



Boards of Commissioners Update

August 2021

Boards of Commissioners Update – August 2021

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(Pursuant to Government Code § 54954.5(b))	
Property: 36200 Giffen Dr., Huron, CA	
Under negotiation: Price and Terms	

BOARD UPDATE

O (559) 443-8400

F (559) 445-8981

1331 Fulton Street
Fresno, California 93721
TTY (800) 735-2929

www.fresnohousing.org

TO: Boards of Commissioners
Fresno Housing Authority

DATE: August 16, 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

Executive Summary

The purpose of this memo is to update the Boards of Commissioners on June 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 continue to use HUD waivers to pass on the increased subsidy provided to voucher households as a result of new payment standards immediately, rather than waiting until the scheduled annual recertification. 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 recertification has not yet been processed timely, due to COVID. Staff have increased payment standards twice within the past nine months, once in October 2020 and again in April 2021. Staff have assessed maximum expenditure potential to ensure spending remains 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 year do not exceed its baseline units. There are several contributing factors that have resulted in leasing potential for both programs. As we know, families continue to compete in a low-vacancy market with very few available affordable units. Therefore, staff continuously assess landlord interest in the

program. In June, staff added additional landlord incentives which landlords are finding much more attractive than previous incentives. Incentives include:

- Lease-In-Place incentive to encourage landlords to work with Fresno Housing to address any concerns they may have with either continuing to lease to their current tenant who recently received a voucher, or concerns they may have with entering into a Housing Assistance Payment contract with FH.
- Signing bonuses to non-participating landlords
- Bonuses to landlords who bring on new units never before leased to voucher holders, or units that have been on the program before and landlords continue to lease the unit another voucher holder.
- Retention incentive for existing families under contract who may have fallen behind rent where the owner is willing to enter into a repayment agreement.
- All incentives expire on 12/31/2021 in accordance with the sunset of CARES funding availability.

With respect to issuing more vouchers, the department extended its contract with Quadel Consulting & Training, LLC that was entered into in 2020 to assist with annual reexaminations to assist with intake and voucher issuances. The use of HUD waivers have allowed the department to streamline the applicant intake process. 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.

City HCV

HAP expenditures for the month of June are projected to be \$4,247,440 with a HAP utilization rate for the month of June of 91.6%. The overall projected HAP utilization rate is 91.6%. The per unit cost is projected to increase from \$606 in January 2021 to \$635 in June.

Voucher utilization for the month of June was 94.1% with an overall projected voucher utilization for CY 2021 of 94%

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 June are projected to be \$3,316,738 with a HAP utilization rate for the month of June of 93.9%. The overall projected HAP utilization rate is 93.9%. The per unit cost is projected to increase from \$591 in January 2021 to \$616 in June.

Voucher utilization for the month of June was 94.9% with an overall projected voucher utilization for CY 2021 of 94.9%.

