



# Boards of Commissioners Update

April 2021

## **Boards of Commissioners Update – April 2021**

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## BOARD UPDATE

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**TO:** Boards of Commissioners  
Fresno Housing

**DATE:** April 20, 2021

**AUTHOR:** Aurora Ibarra

**FROM:** Angelina Nguyen, Interim CEO/Executive Director

**SUBJECT:** Update on 2021 Leasing and Housing Assistance Payments for  
the Housing Choice Voucher (HCV) Program

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### Executive Summary

The purpose of this memo is to update the Boards of Commissioners on February 2021 Housing Assistance Payments (HAP) and leasing activities, and projections for the remainder of 2021.

### HAP Pacing Update

On a regular basis, staff evaluate the pace at which HAP is expended to ensure that the agency can assist as many eligible participants as the funding will support while not exceeding the number of authorized units and funded dollars.

In order to maximize HAP, staff are using HUD waivers to pass on the increased payment standards to voucher households to ensure HAP is expended in a manner that allows voucher households to reap the benefits of the current payment standard sooner than later. Normally, the benefit of the increased payment standard cannot be passed onto the family until their regular scheduled annual reexamination. HUD is allowing PHAs to pass on the benefit of the increased payment standard, which will increase HAP and decrease tenant rent, especially when the annual reexamination has not yet been processed timely, due to COVID. In addition, staff are also in the process of re-evaluating payment standards to assess maximum expenditure potential while remaining within its 2021 budget authority. While increasing payment standards provide additional purchasing power, particularly for those families currently searching for housing, it does not solve the availability of affordable housing units.

### Leasing Update

Staff also routinely monitor the leasing success rates of applicants and movers, and the pace at which new vouchers are issued to ensure maximum leasing potential while ensuring the overall unit months leased for the calendar do not exceed its baseline units. Both programs have leasing potential and have identified several contributing factors. In addition to the shortage of affordable housing, families are moving less and staying in place due to the 2020 pandemic,

which has now continued into 2021. Families who have been issued vouchers are competing in a low-vacancy market.

Extensions on search timelines for families who currently hold a voucher are granted to mitigate some of the challenges families may be experiencing related to COVID-19. While the use of HUD waivers have allowed the department to streamline other operational functions, alternative methods were not made available for the applicant intake process.

### **City HCV**

HAP expenditures for the month of February are projected to be \$4,227,011 with a HAP utilization rate for the month of February of 91.3%. The overall projected HAP utilization rate is 91.2%.

Voucher utilization for the month of February was 95.9% with an overall projected voucher utilization for CY 2020 of 94.2%.

### **County HCV**

HAP expenditures for the month of February are projected to be \$3,277,694 with a HAP utilization rate for the month of February of 92.8%. The overall projected HAP utilization rate is 93.3%.

Voucher utilization for the month of February was 95.9% with an overall projected voucher utilization for CY 2020 of 94.9%.

