



Boards of Commissioners Update

June 2022

Boards of Commissioners Update – June 2022

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BOARD MEMO

TO: Boards of Commissioners
FROM: Tyrone Roderick Williams, CEO
AUTHOR: Crystal Cox
Finance Manager
DEPARTMENT: Accounting & Finance
MEMO DATE: 06/13/2022
SUBJECT: Fresno Housing Operating Budget as of April 30, 2022

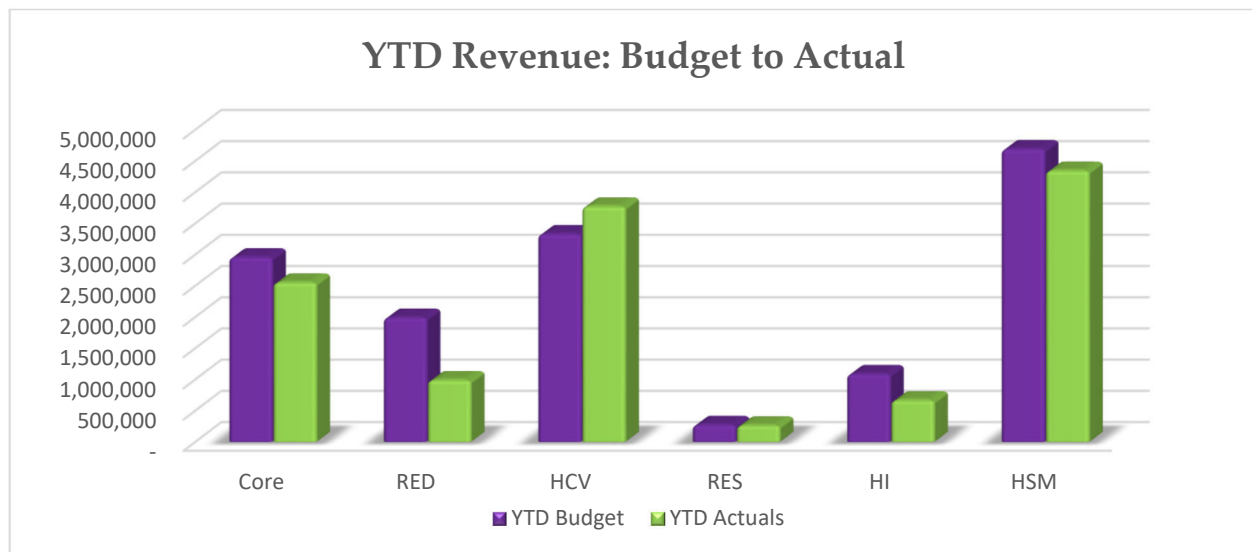
Executive Summary

The purpose of this update is to present an overview of the financial operating results as of April 30, 2022. 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 2022 Operating Budget was approved by the Boards of Commissioners in December 2021, with total revenues of \$45.5 million and total operating expenses of \$44.9 million. As of April, total revenues are \$1.7 million less than anticipated at \$12.6 million through April. Total operating expenses are \$13.1 million, which is \$1.3 million less than budgeted. This has resulted in a net operating loss of \$537 thousand, which is \$403 thousand more than budgeted. As of April, the Agency has utilized \$1.4 million in unrestricted reserves, which is \$680 thousand more than budgeted at this point in the year. The majority of the variance in unrestricted net income is mainly due to timing delays in the receipt of grant reimbursements for homeless programs and lower than expected fee based revenue. Staff expects this variance to decrease once grant reimbursements are received.

