee	371,239	426,112	54,873	15%
General Partner Management Fee	-	2,656,236	2,656,236	0%
Fraud Recovery	65,468	39,554	(25,914)	-40%
Miscellaneous Other Income	156,301	143,281	(13,020)	-8%
Land Lease	104,685	74,000	(30,685)	-29%
Developer Fee	4,742,351	5,479,218	736,867	16%
Interest Income - Ground Lease	2,376	3,933	1,557	66%
<b>Other Operating Revenues</b>	<u>5,997,830</u>	<u>12,592,085</u>	<u>6,594,255</u>	<u>110%</u>
<b>TOTAL OPERATING REVENUE</b>	<u>40,798,196</u>	<u>49,167,687</u>	<u>8,369,490</u>	<u>20.5%</u>
<b>OPERATING EXPENSES</b>				
Administrative - Salaries	22,651,566	24,744,465	2,092,899	9%
Benefits-Administrative	2,949,705	3,280,872	331,167	11%
Benefits-CalPERS ER Contribution	1,902,463	2,012,431	109,968	6%
Benefits - 457B ER Contribution	48,000	48,000	-	0%
Workers Compensation Insurance	539,106	566,654	27,548	5%
Payroll Taxes	1,620,833	1,765,149	144,316	9%
Benefits - Retirees	800,021	795,939	(4,082)	-1%
<b>Wages &amp; Benefits</b>	<u>30,511,694</u>	<u>33,213,510</u>	<u>2,701,816</u>	<u>9%</u>
General Legal Expense	154,500	212,500	58,000	38%
Legal Expense - Employment	100,000	110,000	10,000	10%
Staff Training Expense	195,962	322,050	126,088	64%
Staff Training Expense - agencywide	-	45,899	45,899	100%
Travel	213,713	221,894	8,182	4%
Other Auto Expense	7,000	6,800	(200)	-3%
Auditing Fees	142,458	144,168	1,710	1%

**ATTACHMENT D**  
**SANTA CLARA COUNTY HOUSING AUTHORITY**  
**TWO-YEAR HOUSING ASSISTANCE PAYMENT AND OPERATING BUDGET COMPARISON**  
**FOR THE YEAR ENDING JUNE 30, 2027**

	FY26 Budget	FY27 Budget	\$ Change	% Change
Marketing	67	67	-	0%
Office Rent	1,530,116	1,569,471	39,354	3%
Membership and Fees	140,219	123,962	(16,257)	-12%
Public Notices	27,100	27,200	100	0%
Office Supplies	71,596	62,474	(9,122)	-13%
Computer Parts	253,999	167,001	(86,998)	-34%
Postage	185,561	244,440	58,879	32%
Software Lisense Fees	2,227,423	2,470,891	243,468	11%
Internet / Wan Expense	94,261	55,460	(38,801)	-41%
Cellular Phone/Pagers	64,820	64,860	40	0%
Temporary Administrative Labor	111,190	84,942	(26,248)	-24%
Bank Charges	775	2,359	1,584	204%
Other Misc Admin Expenses	6,114	5,490	(624)	-10%
Tuition Reimbursement	10,000	10,000	-	0%
Storage Facilities	23,153	22,990	(163)	-1%
Communication Expense	51,831	59,030	7,199	14%
Pre-Printed Forms	28,985	25,935	(3,050)	-11%
Benefit Administrative Fee	29,995	24,865	(5,130)	-17%
Recruitment Expense	24,778	143,690	118,912	480%
Board Meeting Expense	5,900	5,900	-	0%
Agency Meeting Expense	95,450	106,723	11,273	12%
Ergonomics Expense	29,999	23,000	(6,999)	-23%
Payroll Expense	9,262	9,784	522	6%
Other Misc Admin Expenses	2,000	5,000	3,000	150%
Office Equipment Rental	104,933	112,218	7,285	7%
Owner Incentives	-	390,000	390,000	0%
Automobile Insurance	12,091	23,728	11,637	96%
Lease Expense	31,448	31,448	-	0%
<b>Administrative</b>	<u>5,986,697</u>	<u>6,936,239</u>	<u>949,542</u>	<u>16%</u>
Tenant Services Salaries	118,452	439,256	320,804	271%
Payroll Taxes FSS	9,272	34,730	25,458	275%
Benefits FSS Coordinator	26,711	128,886	102,175	383%
Worker Comp - FSS Coordinator	2,819	10,059	7,240	257%
Staff Training Expense - FSS	4,000	10,000	6,000	150%
Resident Programs	8,254	24,049	15,795	191%
Tenant Services Contract Costs	806,227	533,248	(272,979)	-34%
<b>Tenant Services</b>	<u>975,735</u>	<u>1,180,228</u>	<u>204,493</u>	<u>21.0%</u>
Water	36,093	42,980	6,887	19%
Electricity	320,588	264,230	(56,357)	-18%
Gas	13,743	11,853	(1,890)	-14%
Sewer Fee	31,761	23,078	(8,683)	-27%
<b>Utilities</b>	<u>402,184</u>	<u>342,142</u>	<u>(60,043)</u>	<u>-15%</u>
Supplies-Grounds	24,000	11,000	(13,000)	-54%
Supplies-Appliance	1,400	1,400	-	0%
Supplies-Electrical	300	300	-	0%
Supplies-Plumbing	2,000	2,000	-	0%
Supplies-Hardware	6,250	5,200	(1,050)	-17%
Contract-Decorating/Painting	500	500	-	0%
Contract-Electrical	5,000	4,800	(200)	-4%

