



Boards of Commissioners Update

April 2020

Boards of Commissioners Update – April 2020

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BOARD UPDATE

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Fresno, California 93721

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www.fresnohousing.org

TO: Boards of Commissioners

Fresno Housing Authority

DATE: April 16, 2020

AUTHOR: Emily De La Guerra

FROM: Preston Prince, CEO/Executive Director

SUBJECT: Fresno Housing Operating Budget as of February 29, 2020

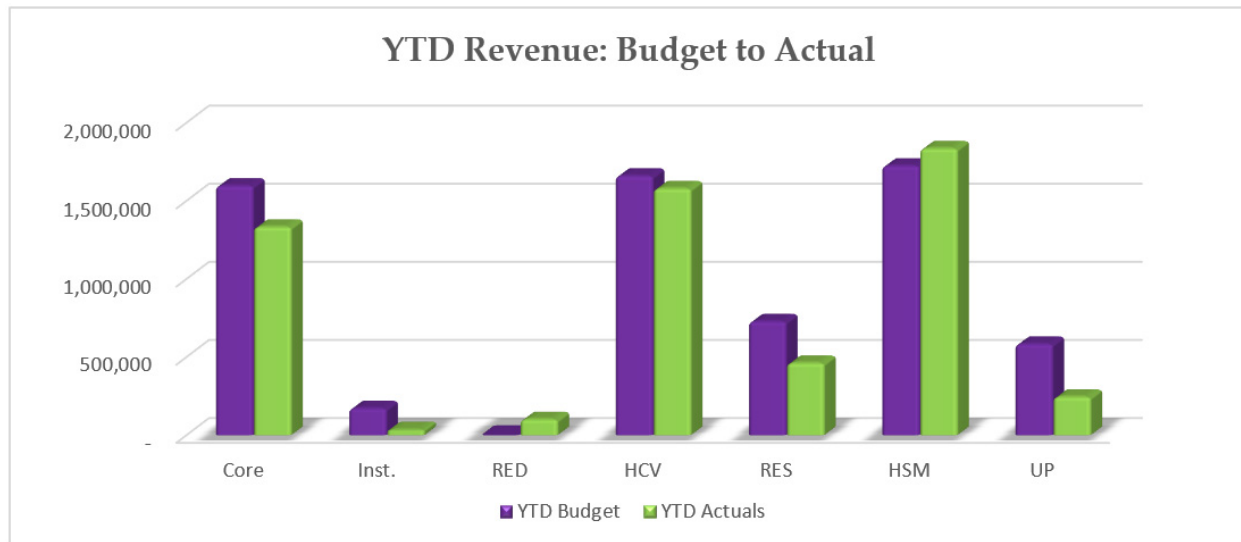
Executive Summary

The purpose of this update is to present an overview of the financial operating results for the Fresno Housing Authority as of February 29, 2020. The attached financial report shows the consolidation of all Agency operational budgets combined into seven divisions. Projections have been incorporated into the year-to-date budget to account for the timing of cash flows and known variable expenses. These adjustments were based on historical trends and the most current information available.

The 2020 Operating Budget was approved by the Boards of Commissioners in December 2019 with total revenues of \$44.7 million and total operating expenses of \$41.9 million. As of February, total revenues are \$5.6 million, which is \$877 thousand less than anticipated. However, total operating expenses are \$1.5 million less than budgeted at \$5.2 million through February. This puts net operating income at \$378 thousand, which is \$642 thousand better than budgeted. As of February, the Agency has utilized \$439 thousand in unrestricted reserves, which is \$320 thousand better than budgeted at this point in the year.