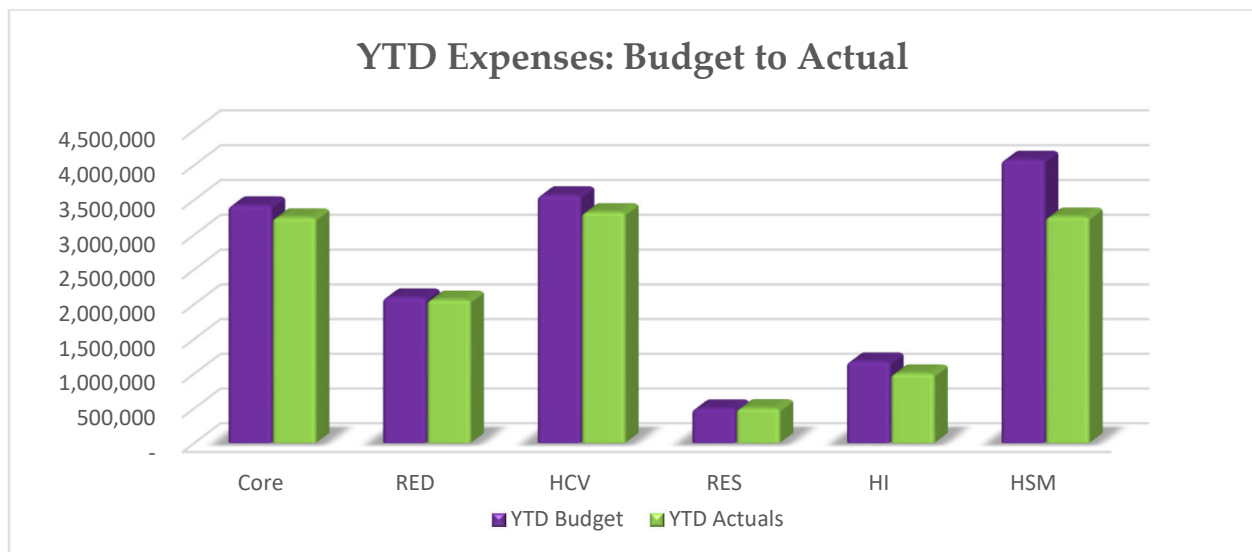
	Fresno Housing Authority		
	Annual Budget	YTD Budget	YTD Actuals
OPERATING BUDGET			
TOTAL INCOME	45,504,398	14,336,414	12,596,496
TOTAL EXPENSES	44,884,012	14,470,447	13,133,822
NET OPERATING INCOME	620,386	(134,032)	(537,326)
TOTAL NON-OPERATING EXPENSES	1,101,083	367,028	266,519
NET INCOME	(480,697)	(501,060)	(803,845)
UNRESTRICTED NET INCOME	(406,701)	(672,268)	(1,352,756)

Agency Revenue



- Overall, year-to-date revenue is \$12.6 million, which is 12% less than the year-to-date budget, largely due to timing variances in Admin Fee income in Core, Other Grant Income in RED, and HUD Grant Income in Homeless Initiatives.
- **CORE:** Admin & Management Fee Income is less than budgeted due to a reduction in allocation revenue earned from the Central Office Interfund. Fees for costs and services related to the City Central Office, Pine Street, and the Marderosian buildings are collected from Agency properties and programs and the revenue is booked in Core. As of April, central office expenses have been less than budgeted therefore, less revenue has been collected and the net effect on the overall budget is neutral.
- **RED:** Developer Fees totaling \$393 thousand for Trailside and Corazon De Valle were received in April. Other Grant Income is less than budgeted largely due to timing delays in Homekey grant reimbursements. These reimbursements will be received in the third quarter of 2022.
- **HCV:** HUD Grant Income is more than budgeted due to an increase in proration for HCV-Admin Fees
- **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 reimbursements for various housing grants make up most of the variance in HUD Grant Income. Staff anticipates these reimbursements will be received in the third quarter of 2022.