**ATTACHMENT D**  
**SANTA CLARA COUNTY HOUSING AUTHORITY**  
**TWO-YEAR HOUSING ASSISTANCE PAYMENT AND OPERATING BUDGET COMPARISON**  
**FOR THE YEAR ENDING JUNE 30, 2027**

	FY26 Budget	FY27 Budget	\$ Change	% Change
Contract-Pest Control	18,010	13,470	(4,540)	-25%
Contract-Grounds	95,106	93,830	(1,276)	-1%
Contract-Janitorial/Cleaning	205,396	198,284	(7,112)	-3%
Contract-Plumbing	6,350	6,500	150	2%
Contract-HVAC	72,589	69,308	(3,281)	-5%
Contract-Equipment Rental	32,667	22,566	(10,101)	-31%
Contract-Elevator Monitoring	25,864	15,661	(10,204)	-39%
Contract-Alarm Monitoring	8,765	9,948	1,183	13%
Contract-Automatic Door Maintenance	11,780	10,780	(1,000)	-8%
Contract-Boiler Maintenance	8,864	9,010	146	2%
Contract-Roof Repair	1,195	1,595	400	33%
Contract-Garbage Service	24,618	28,769	4,151	17%
Contract Costs-Other	178,537	36,150	(142,387)	-80%
Security/Law Enforcement	804,712	554,404	(250,308)	-31%
Protective Service - Materials	6,359	2,690	(3,669)	-58%
<b>Maintenance &amp; Operations</b>	<b>1,565,262</b>	<b>1,098,164</b>	<b>(467,098)</b>	<b>-30%</b>
Port Out Admin Fee Paid	83,000	150,000	67,000	81%
Property Insurance	115,772	139,359	23,586	20%
Liability Insurance	230,927	163,571	(67,355)	-29%
Payment In Lieu Of Taxes	2,236	2,236	-	0%
Misc. Taxes/Licenses/Insurance	4,594	15,429	10,835	236%
Port-In HAP Expense	-	3,172,500	3,172,500	100%
Other Insurance	224,999	211,217	(13,782)	-6%
City License Fee	1,165	1,178	13	1%
State Fee	992	25	(967)	-97%
Other General Expenses	2,556	2,556	-	0%
Project Feasibility Expenses	500,000	250,000	(250,000)	-50%
<b>General</b>	<b>1,175,533</b>	<b>4,108,071</b>	<b>2,932,538</b>	<b>249%</b>
Accounting Fees	504	624	120	24%
Property Management Fees	49,422	87,732	38,310	78%
Program Promotion	245,490	304,090	58,600	24%
Administrative Contract	1,060,132	1,409,090	348,958	33%
Scholarship Fund	160,000	160,000	-	0%
<b>Other Expense</b>	<b>1,515,548</b>	<b>1,961,536</b>	<b>445,988</b>	<b>29%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>42,132,654</b>	<b>48,839,890</b>	<b>6,707,236</b>	<b>16%</b>
<b>GROSS SURPLUS (DEFICIT)</b>	<b>(1,334,458)</b>	<b>327,797</b>	<b>1,662,255</b>	<b>125%</b>
<b>INDIRECT ALLOCATIONS</b>				
Income - Indirect General Support	11,300,167	12,504,227	1,204,061	11%
Income - Facility Support	1,611,113	1,435,737	(175,376)	-11%
Indirect General Support - Finance	(3,885,000)	(4,102,465)	(217,465)	6%
Indirect General Support - Human Resources	(1,826,362)	(1,982,669)	(156,307)	9%
Indirect General Support - Communications	(633,553)	(728,227)	(94,674)	15%
Indirect General Support - Executive	(2,179,668)	(2,713,445)	(533,777)	24%
Indirect General Support - ITU	(1,745,958)	(1,801,987)	(56,029)	3%
Indirect General Support - Procurement	(1,029,627)	(1,175,435)	(145,809)	14%