	Fresno Housing Authority		
	Annual Budget	YTD Budget	YTD Actuals
OPERATING BUDGET			
TOTAL INCOME	44,702,882	6,466,606	5,589,598
TOTAL EXPENSES	41,945,895	6,730,864	5,211,499
NET OPERATING INCOME	2,756,987	(264,258)	378,099
TOTAL NON-OPERATING EXPENSES	1,951,123	325,187	177,636
NET INCOME	805,864	(589,445)	200,463
UNRESTRICTED NET INCOME	(14,874)	(759,003)	(439,435)

Agency Revenue



Core - Administrative Services departments including Accounting, Executive, Human Resources and Asset Management

Inst. - Instrumentalities: Wholly-owned subsidiaries of the Agency, including HRFC, HSIC, and Silvercrest

RED - Real Estate Development: Real Estate Development and Construction Management departments

HCV - Housing Choice Voucher programs

RES - Resident Empowerment Services: Resident Services and Homeless programs

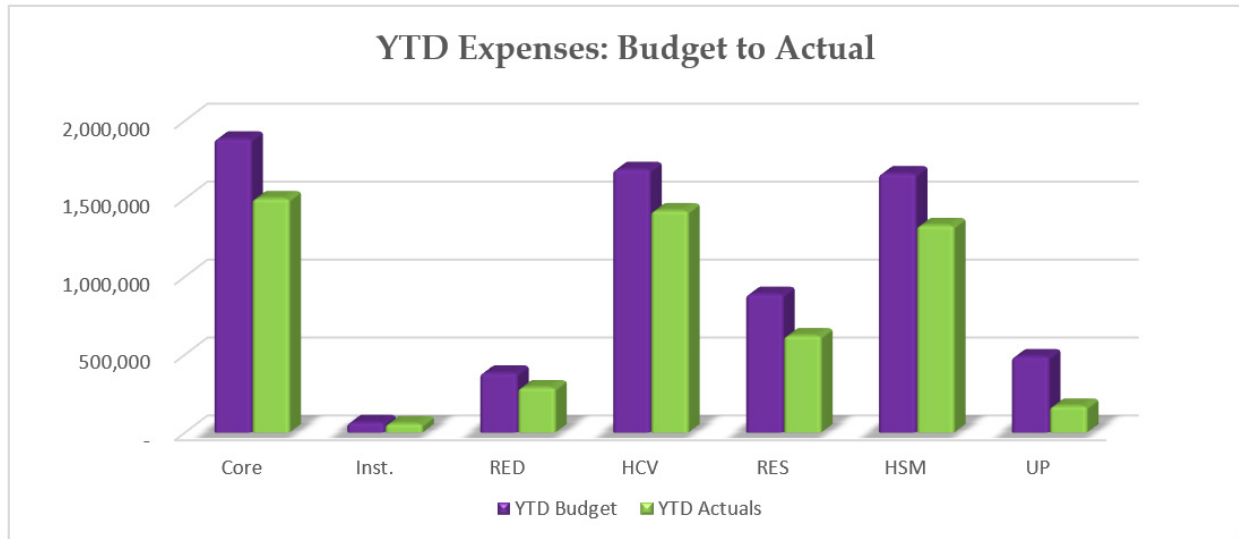
HSM - Housing Management: Restricted, subsidized properties including all public housing, farm labor and migrant properties

UP - Unrestricted Properties: Agency-owned non-subsidized properties, including Dayton, Woodside, El Cortez and San Ramon

Overall, year-to-date revenue is \$5.6 million, or 14% less than the year-to-date budget largely due to a reduction in Admin & Management Fee Income in Core and Grant Income in RES. Both income sources are based on reimbursements of actual expenses, thus making their net effect neutral.

- **Core:** Admin & Management Fee Income is less than budgeted due to a reduction in allocation revenue earned from IT services. Fees for those services are collected from Agency properties and programs and the revenue is booked in Core. As of February, expenses related to IT Services have been less than budgeted therefore, less revenue has been collected and the net effect on the overall budget is neutral.
- **RED:** No Developer Fees were received in February. Staff anticipates the developer fees for Cueva de Oso, Legacy Commons I and Villages @ Broadway will be received in March and April.
- **RES:** HUD Grant Income is less than budgeted, however, the net effect on the overall budget is neutral as most of these grants operate on a reimbursement basis.

