



Board of Commissioners Update

May 2015

Boards of Commissioners Update – May 2015

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BOARD UPDATE

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www.fresnohousing.org

TO: Boards of Commissioners

Fresno Housing Authority

DATE: May 15, 2015

AUTHOR: Avtar Boyal

FROM: Preston Prince, CEO/Executive Director

SUBJECT: April 2015 Update on Leasing and Housing Assistance Payments (HAP) Pacing for the Housing Choice Voucher (HCV) Program

Executive Summary

The U.S. Department of Housing and Urban Development (HUD) has used historical data as a benchmark to determine future funding, and this method will continue for Calendar Year (CY) 2015. HUD has preliminarily set 2015 HAP proration levels at 101.2% of 2014 HAP expenses. This level of proration will allow us to continue leasing activities at the same level as in 2014. The current Administrative Fee revenue proration is set at 74%.

As in the past, we will continue to diligently monitor our HAP and voucher utilization rates.

City HCV

HAP expenditures for the month of April totaled \$3,755,600. The Per Unit Cost (PUC) has increased from March at \$522 to \$536 for the month of April. HAP expenditures for the year are projected at \$44.7 million, resulting in 99.82% utilization of HAP funding, and an expected year-end balance of \$1.96 million in HAP reserves.

The overall projected voucher utilization for CY 2015 is 99.16%, ending the month of December at 98.94%.

County HCV

HAP expenditures for the month of April totaled \$2,9641,396. The PUC has decreased from March of \$522 to \$511 for the month of April. HAP expenditures for the year are projected at \$34.7 million, resulting in 100.16% utilization of HAP funding, and an expected year-end balance of \$971k in HAP reserves.

The overall projected voucher utilization for CY 2015 is 99.8%, ending the month of December at 97.86%.

Recommendation

This item is informational only. No action is necessary.

CITY HAP ANALYSIS - CALENDAR YEAR 2015

| HAP | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | CY 2015 Total |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total HAP Revenue (101.2%) | 3,772,347 | 3,847,848 | 3,847,848 | 3,741,556 | 3,701,144 | 3,701,144 | 3,701,144 | 3,701,144 | 3,701,144 | 3,701,144 | 3,701,144 | 3,701,142 | 44,818,749 |
| HAP Expenses | 3,731,670 | 3,800,170 | 3,739,637 | 3,755,600 | 3,726,134 | 3,697,739 | 3,696,132 | 3,694,525 | 3,706,311 | 3,718,098 | 3,729,884 | 3,741,671 | 44,737,570 |
| Net HAP | 40,677 | 47,678 | 108,211 | (14,044) | (24,990) | 3,405 | 5,012 | 6,619 | (5,167) | (16,954) | (28,740) | (40,529) | 81,179 |
| Items Impacting NRA* | 259 | 362 | 366 | 745 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 2,932 |
| PHA-Held Reserve Balance | \$89,071 | \$137,111 | \$217,154 | \$232,389 | \$207,549 | \$211,104 | \$216,266 | \$223,036 | \$218,018 | \$201,215 | \$172,625 | \$132,246 | \$132,246 |
| Items Impacting HUD Reserve | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| HUD-Held Reserve Balance | \$1,824,377 | \$1,824,377 | \$1,824,377 | \$1,824,377 | \$1,824,377 | \$1,824,377 | \$1,824,377 | \$1,824,377 | \$1,824,377 | \$1,824,377 | \$1,824,377 | \$1,824,377 | \$1,824,377 |
| Total Reserve Balance | \$1,913,448 | \$1,961,488 | \$2,041,531 | \$2,056,766 | \$2,031,926 | \$2,035,481 | \$2,040,643 | \$2,047,413 | \$2,042,395 | \$2,025,592 | \$1,997,002 | \$1,956,623 | \$1,956,623 |
| Monthly Utilization | 98.92% | 98.76% | 97.19% | 100.38% | 100.68% | 99.91% | 99.86% | 99.82% | 100.14% | 100.46% | 100.78% | 101.10% | |
| YTD Utilization | 98.92% | 98.84% | 98.29% | 98.80% | 99.17% | 99.29% | 99.37% | 99.43% | 99.50% | 99.60% | 99.70% | 99.82% | 99.82% |

