



# Boards of Commissioners Update

June 2021

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

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## BOARD UPDATE

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**TO:** Boards of Commissioners  
Fresno Housing

**DATE:** June 14, 2021

**AUTHOR:** Aurora Ibarra

**FROM:** Angelina Nguyen, Interim CEO/Chief Programs Officer

**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 April 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.

Staff recently received final funding amounts for CY 2021. All reserve and funding estimates are based on these figures.

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 increased payment standards effective May 1, 2021 to assess maximum expenditure potential while remaining within its 2021 budget authority. While increasing payment standards provides 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. The use of HUD waivers have allowed the department to begin streamlining the applicant intake process.

### **City HCV**

HAP expenditures for the month of April are projected to be \$4,105,571 with a HAP utilization rate for the month of April of 89.4%. The overall projected HAP utilization rate is 90.3%.

Voucher utilization for the month of April was 95.5% with an overall projected voucher utilization for CY 2021 of 93.7%.

When factoring in HAP utilization and leasing rates, the Agency would earn zero points under the corresponding SEMAP indicator. HUD informed our agency that we could use 2019 SEMAP scores for the 2021 reporting year (which was High Performer) due to pandemic related delays and we elected to do so. Staff continues to use the SEMAP scoring factors as a guiding tool to self-monitor program performance.

### **County HCV**

HAP expenditures for the month of April are projected to be \$3,263,793 with a HAP utilization rate for the month of April of 92.4%. The overall projected HAP utilization rate is 94.3%.

Voucher utilization for the month of April was 95.4% with an overall projected voucher utilization for CY 2021 of 95%.

When factoring in HAP utilization and leasing rates, the Agency would earn partial points under the corresponding SEMAP indicator. HUD informed our agency that we could use 2019 SEMAP scores for the 2021 reporting year (which was High Performer) due to pandemic related delays and we elected to do so. Staff continues to use the SEMAP scoring factors as a guiding tool to self-monitor program performance.

# HCV Leasing and Spending Projection

## CA006 Two-Year Voucher Forecasting Summary

6/8/2021

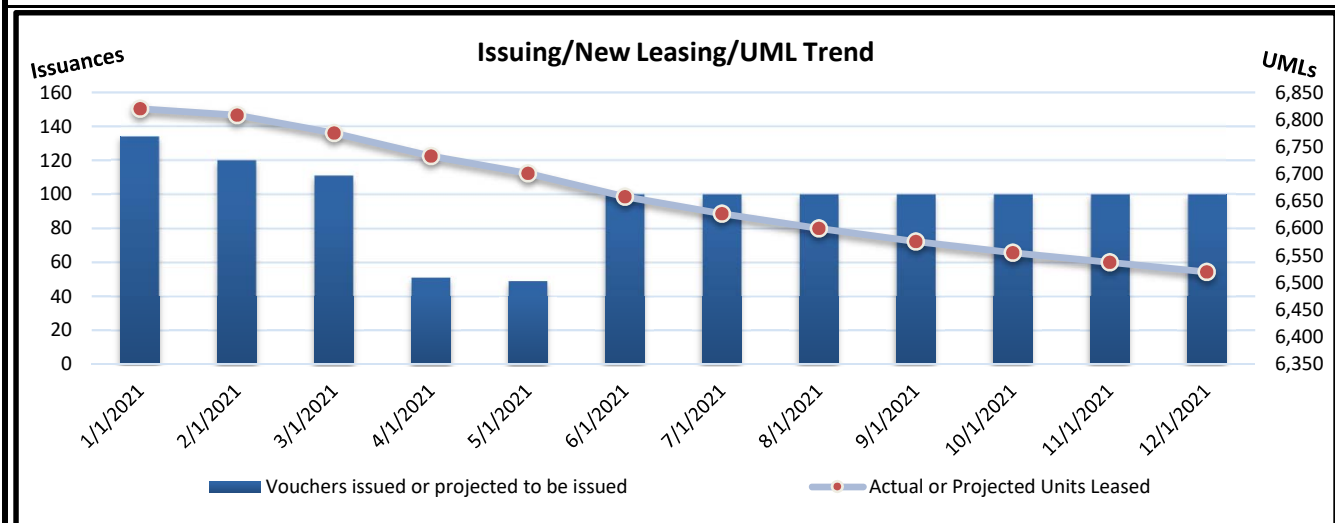
Prepared for: City Board of Commissioners

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 \$6,903,808, 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 - Year 1)		61-90 Days	22%
\$628		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 \$747,589 next year and no offset the following year. Additionally, the higher of this year's leased units (93.7%) or dollars (90.3%) is 93.7%, indicating no leasing indicator points in SEMAP. This is a VASH-adjusted estimate.