Agency Expenses



Core - Administrative Services departments including Accounting, Executive, Human Resources and Asset Management

Inst. - Instrumentalities: Wholly-owned subsidiaries of the Agency, including HRFC, HSIC, and Silvercrest

RED - Real Estate Development: Real Estate Development and Construction Management departments

HCV - Housing Choice Voucher programs

RES - Resident Empowerment Services: Resident Services and Homeless programs

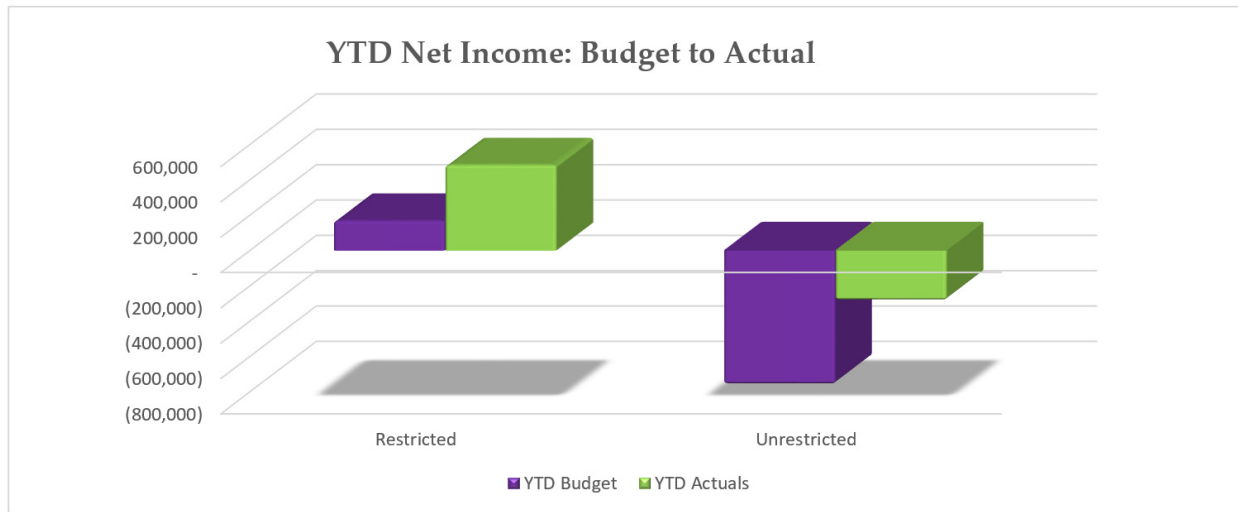
HSM - Housing Management: Restricted, subsidized properties including all public housing, farm labor and migrant properties

UP - Unrestricted Properties: Agency-owned non-subsidized properties, including Dayton, Woodside, El Cortez and San Ramon

Overall, year-to-date operating expenses are \$5.2 million and non-operating expenses are \$177 thousand, which together are about 24% lower than budgeted.

- **Agency-wide:** Payroll Expenses are approximately \$615 thousand (20%) lower than anticipated, mainly due to unfilled positions and/or planned hiring delays.
- **Agency-wide:** Administrative Expenses are approximately \$442 thousand (22%) lower than budgeted across the Agency. As the year progresses, IT Services, Professional & Consulting Fees and Administrative Contract costs will increase as planned projects begin and expenses are incurred.
- **RES:** Tenant Services Expenses are lower than budgeted at this point in the year. These represent tenant rent payments within homeless service and rental assistance grants. If these dollars remain unspent, they can roll over into the next grant period.

Agency Net Income



- Unrestricted net income is approximately \$320 thousand higher than budgeted as of February 2020. This variance will decrease at year-end as vacant positions are filled.
- Restricted net income is approximately \$470 thousand higher than budgeted due to increased public housing operating subsidy revenue and lower payroll expenses positions within the Housing Management Division.