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

8/16/2021

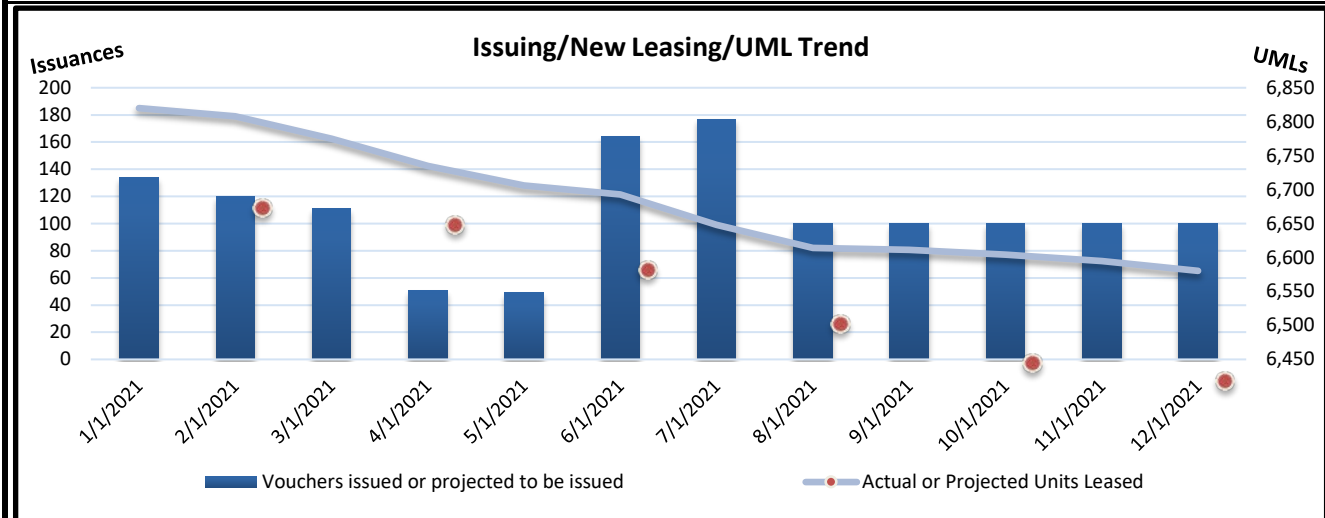
Prepared for: City Board of Commissioners

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 \$6,189,215, or 11% 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%
\$635		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 \$564,529 next year and no offset the following year. Additionally, the higher of this year's leased units (94.0%) or dollars (91.6%) is 94.0%, indicating no leasing indicator points in SEMAP. This is a VASH-adjusted estimate.

CA006 Summary

HAP expenditures for June are projected to be \$4,247,440 with a monthly HAP utilization rate of 91.6%. Voucher utilization for the month of June was 94.1% with an overall projected voucher utilization rate for CY 2021 of 94%. These utilization rates have been adjusted for VASH.

HCV Leasing and Spending Projection

CA028 Two-Year Voucher Forecasting Summary

8/16/2021

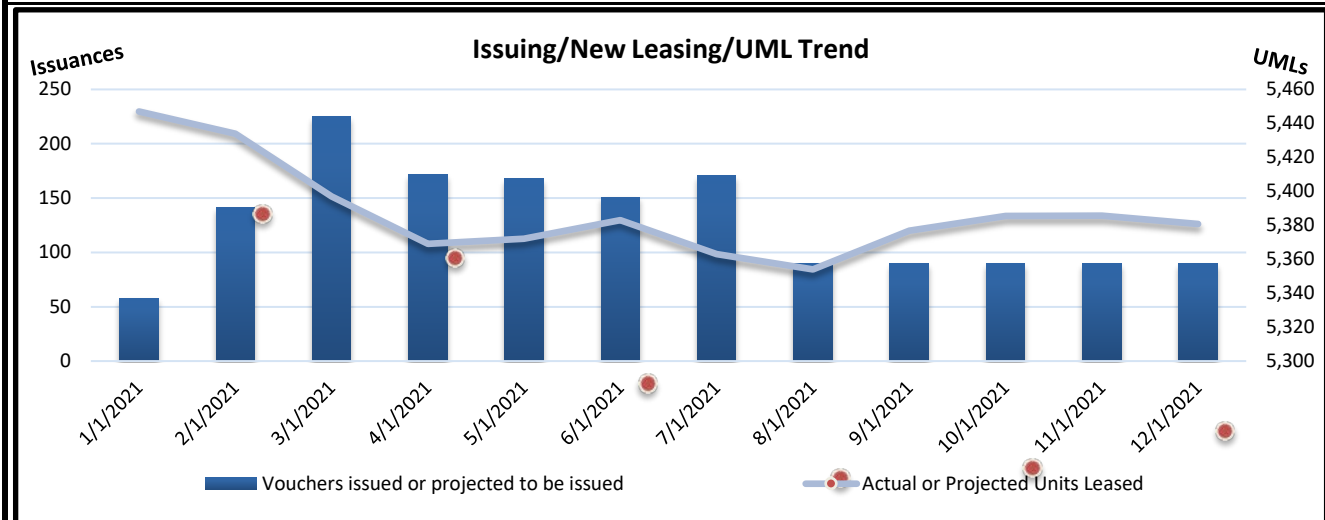
Prepared for: County Board of Commissioners