# HCV Leasing and Spending Projection

## CA006 Two-Year Voucher Forecasting Summary

4/14/2021

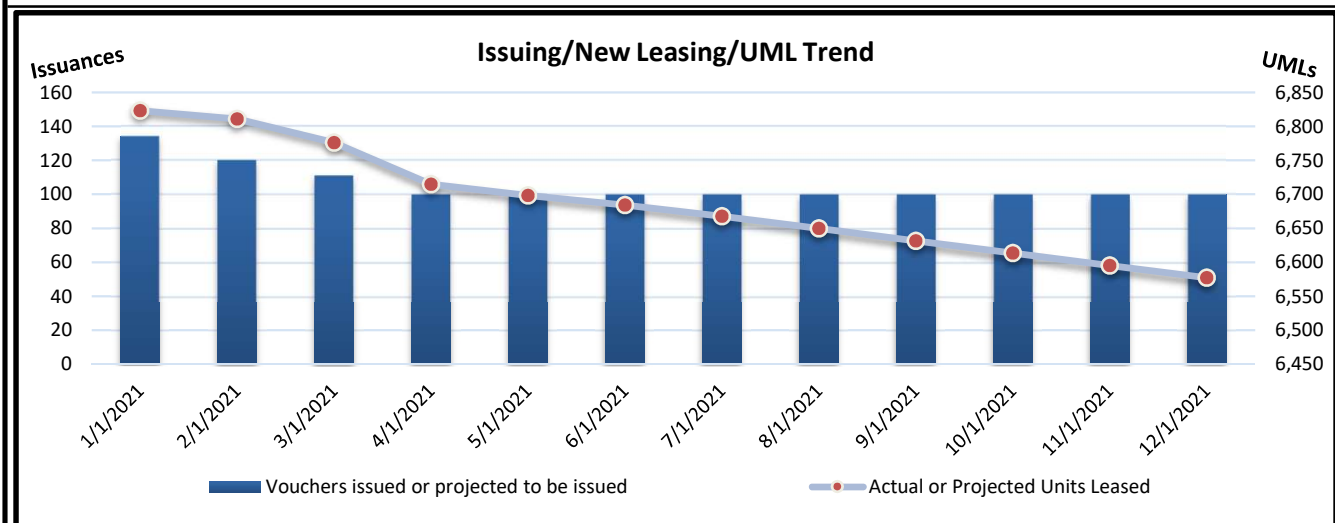
Prepared for: City Board of Commissioners

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 \$6,504,513, or 12% 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)	
52%	5%	Leased in	Percent
		0-30 Days	20%
2021 PUC		31-60 Days	35%
(Average monthly cost of a voucher -2021)		61-90 Days	22%
\$630		91-120 Days	14%
		121-150 Days	9%

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:



Under this scenario, the PHA faces an offset of \$654,133 next year and no offset the following year. Additionally, the higher of this year's leased units (94.2%) or dollars (91.2%) is 94.2%, indicating no leasing indicator points in SEMAP. This is a VASH-adjusted estimate.

## CA006 Summary

HAP expenditures for February are projected to be \$4,227,011 with a monthly HAP utilization rate of 91.3%. Voucher utilization for the month of February was 95.9% with an overall projected voucher utilization rate for CY 2021 of 94.2%. These utilization rates have been adjusted for VASH.

# HCV Leasing and Spending Projection

## CA006 Two-Year Voucher Forecasting Summary

4/20/2021

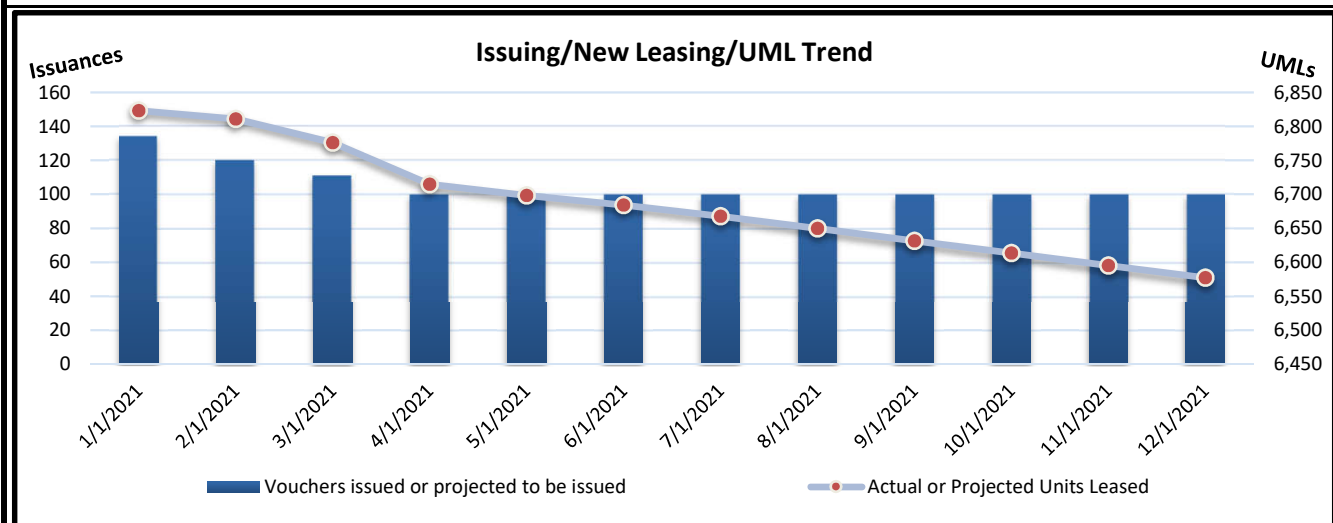
Prepared for: City Board of Commissioners