## CA006 Summary

HAP expenditures for April are projected to be \$4,155,571 with a monthly HAP utilization rate of 89.6%. Voucher utilization for the month of April was 94.8% with an overall projected voucher utilization rate for CY 2021 of 93.7%. These utilization rates have been adjusted for VASH.

# HCV Leasing and Spending Projection

## CA028 Two-Year Voucher Forecasting Summary

6/8/2021

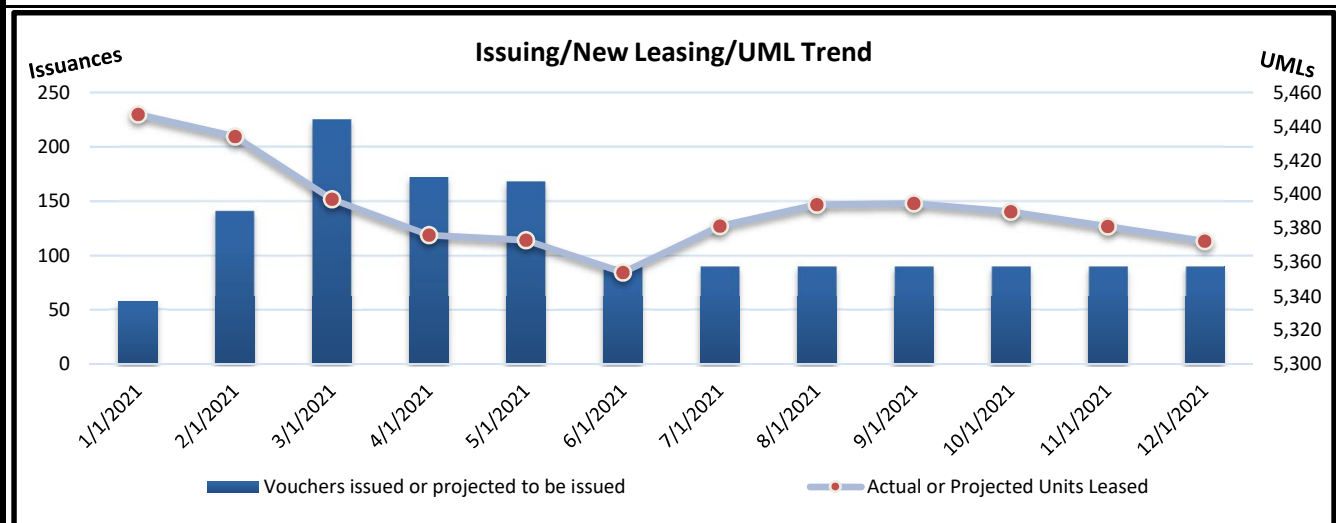
Prepared for: County Board of Commissioners

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 \$3,500,673, or 8.3% 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%
\$618		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 \$436,381 next year and no offset the following year. Additionally, the higher of this year's leased units (95.0%) or dollars (94.3%) is 95.0%, indicating partial leasing indicator points in SEMAP. This is an estimate.

## CA028 Summary

HAP expenditures for April are projected to be \$3,263,793 with a monthly HAP utilization rate of 92.4%. Current voucher utilization for the month of April was 94.7% with an overall projected voucher utilization rate for CY 2020 of 95%.

## BOARD UPDATE

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**TO:** Boards of Commissioners

Fresno Housing

**DATE:** June 14, 2021

**AUTHOR:** Doreen Eley

**FROM:** Angelina Nguyen, Interim CEO/Chief Programs Officer

**SUBJECT:** Update on Emergency Housing Vouchers

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### Executive Summary

The purpose of this memo is to update the Boards of Commissioners on the progress in the administration of the Emergency Housing Vouchers (EHV). As previously reported, Fresno Housing (FH) was invited to accept an allocation of 295 EHVs; FH accepted this allocation and requested an additional fifty (50) EHVs should they be available. So far, FH has been allocated an additional three (3) EHVs for a total of 298. There could be an additional allocation going forward.