| VOUCHER UTILIZATION | | | | | | | | | | | | | |
|--------------------------|---------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|---------------|
| Baseline | 7,059 | 7,059 | 7,059 | 7,059 | 7,059 | 7,059 | 7,059 | 7,059 | 7,059 | 7,059 | 7,059 | 7,059 | 84,708 |
| Total Unit Months Leased | 7,109 | 7,254 | 7,166 | 7,010 | 6,955 | 6,902 | 6,899 | 6,896 | 6,918 | 6,940 | 6,962 | 6,984 | 83,995 |
| Variance | 50 | 195 | 107 | (49) | (104) | (157) | (160) | (163) | (141) | (119) | (97) | (75) | (713) |
| YTD Baseline | 7,059 | 14,118 | 21,177 | 28,236 | 35,295 | 42,354 | 49,413 | 56,472 | 63,531 | 70,590 | 77,649 | 84,708 | 84,708 |
| YTD Unit Months Leased | 7,109 | 14,363 | 21,529 | 28,539 | 35,494 | 42,396 | 49,295 | 56,191 | 63,109 | 70,049 | 77,011 | 83,995 | 83,995 |
| Monthly Utilization | 100.71% | 102.76% | 101.52% | 99.31% | 98.53% | 97.78% | 97.73% | 97.69% | 98.00% | 98.31% | 98.63% | 98.94% | |
| YTD Utilization | 100.71% | 101.74% | 101.66% | 101.07% | 100.56% | 100.10% | 99.76% | 99.50% | 99.34% | 99.23% | 99.18% | 99.16% | 99.16% |

| ADMINISTRATIVE FEES | | | | | | | | | | | | | |
|----------------------------------|---------|---------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Administrative Fees Earned (74%) | 403,244 | 415,090 | 380,716 | 372,378 | 371,665 | 368,812 | 368,656 | 368,531 | 369,703 | 370,875 | 372,046 | 373,218 | 4,534,934 |
| Administrative Expenses | 357,841 | 387,649 | 474,004 | 406,498 | 406,498 | 406,498 | 406,498 | 406,498 | 406,498 | 406,498 | 406,498 | 406,498 | 4,877,974 |
| Monthly Surplus/(Deficit) | 45,403 | 27,441 | (93,288) | (34,120) | (34,833) | (37,686) | (37,842) | (37,967) | (36,795) | (35,623) | (34,451) | (33,280) | |
| YTD Surplus/(Deficit) | 45,403 | 72,844 | (20,444) | (54,563) | (89,397) | (127,082) | (164,924) | (202,891) | (239,687) | (275,310) | (309,761) | (343,041) | (343,041) |

| AVG HOUSEHOLD INCOME | | | | | | | | | | | | | |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Avg Household Inc. | 10,361 | 10,395 | 10,394 | 10,304 | 10,398 | 10,409 | 10,412 | 10,397 | 10,360 | 10,360 | 10,360 | 10,360 | 10,376 |
| Per Unit Cost | 525 | 524 | 522 | 536 | 536 | 536 | 536 | 536 | 536 | 536 | 536 | 536 | 533 |

*Items impacting NRA include: Fraud Recoveries, FSS Escrow Forfeitures, Interest earned on HAP Reserves, and HUD - Required Reserve Utilization

COUNTY HAP ANALYSIS - CALENDAR YEAR 2015

| HAP | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | CY 2015 Total |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total HAP Revenue (101.2%) | 2,811,731 | 2,821,292 | 2,821,292 | 2,911,256 | 3,108,291 | 2,878,291 | 2,878,291 | 2,878,291 | 2,878,291 | 2,878,291 | 2,878,291 | 2,878,292 | 34,621,900 |
| HAP Expenses | 2,722,744 | 2,883,837 | 2,978,098 | 2,961,396 | 2,955,774 | 2,937,374 | 2,918,974 | 2,900,573 | 2,882,173 | 2,863,773 | 2,845,373 | 2,826,973 | 34,677,062 |
| Net HAP | 88,987 | (62,545) | (156,806) | (50,140) | 152,517 | (59,083) | (40,683) | (22,282) | (3,882) | 14,518 | 32,918 | 51,319 | (55,162) |
| Items Impacting NRA* | 618 | 230 | 3,754 | 80 | - | - | - | - | - | - | - | - | 4,682 |
| PHA-Held Reserve Balance | \$305,513 | \$243,198 | \$90,146 | \$40,086 | \$192,603 | \$133,521 | \$92,838 | \$70,556 | \$66,673 | \$81,191 | \$114,109 | \$165,428 | \$165,428 |
| Items Impacting HUD Reserve | \$0 | \$0 | \$0 | -\$66,000 | -\$230,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | -\$296,000 |
| HUD-Held Reserve Balance | \$1,267,880 | \$1,267,880 | \$1,267,880 | \$1,201,880 | \$971,880 | \$971,880 | \$971,880 | \$971,880 | \$971,880 | \$971,880 | \$971,880 | \$971,880 | \$971,880 |
| Total Reserve Balance | \$1,573,393 | \$1,511,078 | \$1,358,026 | \$1,241,966 | \$1,164,483 | \$1,105,401 | \$1,064,718 | \$1,042,436 | \$1,038,553 | \$1,053,071 | \$1,085,989 | \$1,137,308 | \$1,137,308 |
| Monthly Utilization | 96.84% | 102.22% | 105.56% | 101.72% | 95.09% | 102.05% | 101.41% | 100.77% | 100.13% | 99.50% | 98.86% | 98.22% | |
| YTD Utilization | 96.84% | 99.53% | 101.54% | 101.59% | 100.19% | 100.50% | 100.63% | 100.65% | 100.59% | 100.48% | 100.34% | 100.16% | 100.16% |