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HAP expenditures for February are projected to be \$4,227,011 with a monthly HAP utilization rate of 91.3%. Voucher utilization for the month of February was 95.9% with an overall projected voucher utilization rate for CY 2021 of 94.2%. These utilization rates have been adjusted for VASH.

# HCV Leasing and Spending Projection

## CA028 Two-Year Voucher Forecasting Summary

4/14/2021

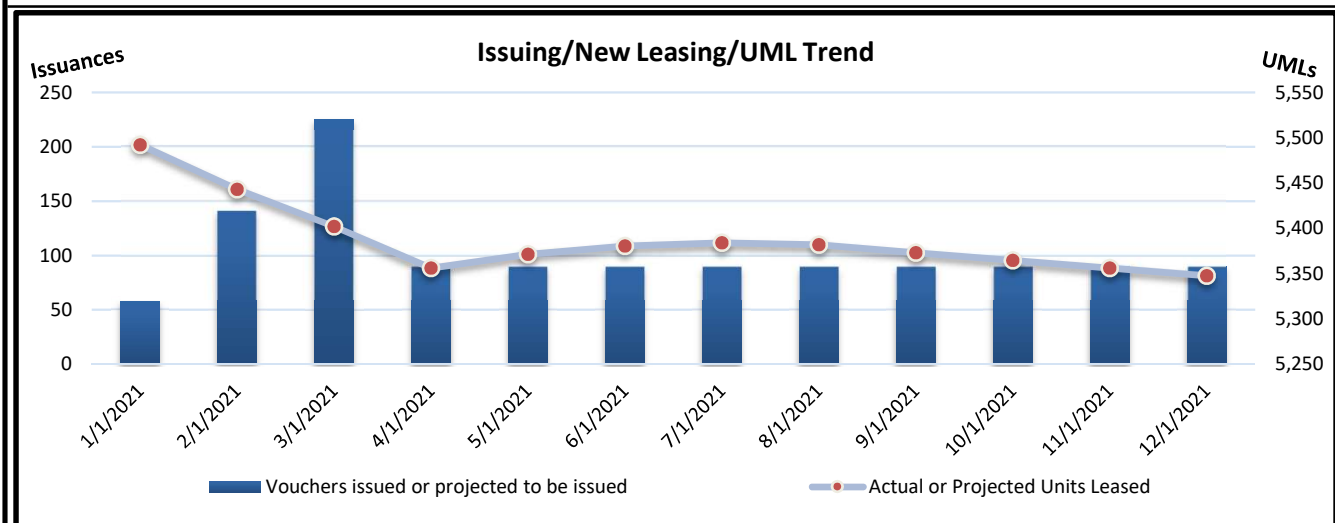
Prepared for: County Board of Commissioners

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 \$3,926,742, or 9.3% 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)	
52%	6%	Leased in	Percent
		0-30 Days	20%
2021 PUC		31-60 Days	35%
(Average monthly cost of a voucher - 2021)		61-90 Days	22%
\$612		91-120 Days	14%
		121-150 Days	9%

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:



Under this scenario, the PHA faces an offset of \$542,898 next year and no offset the following year. Additionally, the higher of this year's leased units (94.9%) or dollars (93.3%) is 94.9%, indicating no leasing indicator points in SEMAP. This is a VASH-adjusted estimate.