### Prioritization of EHVs

As mandated by HUD operation requirements of EHV, FH is working with the Fresno Madera Continuum of Care (FMCoC) to determine the prioritization of these vouchers among the eligible populations which are: a) individuals/families experiencing homelessness; b) individuals/families at risk of experiencing homelessness; c) persons fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking; and, d) were recently homeless and for whom providing rental assistance will prevent the family's homelessness.

Decisions of prioritization are through a thoughtful, inclusion process that utilizes data analysis and an eye to equity. The process is using data from the Homeless Management Information System (HMIS), U.S. Department of Housing and Urban Development (HUD) Continuum of Care Racial Equity Analysis Tool and the California Homeless Data Integration System. FMCoC consultants from Homebase convened and facilitated a small focus group that included representation from organizations serving domestic violence and human trafficking survivors, Coordinated Entry staff and street outreach staff.

Discussion included racial disparity where Black people while 5% of the Fresno/Madera population, comprise 17% of the population of persons experiencing homeless; Black families with children comprise 19%. The trend of families becoming a rising population needing services, along with underserved populations such as survivors of human trafficking was also discussed. This

group desired more data from the community By Name List and demographics from organizations serving survivors of domestic violence and human trafficking. The group will convene again within the next two weeks to make decisions. These decisions will become part of the Memorandum of Understanding between FH and FMCoC; discussed at the FMCoC Board of Directors meeting on July 1<sup>st</sup>, and voted on at the July 8<sup>th</sup> FMCoC General Meeting.



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**TO:** Boards of Commissioners

Fresno Housing

**DATE:** June 14, 2021

**AUTHOR:** Juan Lopez

**FROM:** Angelina Nguyen, Interim CEO/Chief Programs Officer

**SUBJECT:** Fresno Housing Operating Budget as of April 30, 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 April 30, 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.

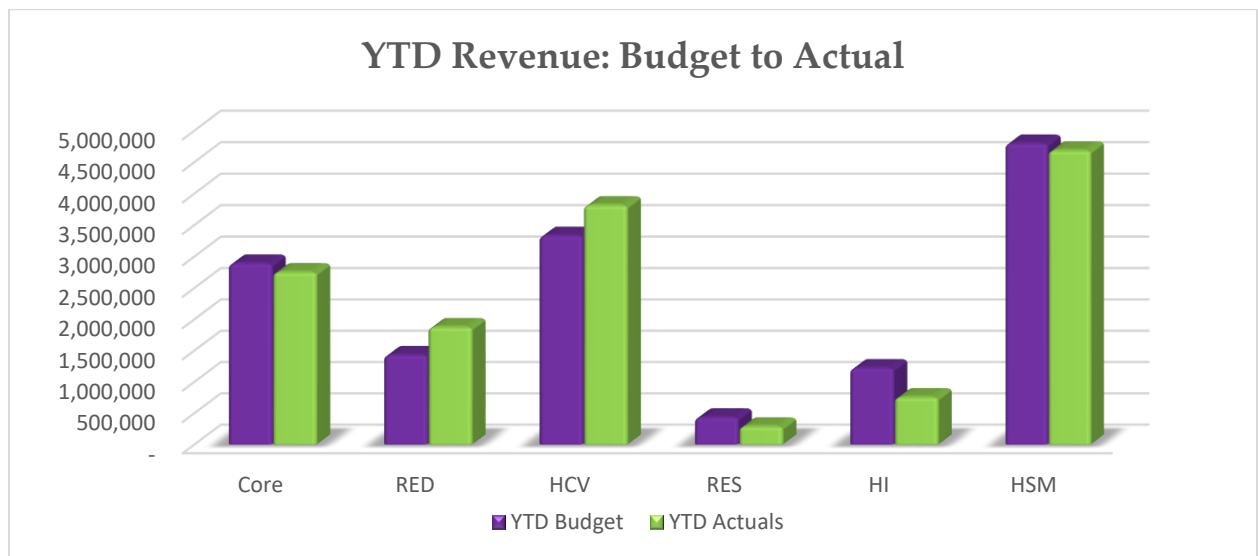
The 2021 Operating Budget was approved by the Boards of Commissioners in December 2020 with total revenues of \$43.6 million and total operating expenses of \$42.3 million. As of April, total revenues are \$14 million, which is \$105 thousand more than anticipated. However, total operating expenses are \$924 thousand less than budgeted at \$12.7 million through April. This puts net operating income at \$1.5 million, which is \$995 thousand more than budgeted. As of April, the Agency has utilized \$740 thousand in unrestricted reserves, which is \$352 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. 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**