Fresno Housing Authority
Financial Results as of February 29, 2020

	Core			Inst.			RED			HCV			RES			HSM			UP			Fresno Housing Authority			YTD \$ Variance	YTD % Variance
	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals		
OPERATING BUDGET																										
INCOME																										
NET TENANT INCOME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,074,032	845,672	845,703	2,761,359	460,227	133,503	7,835,391	1,305,899	979,206	(326,693)	-25%
INTEREST INCOME	90,000	15,000	17,355	800,000	133,333	27,967	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	890,000	148,333	45,322	(103,011)	-69%
OTHER INCOME	950,000	158,333	80,192	150,000	25,000	6,672	20,000	3,333	101,166	800	133	200	899,432	149,905	139,858	349,887	58,315	4,532	52,980	8,830	685	2,423,099	403,850	333,305	(70,545)	-17%
ADMIN & MANAGEMENT FEE INCOME	8,539,951	1,423,325	1,235,577	80,000	13,333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,619,951	1,436,659	1,235,577	(201,082)	-14%
DEVELOPER FEE INCOME	-	-	-	-	-	-	5,903,245	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,903,245	-	-	-	0%
HUD GRANT INCOME	-	-	-	-	-	-	-	-	-	9,909,331	1,651,555	1,555,838	3,384,006	564,001	312,213	4,314,643	719,107	985,011	-	-	-	17,607,980	2,934,663	2,853,062	(81,601)	-3%
OTHER GRANT INCOME	-	-	-	-	-	-	-	-	-	50,000	8,333	22,672	83,025	13,838	9,865	604,464	100,744	-	685,727	114,288	110,589	1,423,216	237,203	143,126	(94,077)	-40%
TOTAL INCOME	9,579,951	1,596,659	1,333,124	1,030,000	171,667	34,639	5,923,245	3,333	101,166	9,960,131	1,660,022	1,578,710	4,366,463	727,744	461,936	10,343,026	1,723,838	1,835,246	3,500,066	583,344	244,777	44,702,882	6,466,606	5,589,598	(877,008)	-14%
EXPENSES																										
PAYROLL EXPENSES	7,457,856	1,147,362	920,620	-	-	-	1,669,232	256,805	239,541	6,145,105	945,401	761,226	1,938,018	298,157	215,471	2,555,927	393,220	322,319	523,102	80,477	46,833	20,289,240	3,121,422	2,506,010	(615,412)	-20%
ADMINISTRATIVE EXPENSES	3,697,510	616,252	459,288	382,150	63,692	55,845	739,892	123,315	42,947	4,367,866	727,978	640,728	751,088	125,181	117,528	1,874,533	312,422	246,909	339,366	56,561	19,160	12,152,405	2,025,401	1,582,405	(442,996)	-22%
TENANT SERVICES EXPENSES	50,504	8,417	28,250	-	-	-	5,000	833	-	-	-	85	2,775,198	462,533	284,158	331,772	55,295	416	6,450	1,075	-	3,168,924	528,154	312,909	(215,245)	-41%
UTILITY EXPENSES	172,145	28,691	19,923	-	-	-	-	-	-	-	-	-	-	-	-	1,707,150	284,525	261,109	413,027	68,838	46,939	2,292,322	382,054	327,971	(54,083)	-14%
MAINTENANCE EXPENSES	459,118	76,520	65,458	-	-	-	5,000	833	5,625	81,969	13,662	19,919	10,020	1,670	4,030	2,168,196	361,366	283,242	731,468	121,911	40,374	3,455,771	575,962	418,648	(157,314)	-27%
TAXES & INSURANCE EXPENSES	40,364	6,727	7,281	8,900	1,483	1,250	6,200	1,033	195	7,353	1,226	1,229	-	-	322	402,276	67,046	38,013	122,140	20,357	15,266	587,233	97,872	63,556	(34,316)	-35%
TOTAL EXPENSES	11,877,497	1,883,969	1,500,820	391,050	65,175	57,095	2,425,324	382,820	288,308	10,602,293	1,688,265	1,423,187	5,474,324	887,541	621,509	9,039,854	1,473,874	1,152,008	2,135,553	349,219	168,572	41,945,895	6,730,864	5,211,499	(1,519,365)	-23%
NET OPERATING INCOME	(2,297,546)	(287,311)	(167,696)	638,950	106,492	(22,456)	3,497,921	(379,487)	(187,142)	(642,162)	(28,244)	155,523	(1,107,861)	(159,797)	(159,573)	1,303,172	249,964	683,238	1,364,513	234,125	76,205	2,756,987	(264,258)	378,099	642,357	-243%
NON-OPERATING EXPENSES																										
TOTAL NON-OPERATING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	794,876	132,479	121,846	431,150	71,858	1,229	1,226,026	204,338	123,075	(81,263)	-40%
TOTAL FINANCING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	326,508	54,418	54,561	398,589	66,432	-	725,097	120,850	54,561	(66,289)	-55%
TOTAL ADJUSTMENTS & OPERATING TRANSFERS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
TOTAL NON-OPERATING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,121,384	186,897	176,407	829,739	138,290	1,229	1,951,123	325,187	177,636	(147,551)	-45%
NET INCOME	(2,297,546)	(287,311)	(167,696)	638,950	106,492	(22,456)	3,497,921	(379,487)	(187,142)	(642,162)	(28,244)	155,523	(1,107,861)	(159,797)	(159,573)	181,788	63,066	506,831	534,774	95,835	74,976	805,864	(589,445)	200,463	789,908	-134%
UNRESTRICTED NET INCOME	(2,297,546)	(287,311)	(167,696)				3,497,921	(379,487)	(187,142)	(642,162)	(28,244)	-	(1,107,861)	(159,797)	(159,573)				534,774	95,835	74,976	(14,874)	(759,003)	(439,435)	319,568	42%