**ATTACHMENT D**  
**SANTA CLARA COUNTY HOUSING AUTHORITY**  
**TWO-YEAR HOUSING ASSISTANCE PAYMENT AND OPERATING BUDGET COMPARISON**  
**FOR THE YEAR ENDING JUNE 30, 2027**

	FY26 Budget	FY27 Budget	\$ Change	% Change
Facility Support - Main Bldg (Julian)	(1,445,526)	(1,286,574)	158,952	-11%
Facility Support - Almaden	(165,587)	(149,163)	16,424	-10%
<b>TOTAL INDIRECT ALLOCATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>(1,334,458)</b>	<b>327,797</b>	<b>1,662,255</b>	<b>125%</b>
<b>NON OPERATING REVENUE / (EXPENSE)</b>				
Interest Income	3,553,373	3,689,151	135,778	4%
Interest Income From Bond	885,673	1,239,400	353,727	40%
Restricted Interest Income	13,918	12,119	(1,799)	-13%
Grant & Contributions Expense	-	(5,200,000)	(5,200,000)	-100%
<b>TOTAL NON OPERATING REVENUE / (EXPENSE)</b>	<b>4,414,064</b>	<b>(259,330)</b>	<b>(4,673,394)</b>	<b>-106%</b>
Transfers In	34,234,530	38,698,233	4,463,702	13%
Transfers Out	(34,234,530)	(38,698,233)	(4,463,702)	-13%
<b>TOTAL TRANSFERS IN / (OUT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL NET INCOME / (LOSS) PRIOR TO RESERVES</b>	<b>3,079,606</b>	<b>68,467</b>	<b>(3,011,140)</b>	<b>-98%</b>
Use of reserves	61,887	4,974,434	4,912,547	7938%
Use of reserves - MTW	4,346,401	6,633,692	2,287,290	53%
<b>NET INCOME (LOSS)</b>	<b>\$ 7,487,895</b>	<b>\$ 11,676,592</b>	<b>\$ 4,188,698</b>	<b>56%</b>
<b>HOUSING ASSISTANCE EARNED</b>				
Section 8 HAP Earned	541,496,750	554,474,304	12,977,554	2%
<b>TOTAL HOUSING ASSISTANCE EARNED</b>	<b>\$ 541,496,750</b>	<b>\$ 554,474,304</b>	<b>\$ 12,977,554</b>	<b>2%</b>
<b>HOUSING ASSISTANCE PAYMENTS</b>				
Housing Assistance Payments	511,465,793	529,528,894	18,063,101	4%
FSS Escrow Payments	1,868,498	1,559,135	(309,363)	-17%
Interim Housing Rental Subsidy Payment	5,676,000	5,784,000	108,000	2%
Housing Assistance Payments - Shallow Subsidy	-	2,460,000	2,460,000	100%
Housing Assistance Payments - Direct Rental Assistance	-	2,436,000	2,436,000	100%
<b>TOTAL HOUSING ASSISTANCE PAYMENTS</b>	<b>\$ 519,010,291</b>	<b>\$ 541,768,029</b>	<b>\$ 22,757,738</b>	<b>4%</b>