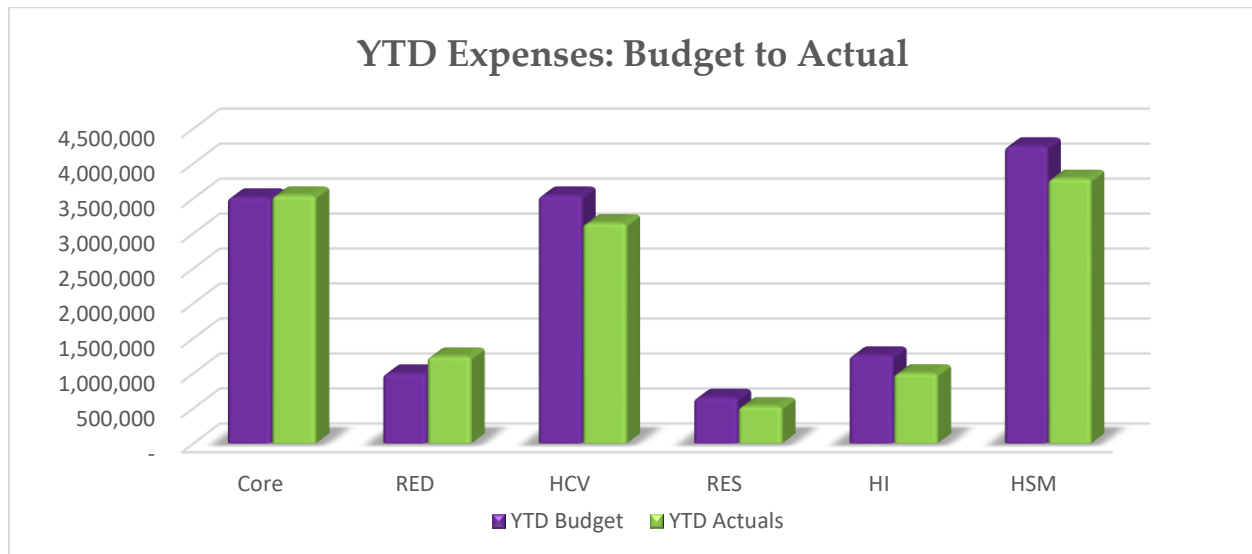
Fresno Housing Authority		
Annual Budget	YTD Budget	YTD Actuals
43,584,911	14,096,817	14,202,597
42,324,861	13,629,103	12,739,656
<b>1,260,050</b>	<b>467,714</b>	<b>1,462,941</b>
1,742,960	580,987	536,672
<b>(482,910)</b>	<b>(113,272)</b>	<b>926,269</b>
<b>(728,330)</b>	<b>(388,718)</b>	<b>(740,279)</b>

## Agency Revenue



- Overall, year-to-date revenue is \$14.2 million, or 1% less than the year-to-date budget, largely due to timing delays in grant income in RES and HI. This income is mostly based on reimbursements of actual expenses, thus making their net effect neutral.
- **RED:** No developer fees were received in April. Staff anticipates developer fees for Fenix @ Lowell, 541 @ South Tower/Cedar Heights, Orange Cove RAD, Mendota RAD, and Magnolia Commons will be received in June 2021.
- **RES & HI:** HUD Grant Income and Other Income are less than budgeted, however, the net effect on the overall budget is neutral as most of these grants operate on a reimbursement basis. Timing delays in grant reimbursements from various housing grants make up most of the variance in HUD Grant income. Staff anticipate that these reimbursements will be received in June 2021.