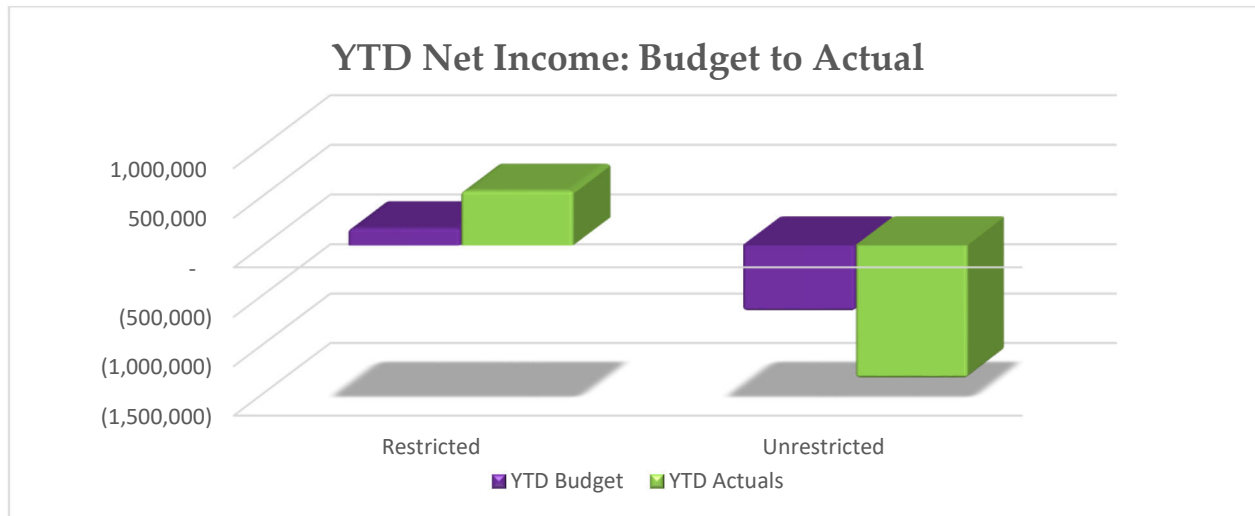
Agency Expenses



Overall, year-to-date operating expenses are \$13.1 million and non-operating expenses are \$266 thousand, which together are about 10% lower than budgeted.

- **Agency-wide:** Payroll Expenses are approximately \$177 thousand (3%) higher than anticipated. The payroll expense line includes a vacancy factor to account for turnover and attrition that will occur throughout the year. As the year progresses, the variance in this line item will continue to decrease.
- **Agency-wide:** Administrative Expenses are approximately \$669 thousand (14%) lower than budgeted across the Agency. IT Services, Professional & Consulting Fees and Administrative Contract costs will increase as planned projects begin and expenses are incurred during 2022.
- **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.
- **HSM:** Maintenance expenses are lower than budgeted mostly due to maintenance staff vacancies within the division. Staff expects these vacancies to be filled by the end of the third quarter.

Agency Net Income



- Unrestricted net income is approximately \$680 thousand lower than budgeted as of April 2022, mainly due to timing delays in the receipt of grant reimbursements. Staff expects these reimbursements to be received in the third quarter.
- Restricted net income is approximately \$377 thousand higher than budgeted due to higher HUD grant revenue, and lower payroll and maintenance expenses within the Housing Management division and Housing Choice Voucher program.