## CA028 Summary

HAP expenditures for February are projected to be \$3,277,694 with a monthly HAP utilization rate of 92.8%. Current voucher utilization for the month of February was 95.9% with an overall projected voucher utilization rate for CY 2020 of 94.9%.



# HCV Leasing and Spending Projection

## CA028 Two-Year Voucher Forecasting Summary

4/20/2021

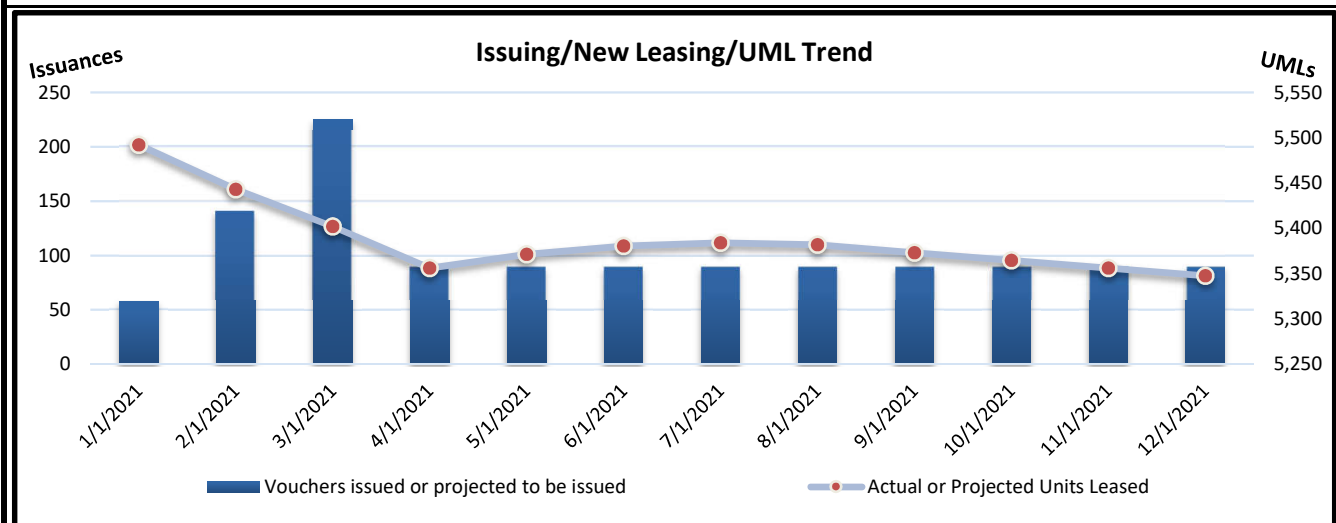
Prepared for: County Board of Commissioners

Prepared by: Housing Choice Department

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**TO:** Boards of Commissioners

Fresno Housing

**DATE:** April 20, 2021

**AUTHOR:** Hilda Reeves

**FROM:** Angie Nguyen, Interim CEO/Executive Director

**SUBJECT:** Parlier Migrant Center and Vaccine Mobile Clinic

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The Parlier Migrant Center officially opened for the season on Tuesday, April 13<sup>th</sup>. Over the course of two days, April 13<sup>th</sup> & 14<sup>th</sup>, 92 move-ins were completed using new COVID Procedures implemented in 2020. The new process allows families to check in using a drive-through system which is safer, easier and much faster for the families who often drive overnight to arrive on time.

This year, Fresno Housing staff partnered with Fresno County Department of Public Health and United Health Centers, to provide an on-site COVID-19 Vaccine (Pfizer) mobile clinic to incoming residents over the age of 18 who was interested. Community partners from Reading & Beyond and Building Healthy Community assisted with providing vaccine information and registration. During the two day opening event, United Health Centers administered 113 vaccines and will return once per week until all arriving families have been offered the vaccine. They will return to the site on May 4<sup>th</sup> and 5<sup>th</sup> for a second two-day event to offer the second dose of the vaccine.