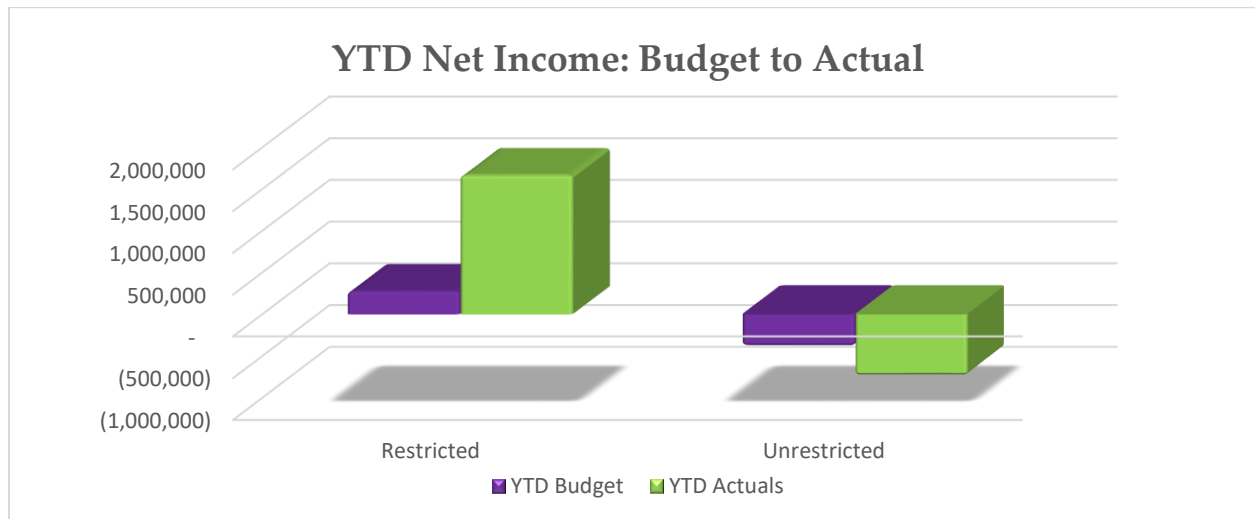
## Agency Expenses



Overall, year-to-date operating expenses are \$12.7 million and non-operating expenses are \$537 thousand, which together are about 8% lower than budgeted.

- **Agency-wide:** Payroll Expenses are approximately \$169 thousand (3%) higher than anticipated mostly due to increased staffing and overtime expenses within our maintenance department. These additional expenses were incurred as part of the final preparations for motels in Project Homekey. The Agency received most payments for these services in 2020 and will receive the remainder in 2021.
- **Agency-wide:** Administrative Expenses are approximately \$543 thousand (13%) 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, which factor in tenant income levels. This variance means that tenant incomes are higher than anticipated, thus reducing the amount of rent paid on behalf of each tenant.

## Agency Net Income



- Unrestricted net income is approximately \$352 thousand higher than budgeted as of April 2021, mainly due to timing delays in the receipt of grant reimbursements.
- Restricted net income is approximately \$1.4 million higher than budgeted due to lower administrative expenses within the Housing Management Division and Housing Choice Voucher program.