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 \$3,725,167, or 8.8% 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%
\$615		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 \$492,504 next year and no offset the following year. Additionally, the higher of this year's leased units (94.9%) or dollars (93.8%) is 94.9%, indicating partial leasing indicator points in SEMAP. This is an estimate.

CA028 Summary

HAP expenditures for June are projected to be \$3,316,738 with a monthly HAP utilization rate of 93.9%. Current voucher utilization for the month of June was 94.9% with an overall projected voucher utilization rate for CY 2021 of 94.9%.

BOARD UPDATE

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TO: Boards of Commissioners

Fresno Housing Authority

DATE: August 16, 2021

AUTHOR: Juan Lopez

FROM: Angelina Nguyen, Interim CEO/Executive Director

SUBJECT: Fresno Housing Operating Budget as of June 30, 2021

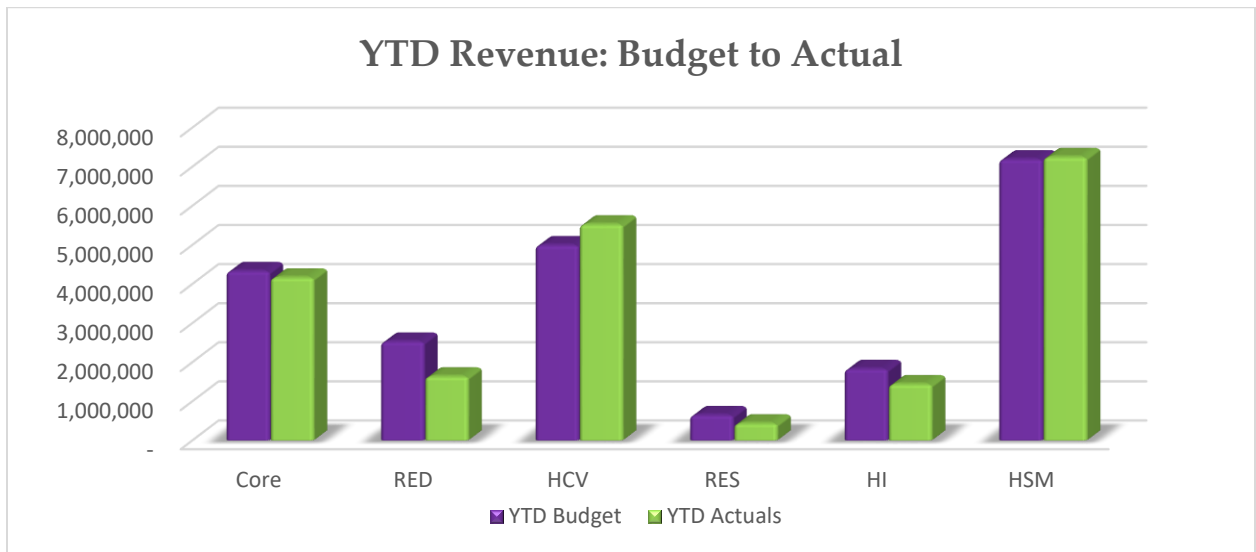
Executive Summary

The purpose of this update is to present an overview of the financial operating results for the Fresno Housing Authority as of June 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 June, total revenues are \$20.4 million, which is \$1.1 million less than anticipated. However, total operating expenses are \$1.3 million less than budgeted at \$19.1 million through June. This puts net operating income at \$1.3 million, which is \$215 thousand more than budgeted. As of June, the Agency has utilized \$591 thousand in unrestricted reserves, which is \$406 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.