Fresno Housing staff will continue to leverage partnerships to provide vaccine education and facilitate vaccine distribution for residents and staff. Staff are in discussion with the Fresno County Department of Public Health to assist with their efforts in decentralizing vaccine access throughout Fresno County and determine which Fresno Housing sites can be used for COVID vaccine pop-up clinics. The first pop-up vaccine distribution event is tentatively scheduled for late April.

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**TO:** Boards of Commissioners  
Fresno Housing

**DATE:** April 20, 2021

**AUTHOR:** Juan Lopez

**FROM:** Angie Nguyen, Interim CEO/Executive Director

**SUBJECT:** Fresno Housing Operating Budget as of February 28, 2021

### 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 28, 2021. The attached financial report shows the consolidation of all Agency operational budgets combined into six 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.

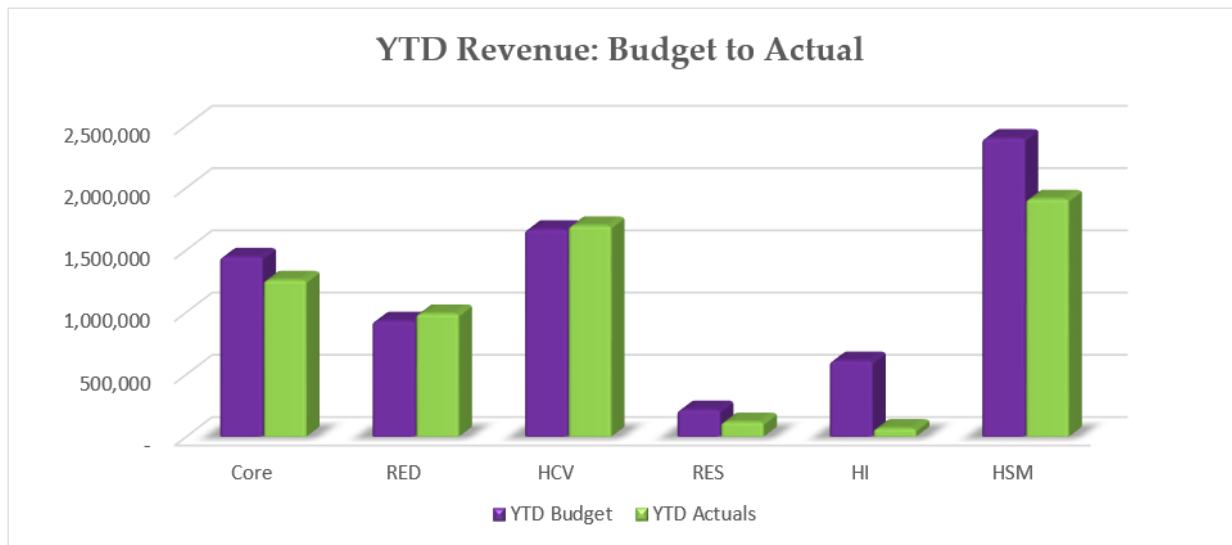
The 2021 Operating Budget was approved by the Boards of Commissioners in December 2020 with total revenues of \$43.6 million and total operating expenses of \$42.3 million. As of February, total revenues are \$6 million, which is \$1.2 million less than anticipated. However, total operating expenses are \$917 thousand less than budgeted at \$5.1 million through February. This puts net operating income at \$900 thousand, which is \$307 thousand less than budgeted. As of February, the Agency has utilized \$126 thousand in unrestricted reserves, which is \$599 thousand more than budgeted at this point in the year. The variance in unrestricted net income is mainly due to timing delays in the receipt of grant reimbursements for homeless and resident empowerment programs. Staff expects this variance to decrease once reimbursements are received.