Fresno Housing Authority  
Financial Results as of April 30, 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	167,132	154,713	-	-	-	-	-	-	-	-	-	8,233,864	2,744,621	2,672,242	8,735,260	2,911,753	2,826,955
INTEREST INCOME	50,000	16,667	8,446	625,000	208,333	375,030	-	-	-	-	-	-	-	-	-	-	-	632	675,000	225,000	384,108
OTHER INCOME	154,200	51,400	264,060	520,000	173,333	115,584	-	-	-	811,238	270,413	259,412	544,003	181,334	46,733	364,627	121,542	15,126	2,394,068	798,023	700,914
ADMIN & MANAGEMENT FEE INCOME	8,462,509	2,820,836	2,478,508	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,462,509	2,820,836	2,478,508
DEVELOPER FEE INCOME	-	-	-	3,934,460	880,000	880,000	-	-	-	-	-	-	-	-	-	-	-	-	3,934,460	880,000	880,000
HUD GRANT INCOME	-	-	-	-	-	-	9,991,071	3,330,357	3,812,537	489,112	163,037	29,423	2,211,458	737,153	586,118	4,466,336	1,488,779	1,620,171	17,157,977	5,719,326	6,048,249
OTHER GRANT INCOME	-	-	-	-	-	383,754	-	-	1,174	-	-	-	905,496	301,832	122,279	1,320,141	440,047	376,656	2,225,637	741,879	883,863
TOTAL INCOME	8,666,709	2,888,903	2,751,014	5,580,856	1,428,799	1,909,081	9,991,071	3,330,357	3,813,711	1,300,350	433,450	288,835	3,660,957	1,220,319	755,129	14,384,968	4,794,989	4,684,827	43,584,911	14,096,817	14,202,597
EXPENSES																					
PAYROLL EXPENSES	7,206,516	2,231,248	2,478,444	1,840,748	569,924	570,970	5,963,404	1,846,362	1,847,998	1,225,038	379,291	380,540	812,626	251,602	269,404	3,155,119	976,873	876,845	20,203,451	6,255,299	6,424,202
ADMINISTRATIVE EXPENSES	2,992,461	997,487	824,618	1,074,399	358,133	608,211	4,996,566	1,665,522	1,296,762	473,188	157,729	146,556	468,183	156,061	47,346	2,344,571	781,524	650,079	12,349,368	4,116,456	3,573,571
TENANT SERVICES EXPENSES	50,504	16,835	34,225	15,132	5,044	-	-	-	-	340,620	113,540	-	2,539,988	846,663	681,935	315,870	105,290	66,959	3,262,114	1,087,371	783,119
UTILITY EXPENSES	175,487	58,496	38,260	72,024	24,008	36,693	-	-	-	-	-	-	-	-	-	2,258,143	752,714	601,953	2,505,654	835,218	676,906
MAINTENANCE EXPENSES	583,518	194,506	151,373	64,760	21,587	24,225	81,969	27,323	-	4,500	1,500	2,522	6,061	2,020	1,799	2,487,940	829,313	866,630	3,228,748	1,076,249	1,046,549
TAXES & INSURANCE EXPENSES	50,788	16,929	15,134	61,400	20,467	32,759	7,353	2,451	815	-	-	183	-	-	-	655,985	218,662	186,418	775,526	258,509	235,308
TOTAL EXPENSES	11,059,274	3,515,501	3,542,054	3,128,463	999,162	1,272,858	11,049,292	3,541,658	3,145,575	2,043,346	652,060	529,801	3,826,858	1,256,346	1,000,484	11,217,628	3,664,376	3,248,884	42,324,861	13,629,103	12,739,656
NET OPERATING INCOME	(2,392,565)	(626,598)	(791,040)	2,452,393	429,636	636,223	(1,058,221)	(211,301)	668,136	(742,996)	(218,610)	(240,966)	(165,901)	(36,027)	(245,354)	3,167,340	1,130,613	1,435,944	1,260,050	467,714	1,462,941
NON-OPERATING EXPENSES																					
TOTAL NON-OPERATING EXPENSES	-	-	-	-	-	2,750	-	-	-	-	-	-	-	-	-	1,290,368	430,123	388,395	1,290,368	430,123	391,145
TOTAL FINANCING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	452,592	150,864	145,526	452,592	150,864	145,526
TOTAL ADJUSTMENTS & OPERATING TRANSFERS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING EXPENSES	-	-	-	-	-	2,750	-	-	-	-	-	-	-	-	-	1,742,960	580,987	533,922	1,742,960	580,987	536,672
NET INCOME	(2,392,565)	(626,598)	(791,040)	2,452,393	429,636	633,473	(1,058,221)	(211,301)	668,136	(742,996)	(218,610)	(240,966)	(165,901)	(36,027)	(245,354)	1,424,380	549,626	902,022	(482,910)	(113,272)	926,269
UNRESTRICTED NET INCOME	(2,392,565)	(626,598)	(791,040)	1,735,991	188,873	83,056	-	-	-	(742,996)	(218,610)	(240,966)	(165,901)	(36,027)	(245,354)	837,141	303,643	454,025	(728,330)	(388,718)	(740,279)