VOUCHER UTILIZATION

| | | | | | | | | | | | | | |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Baseline | 5,652 | 67,824 |
| Total Unit Months Leased | 5,335 | 5,593 | 5,709 | 5,794 | 5,783 | 5,747 | 5,711 | 5,675 | 5,639 | 5,603 | 5,567 | 5,531 | 67,687 |
| Variance | (317) | (59) | 57 | 142 | 131 | 95 | 59 | 23 | (13) | (49) | (85) | (121) | (137) |
| YTD Baseline | 5,652 | 11,304 | 16,956 | 22,608 | 28,260 | 33,912 | 39,564 | 45,216 | 50,868 | 56,520 | 62,172 | 67,824 | 67,824 |
| YTD Unit Months Leased | 5,335 | 10,928 | 16,637 | 22,431 | 28,214 | 33,961 | 39,672 | 45,347 | 50,986 | 56,589 | 62,156 | 67,687 | 67,687 |
| Monthly Utilization | 94.39% | 98.96% | 101.01% | 102.51% | 102.32% | 101.68% | 101.04% | 100.41% | 99.77% | 99.13% | 98.50% | 97.86% | |
| YTD Utilization | 94.39% | 96.67% | 98.12% | 99.22% | 99.84% | 100.14% | 100.27% | 100.29% | 100.23% | 100.12% | 99.97% | 99.80% | 99.80% |

ADMINISTRATIVE FEES

| | | | | | | | | | | | | | |
|----------------------------------|---------|---------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Administrative Fees Earned (75%) | 303,553 | 320,652 | 311,627 | 308,263 | 308,952 | 307,043 | 305,134 | 303,225 | 301,316 | 299,407 | 297,498 | 295,589 | 3,662,261 |
| Administrative Expenses | 250,229 | 269,046 | 329,075 | 295,980 | 286,083 | 286,083 | 286,083 | 286,083 | 286,083 | 286,083 | 286,083 | 286,083 | 3,432,990 |
| Monthly Surplus/(Deficit) | 53,324 | 51,606 | (17,448) | 12,283 | 22,870 | 20,961 | 19,052 | 17,143 | 15,234 | 13,325 | 11,416 | 9,506 | |
| YTD Surplus/(Deficit) | 53,324 | 104,930 | 87,482 | 99,765 | 122,635 | 143,596 | 162,648 | 179,790 | 195,024 | 208,349 | 219,764 | 229,271 | 229,271 |

AVG HOUSEHOLD INCOME

| | | | | | | | | | | | | | |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Avg Household Inc. | 10,259 | 10,277 | 10,298 | 10,271 | 10,195 | 10,200 | 10,174 | 10,204 | 10,149 | 10,149 | 10,149 | 10,149 | 10,206 |
| Per Unit Cost | 510 | 516 | 522 | 511 | 511 | 511 | 511 | 511 | 511 | 511 | 511 | 511 | 512 |

*Items impacting NRA include: Fraud Recoveries, FSS Escrow Forfeitures, Interest earned on HAP Reserves, and HUD - Required Reserve Utilization