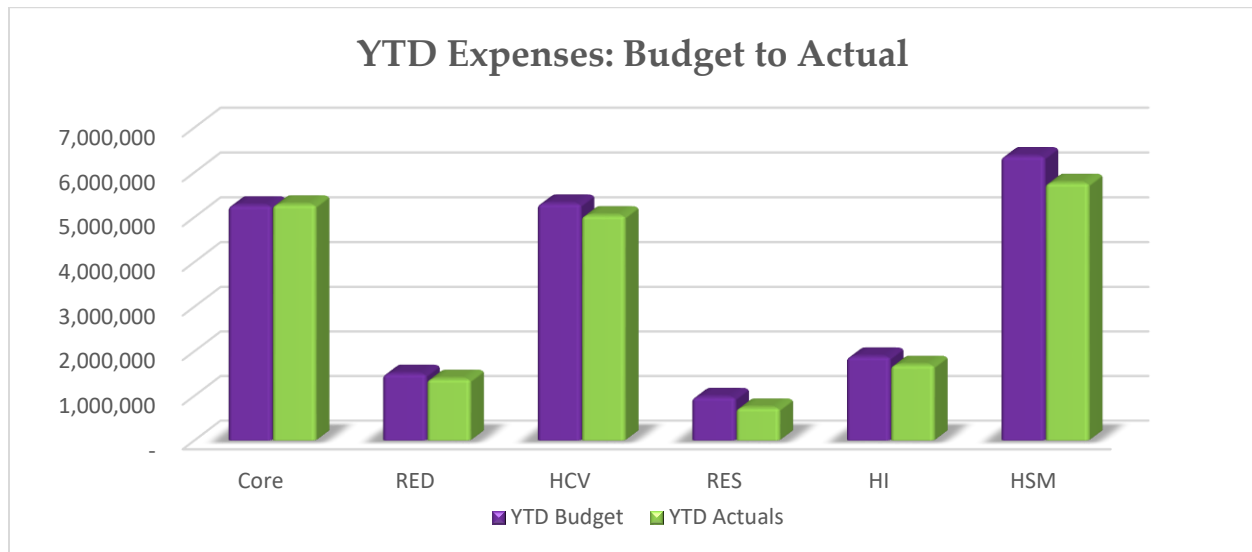
	Fresno Housing Authority		
	Annual Budget	YTD Budget	YTD Actuals
OPERATING BUDGET			
TOTAL INCOME	43,584,911	21,532,032	20,464,093
TOTAL EXPENSES	42,324,861	20,424,228	19,141,369
NET OPERATING INCOME	1,260,050	1,107,804	1,322,723
TOTAL NON-OPERATING EXPENSES	1,742,960	871,480	779,591
NET INCOME	(482,910)	236,324	543,133
UNRESTRICTED NET INCOME	(728,330)	(184,695)	(590,598)

Agency Revenue



- Overall, year-to-date revenue is \$20.5 million, or 5% less than the year-to-date budget, largely due to timing delays in administrative revenue from Public Housing Capital Fund Grants.
- **RED:** \$388 thousand total in developer fees were received in June for Cueva De Oso, Magill Terrace, 541 @ South Tower/Cedar Heights, Legacy Commons, Orange Cove RAD, and Mendota RAD.
- **HI:** Other 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.