BOARD UPDATE

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TO: Boards of Commissioners

Fresno Housing Authority

DATE: April 16, 2020

AUTHOR: Aurora Ibarra

FROM: Preston Prince, CEO/Executive Director

SUBJECT: Update on 2020 Leasing and Housing Assistance Payments for the Housing Choice Voucher (HCV) Program

Executive Summary

The purpose of this memo is to update the Boards of Commissioners on February Housing Assistance Payments (HAP) and leasing activities, and projections for the remainder of 2020.

Leasing Update

Staff had been issuing new HCV vouchers from January until mid-March, up until the offices were closed to the public due to the ongoing COVID-19 public health emergency. New voucher issuances have been put on hold for the time being. Staff is extending search times for families who currently hold a voucher. Agency leadership and staff are monitoring current public health guidance, safety concerns and HUD regulations and funding supplements to develop a leasing plan amidst a time of great uncertainty. As all of these factors become clearer, the leadership and communications team will inform staff, the public and Boards of Commissioners of significant changes in HCV leasing plans.

City HCV

HAP expenditures for the month of February totaled \$4,240,291 with a HAP utilization rate for the month of February of 98.6%. The overall projected HAP utilization rate is 98.4%, which would earn the Agency maximum points for leasing under SEMAP.

Current voucher utilization for the month of February is 99.8% with an overall projected voucher utilization for CY 2020 of 97.2%.

County HCV

HAP expenditures for the month of February totaled \$3,189,287 with a HAP utilization rate for the month of November of 97%. The overall projected HAP utilization rate is 97.7%, which would earn the Agency maximum points for leasing under SEMAP.

Current voucher utilization for the month of February is 97.4% with an overall projected voucher utilization for CY 2020 of 95.9%.