COUNTY HAP ANALYSIS - CALENDAR YEAR 2015

| HAP | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | CY 2015 Total |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total HAP Revenue (101.2%) | 2,811,731 | 2,821,292 | 2,821,292 | 2,911,256 | 3,108,291 | 2,878,291 | 2,878,291 | 2,878,291 | 2,878,291 | 2,878,291 | 2,878,291 | 2,878,292 | 34,621,900 |
| HAP Expenses | 2,722,744 | 2,883,837 | 2,978,098 | 2,961,396 | 2,955,774 | 2,937,374 | 2,918,974 | 2,900,573 | 2,882,173 | 2,863,773 | 2,845,373 | 2,826,973 | 34,677,062 |
| Net HAP | 88,987 | (62,545) | (156,806) | (50,140) | 152,517 | (59,083) | (40,683) | (22,282) | (3,882) | 14,518 | 32,918 | 51,319 | (55,162) |
| Items Impacting NRA* | 618 | 230 | 3,754 | 80 | - | - | - | - | - | - | - | - | 4,682 |
| PHA-Held Reserve Balance | \$305,513 | \$243,198 | \$90,146 | \$40,086 | \$192,603 | \$133,521 | \$92,838 | \$70,556 | \$66,673 | \$81,191 | \$114,109 | \$165,428 | \$165,428 |
| Items Impacting HUD Reserve | \$0 | \$0 | \$0 | -\$66,000 | -\$230,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | -\$296,000 |
| HUD-Held Reserve Balance | \$1,267,880 | \$1,267,880 | \$1,267,880 | \$1,201,880 | \$971,880 | \$971,880 | \$971,880 | \$971,880 | \$971,880 | \$971,880 | \$971,880 | \$971,880 | \$971,880 |
| Total Reserve Balance | \$1,573,393 | \$1,511,078 | \$1,358,026 | \$1,241,966 | \$1,164,483 | \$1,105,401 | \$1,064,718 | \$1,042,436 | \$1,038,553 | \$1,053,071 | \$1,085,989 | \$1,137,308 | \$1,137,308 |
| Monthly Utilization | 96.84% | 102.22% | 105.56% | 101.72% | 95.09% | 102.05% | 101.41% | 100.77% | 100.13% | 99.50% | 98.86% | 98.22% | |
| YTD Utilization | 96.84% | 99.53% | 101.54% | 101.59% | 100.19% | 100.50% | 100.63% | 100.65% | 100.59% | 100.48% | 100.34% | 100.16% | 100.16% |

| VOUCHER UTILIZATION | | | | | | | | | | | | | |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Baseline | 5,652 | 67,824 |
| Total Unit Months Leased | 5,335 | 5,593 | 5,709 | 5,794 | 5,783 | 5,747 | 5,711 | 5,675 | 5,639 | 5,603 | 5,567 | 5,531 | 67,687 |
| <i>Variance</i> | <i>(317)</i> | <i>(59)</i> | <i>57</i> | <i>142</i> | <i>131</i> | <i>95</i> | <i>59</i> | <i>23</i> | <i>(13)</i> | <i>(49)</i> | <i>(85)</i> | <i>(121)</i> | <i>(137)</i> |
| YTD Baseline | 5,652 | 11,304 | 16,956 | 22,608 | 28,260 | 33,912 | 39,564 | 45,216 | 50,868 | 56,520 | 62,172 | 67,824 | 67,824 |
| YTD Unit Months Leased | 5,335 | 10,928 | 16,637 | 22,431 | 28,214 | 33,961 | 39,672 | 45,347 | 50,986 | 56,589 | 62,156 | 67,687 | 67,687 |
| Monthly Utilization | 94.39% | 98.96% | 101.01% | 102.51% | 102.32% | 101.68% | 101.04% | 100.41% | 99.77% | 99.13% | 98.50% | 97.86% | |
| YTD Utilization | 94.39% | 96.67% | 98.12% | 99.22% | 99.84% | 100.14% | 100.27% | 100.29% | 100.23% | 100.12% | 99.97% | 99.80% | 99.80% |

| ADMINISTRATIVE FEES | | | | | | | | | | | | | |
|----------------------------------|---------|---------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Administrative Fees Earned (75%) | 303,553 | 320,652 | 311,627 | 308,263 | 308,952 | 307,043 | 305,134 | 303,225 | 301,316 | 299,407 | 297,498 | 295,589 | 3,662,261 |
| Administrative Expenses | 250,229 | 269,046 | 329,075 | 295,980 | 286,083 | 286,083 | 286,083 | 286,083 | 286,083 | 286,083 | 286,083 | 286,083 | 3,432,990 |
| Monthly Surplus/(Deficit) | 53,324 | 51,606 | (17,448) | 12,283 | 22,870 | 20,961 | 19,052 | 17,143 | 15,234 | 13,325 | 11,416 | 9,506 | |
| YTD Surplus/(Deficit) | 53,324 | 104,930 | 87,482 | 99,765 | 122,635 | 143,596 | 162,648 | 179,790 | 195,024 | 208,349 | 219,764 | 229,271 | 229,271 |