Fresno Housing Authority
Financial Results as of April 30, 2022

	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	45,000	15,000	-	501,497	167,166	181,944	-	-	-	-	-	-	-	-	-	8,564,983	2,854,994	2,500,338	9,111,480	3,037,160	2,682,282
INTEREST INCOME	24,000	8,000	5,109	505,008	168,336	49,233	-	-	540	-	-	-	-	-	-	1,200	400	403	530,208	176,736	55,285
OTHER INCOME	253,996	84,665	9,519	649,992	216,664	130,363	-	-	-	755,844	251,948	246,482	68,065	22,688	8,720	233,404	77,801	8,972	1,961,301	653,767	404,056
ADMIN & MANAGEMENT FEE INCOME	8,553,822	2,851,274	2,539,540	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,553,822	2,851,274	2,539,540
DEVELOPER FEE INCOME	-	-	-	3,651,672	385,505	393,102	-	-	-	-	-	-	-	-	-	-	-	-	3,651,672	385,505	393,102
HUD GRANT INCOME	-	-	-	-	-	-	9,991,068	3,330,356	3,771,775	66,408	22,136	19,053	2,509,080	836,360	407,849	3,922,420	1,307,473	1,512,819	16,488,976	5,496,325	5,711,496
OTHER GRANT INCOME	-	-	-	3,163,764	1,054,588	236,471	-	-	-	-	-	-	688,057	229,352	251,231	1,355,119	451,706	323,035	5,206,940	1,735,647	810,737
TOTAL INCOME	8,876,818	2,958,939	2,554,167	8,471,934	1,992,259	991,112	9,991,068	3,330,356	3,772,315	822,252	274,084	265,535	3,265,202	1,088,401	667,800	14,077,126	4,692,375	4,345,568	45,504,398	14,336,414	12,596,496
EXPENSES																					
PAYROLL EXPENSES	7,313,688	2,264,430	2,382,791	1,851,236	573,171	699,046	6,293,851	1,948,673	2,096,302	1,246,858	386,046	385,428	962,069	297,871	186,502	3,029,322	937,925	835,009	20,697,023	6,408,117	6,585,079
ADMINISTRATIVE EXPENSES	2,720,118	906,706	666,127	3,603,294	1,201,098	1,127,772	4,764,448	1,588,149	1,211,292	209,720	69,907	110,988	421,646	140,549	228,665	2,259,799	753,266	645,367	13,979,025	4,659,675	3,990,211
TENANT SERVICES EXPENSES	50,004	16,668	20,700	15,036	5,012	1,808	-	-	-	125,000	41,667	748	2,209,128	736,376	585,294	286,014	95,338	50,151	2,685,182	895,061	658,702
UTILITY EXPENSES	213,348	71,116	52,506	622,388	207,463	149,042	-	-	-	-	-	-	-	-	-	2,247,373	749,124	645,976	3,083,108	1,027,703	847,523
MAINTENANCE EXPENSES	405,972	135,324	112,634	227,760	75,920	59,528	81,972	27,324	12,567	3,996	1,332	3,460	4,692	1,564	1,913	2,823,862	941,287	513,484	3,548,253	1,182,751	703,585
TAXES & INSURANCE EXPENSES	79,008	26,336	13,084	92,851	30,950	10,948	7,344	2,448	2,597	-	-	610	-	-	-	712,218	237,406	321,483	891,421	297,140	348,723
TOTAL EXPENSES	10,782,138	3,420,580	3,247,842	6,412,565	2,093,614	2,048,143	11,147,615	3,566,594	3,322,758	1,585,574	498,952	501,235	3,597,535	1,176,360	1,002,374	11,358,586	3,714,346	3,011,470	44,884,012	14,470,447	13,133,822
NET OPERATING INCOME	(1,905,320)	(461,641)	(693,674)	2,059,369	(101,355)	(1,057,032)	(1,156,547)	(236,238)	449,557	(763,322)	(224,868)	(235,700)	(332,333)	(87,959)	(334,574)	2,718,540	978,029	1,334,098	620,387	(134,032)	(537,326)
NON-OPERATING EXPENSES																					
TOTAL NON-OPERATING EXPENSES	-	-	-	-	-	1,729	-	-	-	-	-	-	-	-	-	644,050	214,683	65,185	644,050	214,683	66,915
TOTAL FINANCING EXPENSES	-	-	-	15,000	5,000	16,236	-	-	-	-	-	-	-	-	-	442,033	147,344	183,369	457,033	152,344	199,605
TOTAL ADJUSTMENTS & OPERATING TRANSFERS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING EXPENSES	-	-	-	15,000	5,000	17,965	-	-	-	-	-	-	-	-	-	1,086,083	362,028	248,554	1,101,083	367,028	266,519
NET INCOME	(1,905,320)	(461,641)	(693,674)	2,044,369	(106,355)	(1,074,997)	(1,156,547)	(236,238)	449,557	(763,322)	(224,868)	(235,700)	(332,333)	(87,959)	(334,574)	1,632,457	616,002	1,085,544	(480,696)	(501,060)	(803,845)
UNRESTRICTED NET INCOME	(1,905,320)	(461,641)	(693,674)	1,634,051	(245,270)	(311,060)				(763,322)	(224,868)	(235,700)	(332,333)	(87,959)	(334,574)	960,223	347,470	222,253	(406,701)	(672,268)	(1,352,756)