HCV Leasing and Spending Projection

CA006 Two-Year Voucher Forecasting Summary

4/9/2020

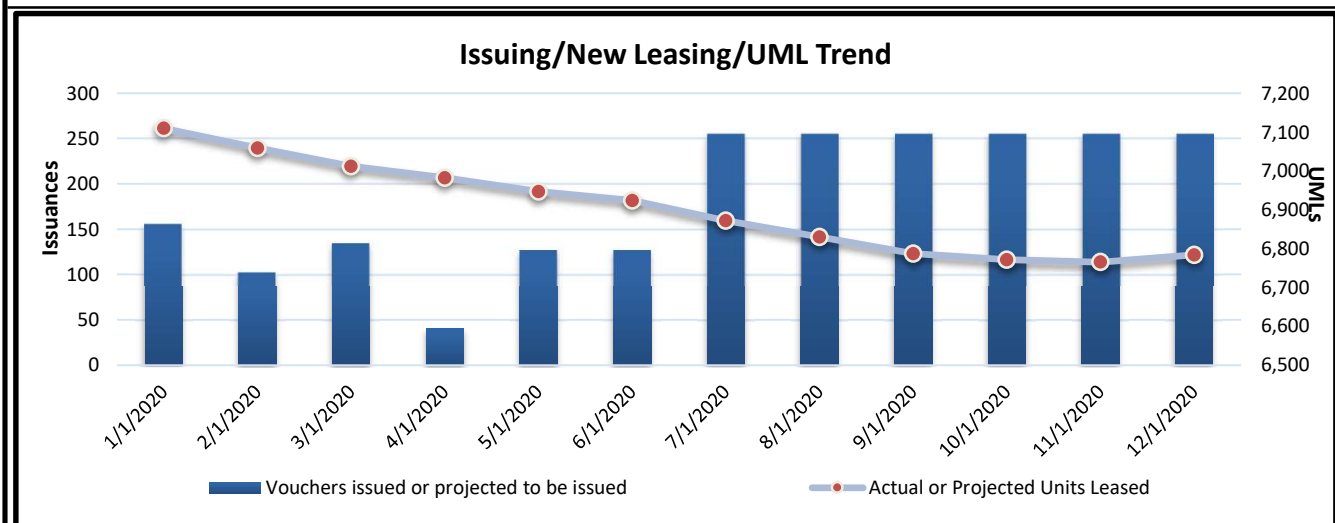
Prepared for: City Board of Commissioners

Prepared by: Housing Choice Department

Using the Housing Choice Voucher (HCV) Two-Year Tool, which allows a user to examine a PHA's voucher program under a variety of leasing, per-unit cost (PUC), and other key program scenarios, the attached tool estimates the program to end the current year with \$875,343, or 2% of budget authority. This scenario relies upon the following key variables:

Success Rate	Attrition Rate	Time from Issuance to HAP Effective Date	
(How many issued vouchers will go to HAP)	(What percent of participants annually leave)	(How fast do successful issuances lease up)	
45%	10%	Leased in	Percent
		0-30 Days	5%
2020 PUC		31-60 Days	18%
(Average monthly cost of a voucher - 2020)		61-90 Days	18%
\$614		91-120 Days	17%
		121-150 Days	42%

Please see the below graph, which shows issued vouchers and associated leasing, as well as the total program UMLs, which takes into account program attrition:



The City Program had no HAP offset this year. Additionally, the higher of this year's leased units (97.2%) or dollars (98.4%) is 98.4%, indicating full leasing indicator points in SEMAP. This estimate has been adjusted for VASH.

CA006 Summary

HAP expenditures for February totaled \$4,240,291 with a HAP utilization rate for the month of February of 98.6%. Current voucher utilization for the month of February was 99.8% with an overall projected voucher utilization rate for CY 2019 of 97.2%. These utilization rates have been adjusted for VASH.