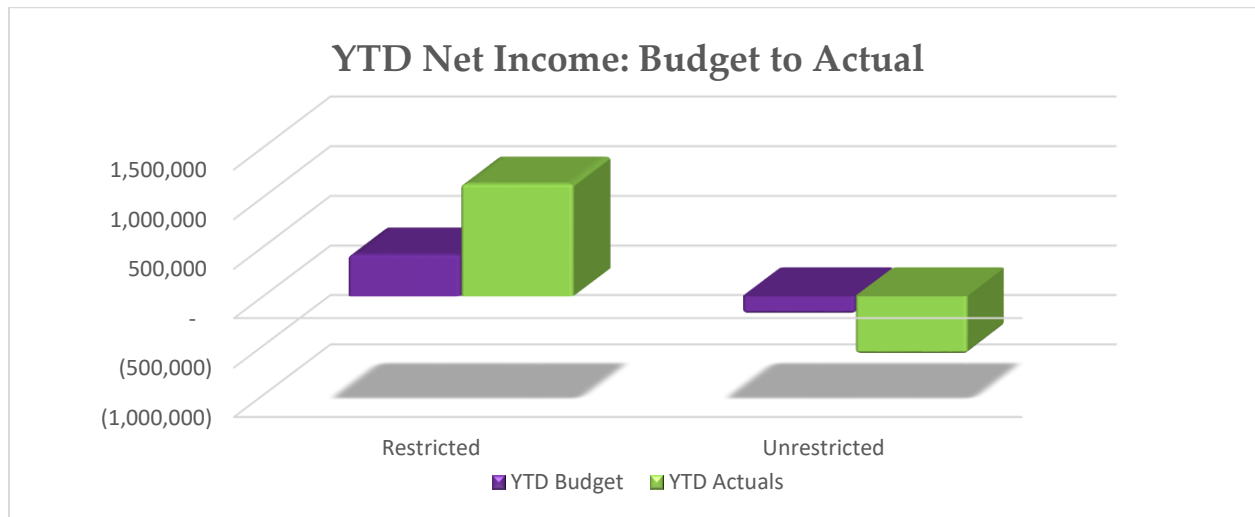
Agency Expenses



Overall, year-to-date operating expenses are \$19.1 million and non-operating expenses are \$780 thousand, which together are about 6% lower than budgeted.

- **Agency-wide:** Payroll Expenses are approximately \$124 thousand (1%) 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 \$643 thousand (10%) 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 \$406 thousand higher than budgeted as of June 2021, mainly due to timing delays in the receipt of administrative revenue from Capital Funds.
- Restricted net income is approximately \$712 thousand higher than budgeted due to lower administrative expenses within the Housing Management Division and Housing Choice Voucher programs.