#### OPERATING BUDGET

TOTAL INCOME  
TOTAL EXPENSES  
**NET OPERATING INCOME**  
TOTAL NON-OPERATING EXPENSES  
**NET INCOME**  
**UNRESTRICTED NET INCOME**

Fresno Housing Authority		
Annual Budget	YTD Budget	YTD Actuals
43,584,911	7,264,152	6,040,462
42,324,861	6,056,922	5,139,979
<b>1,260,050</b>	<b>1,207,230</b>	<b>900,484</b>
942,132	157,022	174,251
<b>317,918</b>	<b>1,050,208</b>	<b>726,232</b>
<b>(1,786,551)</b>	<b>472,855</b>	<b>(125,745)</b>

## Agency Revenue



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

RED - Real Estate Development: Real Estate Development, Construction Management departments and wholly-owned subsidiaries of the Agency, including HRFC, HSIC, and Silvercrest

HCV - Housing Choice Voucher programs

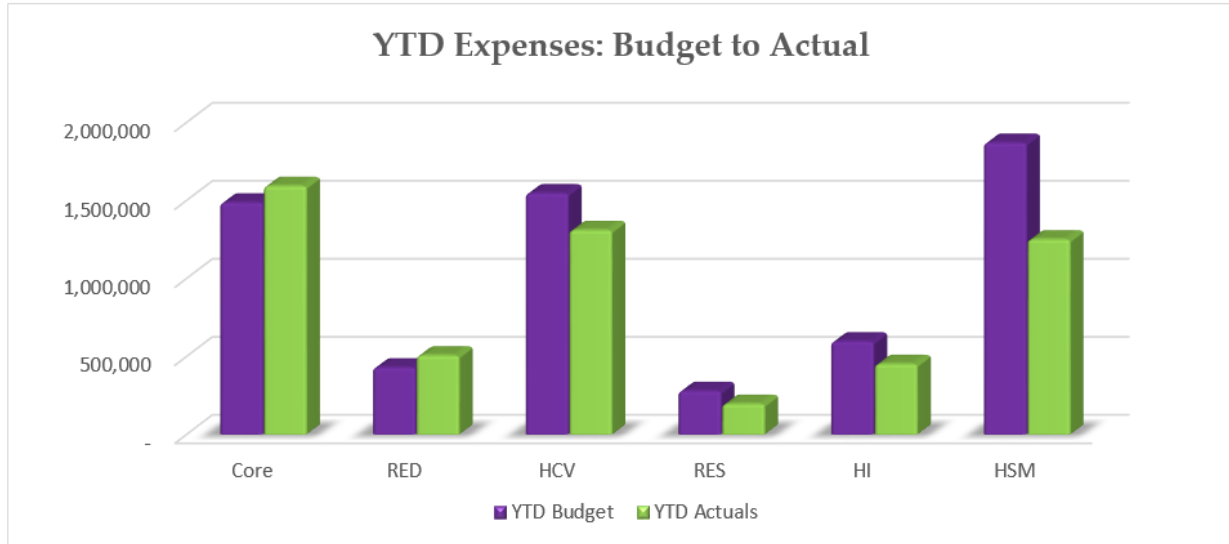
RES - Resident Empowerment Services: Resident Services

HI - Housing Initiatives or Homeless Programs

HSM - Housing Management: Agency-owned properties, including subsidized properties (public housing, farm labor and migrant properties) and non-subsidized properties, including Dayton, Woodside, El Cortez, and San Ramon

- Overall, year-to-date revenue is \$6 million, or 17% less than the year-to-date budget, largely due to timing delays in grant income in HI and RES.
- **RED:** Developer fees totaling \$880 thousand for Alegre Commons were received in January. No developer fees were received in February.
- **RES & HI:** HUD Grant Income and Other Income are less than budgeted. Timing delays in grant reimbursements from Shelter Plus Care and the Home TBRA program make up most of the variance in HUD Grant income. Timing delays in reimbursements from Project Liftoff, Rapid Rehousing and A Rapid Way home make up the remainder of the income variance. These reimbursements will be received in the second quarter of 2021.