HCV Leasing and Spending Projection

CA028 Two-Year Voucher Forecasting Summary

4/9/2020

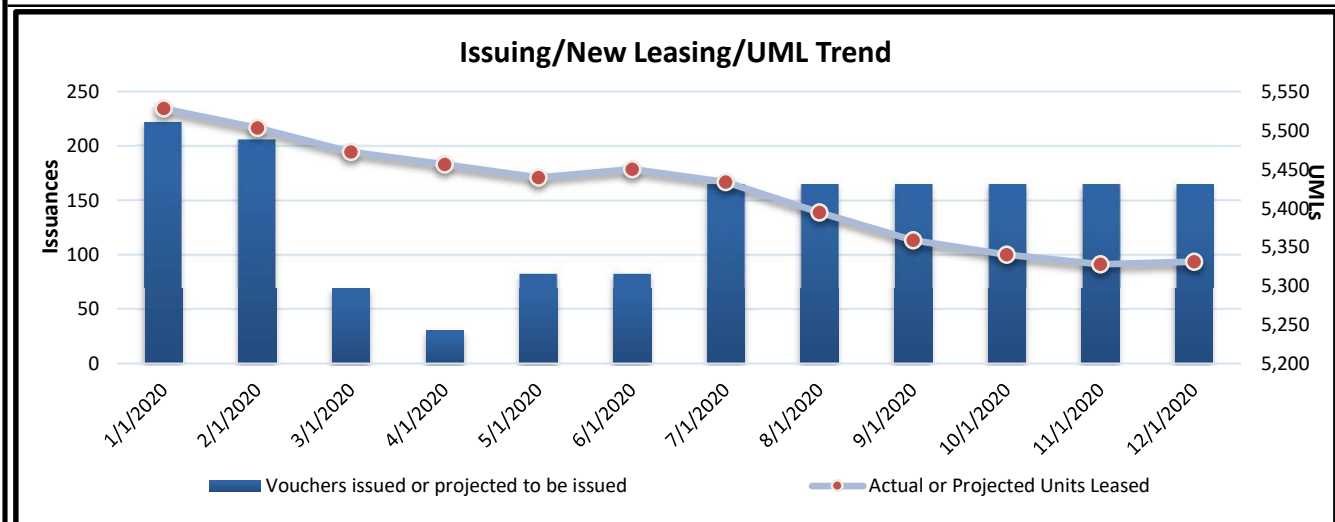
Prepared for: County Board of Commissioners

Prepared by: Housing Choice Department

Using the Housing Choice Voucher (HCV) Two-Year Tool, which allows a user to examine a PHA's voucher program under a variety of leasing, per-unit cost (PUC), and other key program scenarios, the attached tool estimates the program to end the current year with \$900,019, or 2% of budget authority. This scenario relies upon the following key variables:

Success Rate	Attrition Rate	Time from Issuance to HAP Effective Date	
(How many issued vouchers will go to HAP)	(What percent of participants annually leave)	(How fast do successful issuances lease up)	
45%	9.2%	Leased in	Percent
		0-30 Days	5%
2020 PUC		31-60 Days	18%
(Average monthly cost of a voucher - 2020)		61-90 Days	18%
\$593		91-120 Days	17%
		121-150 Days	42%

Please see the below graph, which shows issued vouchers and associated leasing, as well as the total program UMLs, which takes into account program attrition:



The County Program had no HAP offset this year. Additionally, the higher of this year's leased units (95.9%) or dollars (97.7%) is 97.7%, indicating full leasing indicator points in SEMAP. This is an estimate.

CA028 Summary

HAP expenditures for February totaled \$3,189,287 with a HAP utilization rate for the month of February of 97%. Current voucher utilization for the month of February was 97.4% with an overall projected voucher utilization rate for CY 2019 of 95.9%.

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TO: Boards of Commissioners

Fresno Housing Authority

DATE: April 16, 2020

AUTHOR: Tracewell Hanrahan

FROM: Preston Prince, CEO/Executive Director

SUBJECT: Update on Coronavirus (COVID-19) and Agency Operations

Executive Summary

The purpose of this update is to provide information to the Boards of Commissioners regarding Fresno Housing's response to the coronavirus (COVID-19) pandemic.