Fresno Housing Authority
Financial Results as of June 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	250,698	227,940	-	-	-	-	-	-	-	-	-	8,233,864	4,116,932	4,329,436	8,735,260	4,367,630	4,557,376
INTEREST INCOME	50,000	25,000	12,529	625,000	312,500	4,740	-	-	-	-	-	-	-	-	-	-	-	7,582	675,000	337,500	24,850
OTHER INCOME	154,200	77,100	292,210	520,000	260,000	139,109	-	-	-	811,238	405,619	386,464	544,003	272,002	94,475	364,627	182,314	26,449	2,394,068	1,197,034	938,707
ADMIN & MANAGEMENT FEE INCOME	8,462,509	4,231,255	3,864,355	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,462,509	4,231,255	3,864,355
DEVELOPER FEE INCOME	-	-	-	3,934,460	1,706,806	1,267,513	-	-	-	-	-	-	-	-	-	-	-	-	3,934,460	1,706,806	1,267,513
HUD GRANT INCOME	-	-	-	-	-	-	9,991,071	4,995,536	5,527,352	489,112	244,556	50,726	2,211,458	1,105,729	1,150,443	4,466,336	2,233,168	2,388,343	17,157,977	8,578,989	9,116,864
OTHER GRANT INCOME	-	-	-	-	-	-	-	-	1,174	-	-	-	905,496	452,748	195,501	1,320,141	660,071	497,753	2,225,637	1,112,819	694,428
TOTAL INCOME	8,666,709	4,333,355	4,169,093	5,580,856	2,530,004	1,639,302	9,991,071	4,995,536	5,528,526	1,300,350	650,175	437,190	3,660,957	1,830,479	1,440,419	14,384,968	7,192,484	7,249,563	43,584,911	21,532,032	20,464,093
EXPENSES																					
PAYROLL EXPENSES	7,206,516	3,339,943	3,584,244	1,840,748	853,116	859,735	5,963,404	2,763,808	2,803,673	1,225,038	567,758	539,766	812,626	376,621	372,715	3,155,119	1,462,276	1,328,128	20,203,451	9,363,523	9,488,262
ADMINISTRATIVE EXPENSES	2,992,461	1,496,231	1,370,388	1,074,399	537,200	383,657	4,996,566	2,498,283	2,220,239	473,188	236,594	192,583	468,183	234,092	325,322	2,344,571	1,172,286	1,039,770	12,349,368	6,174,684	5,531,960
TENANT SERVICES EXPENSES	50,504	25,252	38,643	15,132	7,566	-	-	-	-	340,620	170,310	-	2,539,988	1,269,994	994,693	315,870	157,935	127,624	3,262,114	1,631,057	1,160,960
UTILITY EXPENSES	175,487	87,744	62,705	72,024	36,012	22,550	-	-	-	-	-	-	-	-	-	2,258,143	1,129,072	1,012,768	2,505,654	1,252,827	1,098,023
MAINTENANCE EXPENSES	583,518	291,759	212,334	64,760	32,380	46,068	81,969	40,985	15,650	4,500	2,250	5,587	6,061	3,031	4,677	2,487,940	1,243,970	1,236,375	3,228,748	1,614,374	1,520,691
TAXES & INSURANCE EXPENSES	50,788	25,394	18,157	61,400	30,700	66,888	7,353	3,677	4,990	-	-	853	-	-	-	655,985	327,993	250,586	775,526	387,763	341,475
TOTAL EXPENSES	11,059,274	5,266,322	5,286,471	3,128,463	1,496,974	1,378,899	11,049,292	5,306,752	5,044,553	2,043,346	976,912	738,789	3,826,858	1,883,737	1,697,407	11,217,628	5,493,531	4,995,250	42,324,861	20,424,228	19,141,369
NET OPERATING INCOME	(2,392,565)	(932,967)	(1,117,378)	2,452,393	1,033,030	260,402	(1,058,221)	(311,217)	483,973	(742,996)	(326,737)	(301,599)	(165,901)	(53,258)	(256,988)	3,167,340	1,698,953	2,254,313	1,260,050	1,107,804	1,322,723
NON-OPERATING EXPENSES																					
TOTAL NON-OPERATING EXPENSES	-	-	-	-	-	5,444	-	-	-	-	-	-	-	-	-	1,290,368	645,184	541,918	1,290,368	645,184	547,362
TOTAL FINANCING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	452,592	226,296	232,228	452,592	226,296	232,228
TOTAL ADJUSTMENTS & OPERATING TRANSFERS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING EXPENSES	-	-	-	-	-	5,444	-	-	-	-	-	-	-	-	-	1,742,960	871,480	774,147	1,742,960	871,480	779,591
NET INCOME	(2,392,565)	(932,967)	(1,117,378)	2,452,393	1,033,030	254,958	(1,058,221)	(311,217)	483,973	(742,996)	(326,737)	(301,599)	(165,901)	(53,258)	(256,988)	1,424,380	827,473	1,480,166	(482,910)	236,324	543,133
UNRESTRICTED NET INCOME	(2,392,565)	(932,967)	(1,117,378)	1,735,991	671,806	331,242	-	-	-	(742,996)	(326,737)	(301,599)	(165,901)	(53,258)	(256,988)	837,141	456,462	754,125	(728,330)	(184,695)	(590,598)

BOARD UPDATE

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Fresno, California 93721
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TO: Boards of Commissioners

Fresno Housing Authority

FROM: Angelina Nguyen

SUBJECT: Update on Moving To Work Demonstration Program and HCV Mobility Application Status.

DATE: 8/16/21

AUTHOR: Lyric Aguigam & Mary
Helen Caggianelli

Executive Summary

The purpose of this memo is to provide the Boards of Commissioners with an update on Fresno Housing's Moving To Work Demonstration Program and HCV Mobility Demonstration application status.