## Agency Expenses



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

RED - Real Estate Development: Real Estate Development, Construction Management departments and wholly-owned subsidiaries of the Agency, including HRFC, HSIC, and Silvercrest

HCV - Housing Choice Voucher programs

RES - Resident Empowerment Services: Resident Services

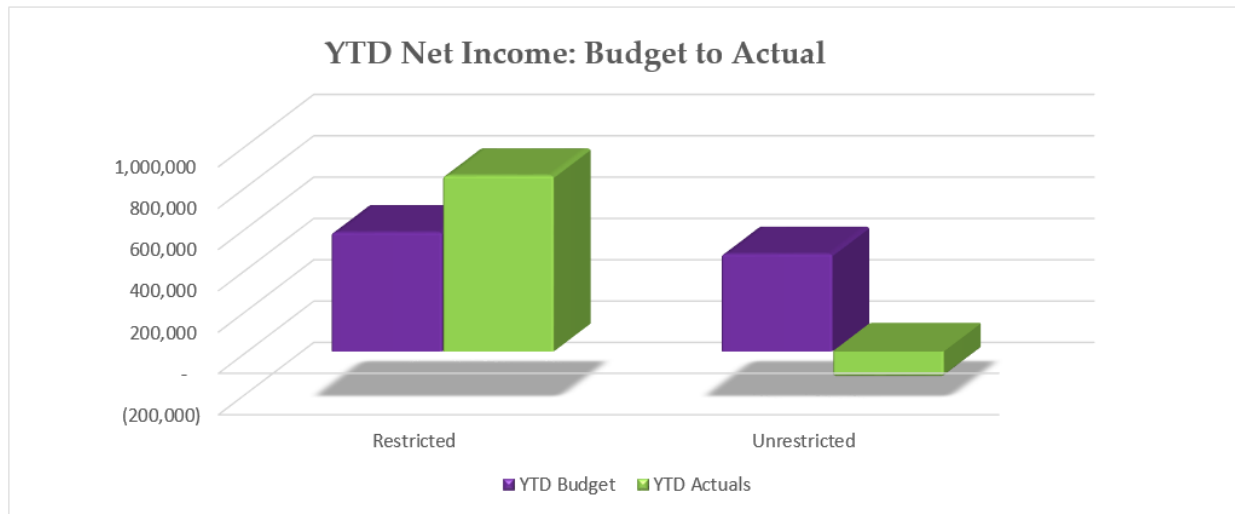
HI - Housing Initiatives or Homeless Programs

HSM - Housing Management: Agency-owned properties, including subsidized properties (public housing, farm labor and migrant properties) and non-subsidized properties, including Dayton, Woodside, El Cortez, and San Ramon

Overall, year-to-date operating expenses are \$5.1 million and non-operating expenses are \$174 thousand, which together are about 14% lower than budgeted.

- **Agency-wide:** Payroll Expenses are approximately \$215 thousand (9%) higher than anticipated mostly due to increased staffing and overtime expenses within our maintenance department. These additional expenses, which have mostly been reimbursed, were incurred as part of the final preparations for motels in Project Homekey.
- **Agency-wide:** Administrative Expenses are approximately \$466 thousand (23%) 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.
- **HI:** 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 \$599 thousand lower than budgeted as of February 2021, mainly due to timing delays in the receipt of grant reimbursements.
- Restricted net income is approximately \$275 thousand higher than budgeted due to lower maintenance expenses within the Housing Management Division and lower administrative expenses within the Housing Choice Voucher program.