BOARD MEMO

TO: Boards of Commissioners
FROM: Tyrone Roderick Williams, CEO
MEETING DATE:
AGENDA ITEM:
SUBJECT: Update on 2022 Leasing and Housing Assistance Payments for the Housing Choice Voucher (HCV) Program

AUTHOR: Aurora Ibarra
Assistant Director
DEPARTMENT: Housing Choice Voucher
MEMO DATE: 06/09/2022

Executive Summary

The purpose of this memo is to update the Boards of Commissioners on Housing Assistance Payments (HAP) and leasing projections for 2022. On a regular basis, staff evaluates 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.

City HCV

HAP expenditures for the month of April are projected to be \$4,319,397 with a monthly HAP utilization rate of 97.6%. Voucher utilization for the month of April was 90.2% with an overall projected voucher utilization rate of 90.7% for CY 2022.

The higher of annual cumulative leased units (90.7%) or HAP (101.3%) is 101.3%. When factoring in HAP utilization and leasing rates, the Agency would earn full points under the corresponding SEMAP indicator. However, the goal and mission of the agency is to house the maximum number of individuals and families in Fresno Housing's jurisdiction; therefore, staff will be monitoring the impacts of operational policies recently implemented related to its voucher programs.

County HCV

HAP expenditures for the month of April are projected to be \$3,585,047 with a HAP utilization rate for the month of April of 100.1%. Voucher utilization for the month of April was 92.4% with an overall projected voucher utilization rate for CY 2022 of 92.8%.

The higher of annual cumulative leased units (92.8%) or HAP (103.0%) is 103.0%. When factoring in HAP utilization and leasing rates, the Agency would earn full points under the corresponding SEMAP indicator. However, the goal and mission of the agency is to house the maximum number of individuals and families in Fresno Housing's jurisdiction; therefore, staff will be monitoring the impacts of operational policies recently implemented related to its voucher programs.

HCV Program Update

FH utilizes HUD's two-year-tool to track the actual per unit cost (PUC) to assess the pace at which HAP is spent and to evaluate the impact of increased payment standards. As annual reexaminations are processed, new payment standards are applied, and as such, the per unit cost will increase and HAP will be expended

FRESNO HOUSING

at a greater rate. New payment standards are expected to increase the purchasing power for voucher holders searching for affordable housing in a highly competitive rental market.

Staff is currently assessing the impacts of the newly implemented subsidy standards policy as annual reexaminations are completed and with new lease-ups for applicants and move-ins for program participants are processed. The new policy allows for voucher issuances accordingly: a separate bedroom is issued to the head of household (with co-head, if any) and one bedroom to every persons, thereafter.

Impacts from the two waivers received by HUD in April are also being evaluated. The first waiver allow FH to increase the payment standard for the family at any time after the effective date of the increased payment standards, rather than waiting for the next regular reexamination. Additionally, the second waiver allows FH to set payment standards up to 120% of the Fair Market Rents (FMRs); currently PHAs are authorized to set payment standards up to 110% of FMRs. The use of the waivers is expected to add purchasing power to families searching for housing and to stabilize housing by ensuring families can afford their rent as landlords request increases and when there is a reduction or loss of income in the household. Waivers are set to expire December 31, 2022.