Moving to Work Demonstration Program Application:

On March 14, 2019, HUD issued PIH Notice 2019-04, which offered eligible PHA's the opportunity to express interest in admission to the MTW program under Cohort #2, which would test rent reform policies and their impact on families. Fresno Housing met the eligibility criteria and submitted a Letter of Interest package to HUD on June 12, 2019. Not only would MTW status allow the Agency to test rent reform policies, but it would also allow the Agency exemptions from many existing public housing and voucher rules while providing funding flexibility with Federal funds. Once HUD approved the Agency's Letter of Interest package, the Agency was then able to create and finalize the MTW plan and application. Fresno Housing submitted the final MTW Demonstration Program plan and application to HUD on January 8, 2021.

The Agency has since been notified that it was not selected for MTW designation in Cohort #2 of the MTW expansion. HUD provided the Agency with a virtual debrief on the application, in which they detailed the application's strengths and weaknesses. The Agency scored a total of 79 out of 100 points and the evaluation notes indicated it was a very strong application. The regulation stipulates only a total of three large PHAs can be selected for the MTW designation during all of the current cohorts and many large PHAs were competing against each other. Fresno Housing is considered a large PHA and is viewed as two separate agencies (City & County); therefore in this cohort, we FH would have taken 2/3 of all the slots available to large PHAs.

Cohort #1 was only available to small PHAs. Cohort #2 selected two large PHAs, leaving only one more spot for a large PHA. Cohort #3 has been rescinded and HUD currently has a deadline of October 15, 2021 for Cohort #4 – Landlord

Incentives. Fresno Housing is evaluating options for an application for Cohort #4 and the viability of establishing an inter-jurisdictional agreement to help operationalize the program and only count as one PHA to fill the remaining spot available for a large PHA.

HCV Mobility Demonstration

In 2020, HUD published a notice in the Federal Register for the Implementation of the Housing Choice Voucher Mobility Demonstration. A total of \$50 million was available to PHAs, up to \$10 million for new vouchers for families with children and \$40 million for mobility related services.

In February 2021, Fresno Housing submitted the competitive application for the Mobility Demonstration, which would be implemented over a six-year period serving 1,950 families (primarily existing voucher holders). The total request was \$5.5 million with \$4.1 million to support mobility related services and \$1.4 million for 150 new mobility demonstration vouchers.

Fresno Housing included in the demonstration a Regional Housing Mobility Plan (RHMP) and proposed to implement the following;

- Agree to make regular turnover vouchers available for new admissions. HUD estimates approximately half the number of the Mobility Demonstration Vouchers awarded.
- Establish a waitlist preference for families having at least one child 13 years and under and living in a census tract with poverty rate of 30% or higher.
- Adopt payment standards adequate for attracting landlords in high-opportunity areas.
- Participate in HUD sponsored program evaluation with families participating in randomly assigned control and treatment groups.

The Agency has since been notified by HUD that it was not one of the nine PHAs selected for the Mobility Demonstration Program. Fresno Housing has requested a virtual debrief of the application to which HUD responded that September will be the earliest a virtual debrief can be provided.

Next Steps

During the application process, Fresno Housing worked with the CGI Federal to submit the application and continued to work on permanent mobility plan if not awarded the demonstration. A comprehensive plan was developed and mobility counseling and landlord outreach services will proceed. We are awaiting a formal debrief from HUD sometime in September. Meanwhile, staff continue to advocate for legislation that includes additional funds for mobility, universal housing vouchers, and support services to residents.

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TO: Boards of Commissioners

Fresno Housing Authority

FROM: Angie Nguyen

Interim CEO

DATE: August 16, 2021

AUTHOR: Juan Lopez

SUBJECT: CONFIDENTIAL: Parkside Apartments Update

Executive Summary

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Pursuant to Government Code § 54954.5(b))

Property: 36200 Giffen Dr., Huron, CA

Agency negotiator: Angie Nguyen, Michael Duarte

Negotiating parties: TBD

Under negotiation: Price and Terms