Beginning in early March, Fresno Housing (FH) began to adjust its operations in response to COVID-19. Following guidance from the Center for Disease Control (CDC), the Department of Public Health (DPH), and the other federal, state and local agencies, the Agency has quickly and thoughtfully adapted our policies and procedures in order to ensure our staff, clients, and residents remain safe and healthy while still providing services that are deemed essential to our community.

Currently, all Fresno Housing offices are closed to the public and the majority of FH employees are working remotely. A minimal number of employees are working outside of their home, performing basic critical functions and/or responding to emergencies. These functions are being completed while following all CDC and DPH guidance around social distancing and proper sanitation practices. Staff working remotely continues to find new and innovative ways of serving our families during this public health crisis. Multiple communication channels have been opened including several new email inboxes for resident questions, a 24-hour Call Center, dedicated webpages and increased use social media. Property Management, Housing Choice Voucher and Resident Empowerment departments continue to ensure that our residents have safe, stable and affordable housing, while helping them to navigate other resources that may be available to them. Landlord payments, payroll and vendor payments continue to be paid as normal. Especially in these difficult times, we continue to do everything possible to reinforce our commitment to our clients, residents and partners.

Staff will be presenting additional information on this item at the Boards of Commissioners meeting on April 28, 2020.

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TO: Boards of Commissioners

Fresno Housing Authority

DATE: April 16, 2020

AUTHOR: Tiffany B. Mangum

FROM: Preston Prince, CEO

SUBJECT: Diversity, Equity, and Inclusion (DEI) Update

Summary

This update has been prepared for the purpose of updating the Boards on the Agency's initiative of Diversity, Equity, and Inclusion (DEI). Since our last update in November 2019, the Agency has made progress on the plan's development and Agency assessment strategy. However, due to the ongoing pandemic, we have had to spend the majority of our time focusing on re-designing regular agency operations, as our priority has been providing critical and ongoing services to our residents. The work we have done to date through the DEI initiative has already proven valuable during this very uncertain time.

Per the November 2019 update to the Boards, the objectives of this initiative include an assessment of the following, as well as a DEI Strategic Plan:

1. DEI in the FH workforce/workplace
2. How FH supports its residents/residents through a DEI lens
3. How FH appropriately influences the well-being (equity/inclusion) of the community beyond its housing needs in order for FH to be better partners and participants in dialogues with our community partners. For example, shared prosperity, education, etc.

Also, in partnership with our consultants, Ivy Planning Group, we have designed and have taken a phased approach to this initiative, as follows:

1. Planning/Kick Off
2. Assessment Design
3. Data Collection and Analysis
4. Data Synthesis
5. Findings/Recommendations & Draft DEI Strategic Plan (current)
6. Finalize the DEI Strategic Plan
7. DEI Coaching and Training

We are currently in Stage 5 of the overall plan, as Ivy is in discussions with Staff to review the preliminary findings and recommendations of the workforce/workplace assessment. Additionally, Ivy is working to finalize the draft DEI Strategic Plan. Staff are continuing to work with Ivy to analyze, review and eventually report on a final draft plan for review and consideration by the Boards.

In addition to the ongoing assessments, qualitative analysis, and preliminary findings, Ivy Planning Group has begun Executive Thinking and Learning (ETL) Sessions with our Executive Leadership Team, created to provide ongoing coaching, training, and capacity building for organizational leaders. Ivy will also use these ETL Sessions as a platform to build upon the overall strategy and development of a DEI plan as a mission enabler, establishing a roadmap towards creating a more equitable and inclusive Fresno Housing. Staff will continue to work with the Ivy Planning Group to ensure the values outlined throughout the DEI initiative align with the Agency's existing goals and priorities – People, Place, Partnership, and Public – and provide pertinent updates to the Boards.