HCV Leasing and Spending Projection

CA006 Two-Year Voucher Forecasting Summary

6/9/2022

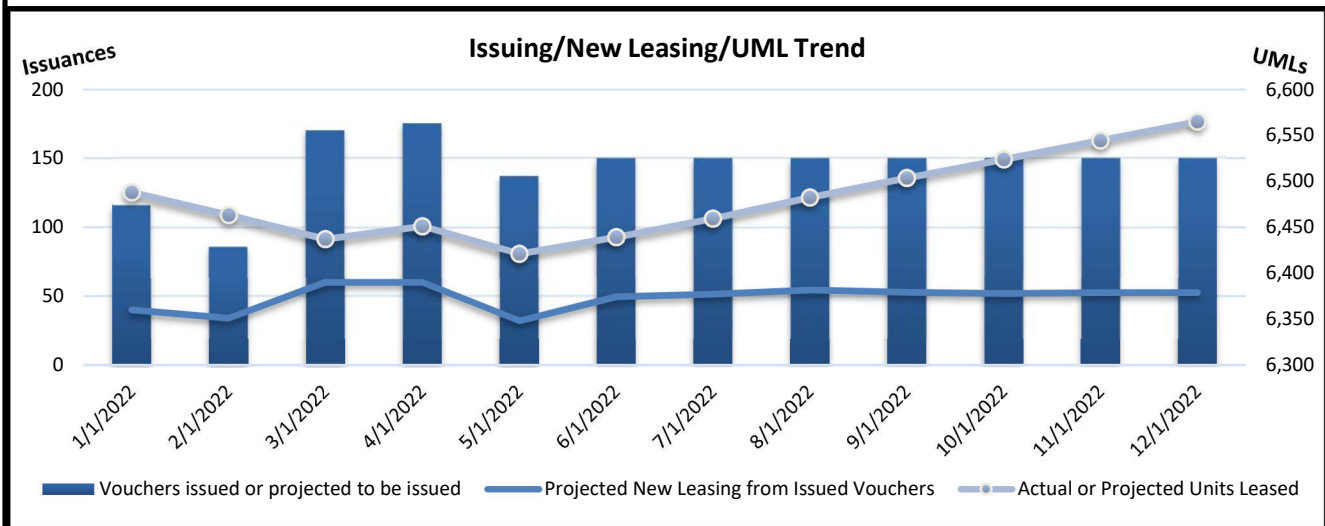
Prepared for: Board of Commissioners

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 \$6,248,410, or 12% of budget authority. This scenario relies on 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)	
35%	6%	Leased in	Percent
		0-30 Days	11%
		31-60 Days	29%
Year 1 PUC		61-90 Days	23%
(Average monthly cost of a voucher - Year 1)		91-120 Days	22%
\$701		121-150 Days	15%

Please see the below graph, which shows issued vouchers and associated leasing, as well as the total program UML's which take into account, attrition



Under this scenario, the PHA faces an offset of \$0,000 this year. Additionally, the higher of this year's leased units (90.7%) or dollars (101.3%) is 101.3%, indicating full leasing indicator points in SEMAP. This is an estimate.

CA006 Summary

HAP expenditures for April are projected to be \$4,319,397 with a monthly HAP utilization rate of 97.6%. Voucher utilization for the month of April was 90.2% with an overall projected voucher utilization rate for CY 2022 of 90.7%. These utilization rates have been adjusted for VASH