Fresno Housing Authority  
Financial Results as of February 28, 2021

	Core			RED			HCV			RES			HI			HSM			Fresno Housing Authority		
	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	-	-	-	501,396	83,566	75,704	-	-	-	-	-	-	-	-	-	8,233,864	1,372,311	979,902	8,735,260	1,455,877	1,055,606
INTEREST INCOME	50,000	8,333	4,365	625,000	104,167	2,257	-	-	-	-	-	-	-	-	-	-	-	374	675,000	112,500	6,996
OTHER INCOME	154,200	25,700	91,163	520,000	86,667	30,783	-	-	13,025	811,238	135,206	119,192	544,003	90,667	-	364,627	60,771	954	2,394,068	399,011	255,119
ADMIN & MANAGEMENT FEE INCOME	8,462,509	1,410,418	1,163,606	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,462,509	1,410,418	1,163,606
DEVELOPER FEE INCOME	-	-	-	3,934,460	655,743	880,000	-	-	-	-	-	-	-	-	-	-	-	-	3,934,460	655,743	880,000
HUD GRANT INCOME	-	-	-	-	-	-	9,991,071	1,665,179	1,682,596	489,112	81,519	-	2,211,458	368,576	-	4,466,336	744,389	776,707	17,157,977	2,859,663	2,459,303
OTHER GRANT INCOME	-	-	-	-	-	-	-	-	-	-	-	-	905,496	150,916	67,508	1,320,141	220,024	152,326	2,225,637	370,940	219,834
TOTAL INCOME	8,666,709	1,444,452	1,259,134	5,580,856	930,143	988,745	9,991,071	1,665,179	1,695,621	1,300,350	216,725	119,192	3,660,957	610,160	67,508	14,384,968	2,397,495	1,910,263	43,584,911	7,264,152	6,040,462
EXPENSES																					
PAYROLL EXPENSES	7,206,516	845,380	1,056,072	1,840,748	215,934	231,077	5,963,404	699,553	733,078	1,225,038	143,706	144,910	812,626	95,327	106,512	3,155,119	370,120	313,589	20,203,451	2,370,020	2,585,238
ADMINISTRATIVE EXPENSES	2,992,461	498,744	430,628	1,074,399	179,067	236,205	4,996,566	832,761	578,062	473,188	78,865	51,831	468,183	78,031	17,237	2,344,571	390,762	277,444	12,349,368	2,058,228	1,591,407
TENANT SERVICES EXPENSES	50,504	8,417	26,225	15,132	2,522	-	-	-	-	340,620	56,770	-	2,539,988	423,331	329,027	315,870	52,645	600	3,262,114	543,686	355,852
UTILITY EXPENSES	175,487	29,248	17,853	72,024	12,004	11,693	-	-	-	-	-	-	-	-	-	2,258,143	376,357	269,153	2,505,654	417,609	298,699
MAINTENANCE EXPENSES	583,518	97,253	56,399	64,760	10,793	2,547	81,969	13,662	-	4,500	750	-	6,061	1,010	-	2,487,940	414,657	148,519	3,228,748	538,125	207,465
TAXES & INSURANCE EXPENSES	50,788	8,465	6,891	61,400	10,233	26,176	7,353	1,226	133	-	-	-	-	-	-	655,985	109,331	68,117	775,526	129,254	101,318
TOTAL EXPENSES	11,059,274	1,487,506	1,594,068	3,128,463	430,553	507,698	11,049,292	1,547,201	1,311,273	2,043,346	280,091	196,740	3,826,858	597,699	452,776	11,217,628	1,713,871	1,077,424	42,324,861	6,056,922	5,139,979
NET OPERATING INCOME	(2,392,565)	(43,055)	(334,934)	2,452,393	499,590	481,047	(1,058,221)	117,977	384,348	(742,996)	(63,366)	(77,548)	(165,901)	12,460	(385,268)	3,167,340	683,623	832,840	1,260,050	1,207,230	900,484
NON-OPERATING EXPENSES																					
TOTAL NON-OPERATING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	489,540	81,590	172,907	489,540	81,590	172,907
TOTAL FINANCING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	452,592	75,432	1,345	452,592	75,432	1,345
TOTAL ADJUSTMENTS & OPERATING TRANSFERS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	942,132	157,022	174,251	942,132	157,022	174,251
NET INCOME	(2,392,565)	(43,055)	(334,934)	2,452,393	499,590	481,047	(1,058,221)	117,977	384,348	(742,996)	(63,366)	(77,548)	(165,901)	12,460	(385,268)	2,225,208	526,601	658,588	317,918	1,050,208	726,232
UNRESTRICTED NET INCOME	(2,392,565)	(43,055)	(334,934)	1,735,991	376,105	509,646	(1,058,221)	-	-	(742,996)	(63,366)	(77,548)	(165,901)	12,460	(385,268)	837,141	190,710	162,359	(1,786,551)	472,855	(125,745)