HCV Leasing and Spending Projection

CA028 Two-Year Voucher Forecasting Summary

5/10/2022

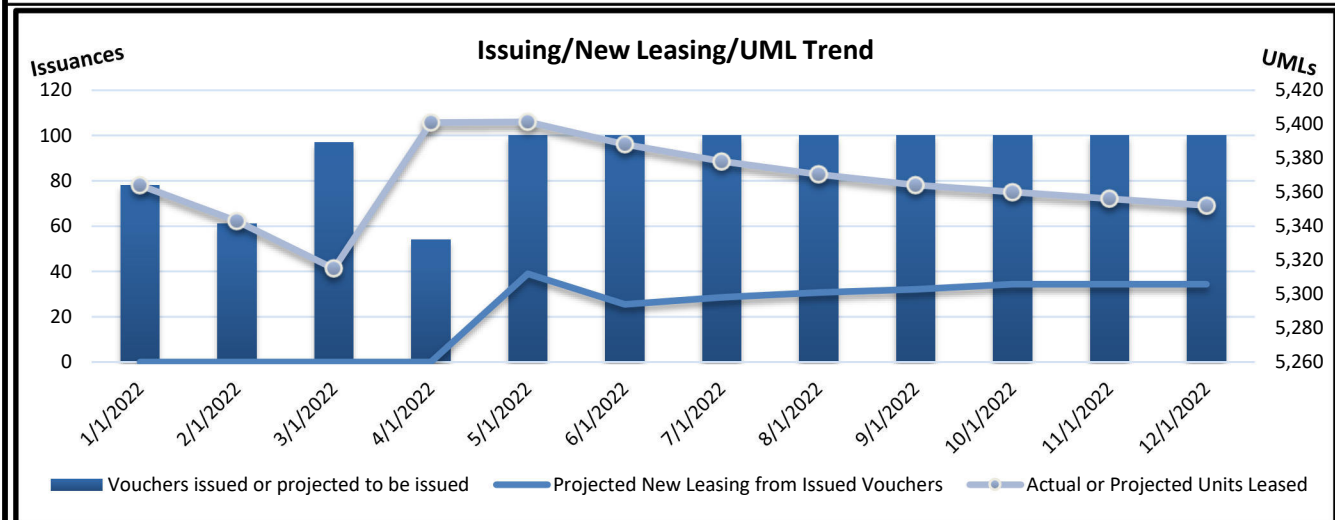
Prepared for: Boards of Commissioners

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 \$3,082,694, or 7% 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)	
34%	9%	Leased in	Percent
		0-30 Days	11%
Year 1 PUC	Year 2 PUC	31-60 Days	30%
(Average monthly cost of a voucher - Year 1)	(Average monthly cost of a voucher - Year 2)	61-90 Days	24%
\$671		91-120 Days	22%
		121-150 Days	14%

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



Under this scenario, the PHA faces an offset of \$229,088 this year and no offset the following year. This year, the higher of leased units (93.5%) or dollars (100.8%) is 100.8%, indicating full leasing indicator points in SEMAP. This is an estimate.

CA028 Summary

HAP expenditures for March are projected to be \$3,580,598 with a monthly HAP utilization rate of 100.2%. Current voucher utilization for the month of March was 92.6% with an overall projected voucher utilization rate for CY 2022 is 93.5%.

BOARD MEMO

TO: Boards of Commissioners
FROM: Tyrone Roderick Williams, CEO
SUBJECT: 2023 Agency Plan Timeline

AUTHOR: Lyric Aguigam
Senior Policy Analyst
DEPARTMENT: Administrative Services
MEMO DATE: 06/13/2022

Executive Summary

The Agency Plan consists of the three prevailing policies and administrative documents that govern Fresno Housing's major programs, including the Annual Plan, the Administrative Plan and the Admissions & Continued Occupancy Policy (ACOP).

Staff has created the timeline below for completion and submission of the 2023 Agency Plans. Generally, the Agency Plans must be approved by the Boards of Commissioners annually and submitted to HUD at least 75 days before the end of the Agency's fiscal year. The Housing Authority of the City of Fresno and the Housing Authority of Fresno County, with fiscal year-end dates of December 31, 2022, would normally be required to submit their respective Annual Plan no later than October 17, 2022.

2023 Agency Plan Timeline