| AVG HOUSEHOLD INCOME | | | | | | | | | | | | | |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Avg Household Inc. | 10,259 | 10,277 | 10,298 | 10,271 | 10,195 | 10,200 | 10,174 | 10,204 | 10,149 | 10,149 | 10,149 | 10,149 | 10,206 |
| Per Unit Cost | 510 | 516 | 522 | 511 | 511 | 511 | 511 | 511 | 511 | 511 | 511 | 511 | 512 |

*Items impacting NRA include: Fraud Recoveries, FSS Escrow Forfeitures, Interest earned on HAP Reserves, and HUD - Required Reserve Utilization

BOARD UPDATE

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TO: Boards of Commissioners

Fresno Housing Authority

FROM: Preston Prince, CEO

SUBJECT: Tuition Reimbursement Program Update

DATE: May 15, 2015

AUTHOR: Lisa Bechtel

The Tuition Reimbursement Program continues to provide support and financial assistance to employees who successfully complete courses of instruction to improve their effectiveness in their current positions and to attain promotional advancement in their chosen career field.

This year, 18 employees are currently enrolled in classes leading to various degree programs and certifications, predominantly in Business Management, Social Sciences, and Certified Public Accountancy. Four employees successfully completed their degree programs this past year (three BA's and one MA).

This year, total reimbursements paid out has been \$15,581.30. Remaining balance of funds in the program for 2015 is \$59,418.70. With the currently approved classes yet to be reimbursed, and assuming a 90% maximum reimbursement, \$19,210.30 is earmarked for payout, leaving a balance of \$40,208.40 in unused funds for 2015.

To date, six employees are expected to complete their degree programs in 2015; five employees are on schedule to finish in 2016, and three are scheduled to complete programs in 2017.

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TO: Boards of Commissioners

DATE: May 15, 2015

Fresno Housing Authority

AUTHOR: Scott Berry

FROM: Preston Prince, CEO/Executive Director

SUBJECT: Update on the Selection of the Enterprise Management System

Executive Summary

After several months of research, interviews and discussion, staff will be presenting their recommendation for the Enterprise Management System (EMS) at the May 26, 2015 board meeting. The Request for Proposal (RFP) solicited proposals from qualified software firms to provide a single product to aide the Agency's various user departments, and to increase and synchronize the transfer of departmental data.

Background

In June 2014, the Agency published a Request For Proposal (RFP) to solicit for Enterprise Management Services. The RFP method considers both technical factors and price when evaluating a proposal, and allows for discussions with offerors concerning the proposal submitted and the negotiation of contract price. Awards are made on the basis of the proposal that represents the best overall value to the Agency, considering price and other factors (technical expertise, past experience, quality of proposed staffing, etc.) set forth in the solicitation, and not solely the lowest price. As a result of the RFP, the Agency received proposals from 3 software companies. An Evaluation Committee, representating various departments with relevant experience, was selected to evaluate each proposal. The committee did an initial round of scored evaluations based solely on the proposals received, followed by the top two rated companies being interviewed by a comprehensive panel of applicable users. Each proposer was then given the opportunity to amend their proposal and/or pricing, and a 2nd round of evaluations took place. After the 2nd round of evaluations, the top two firms were invited to provide in depth product demonstrations at the Agency's central office. Proceeding the full product demonstrations, a select panel of evaluators and their staff traveled to perform site visits of proposers' head quarters, as well as visited other Housing Authorities using their software product.

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TO: Boards of Commissioners

Fresno Housing Authority

FROM: Preston Prince, CEO/Executive Director

SUBJECT: Financial Operating Results through March 31, 2015

DATE: May 15, 2015

AUTHOR: Emily De La Guerra

Executive Summary

The purpose of this memo is to present the financial operating results as of March 31, 2015 along with a brief summary of variances from the current approved budget. 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.

Overall, the Agency is performing better than budgeted for the first quarter of the year. Total net income is about \$726 thousand better than projected, and unrestricted net income is \$215 thousand better than budgeted. These positive variances are mainly attributable to expense reductions across the Agency, particularly in the restricted Instrumentalities (Inst.) and Housing Management (HSM) divisions. Our expectation is that these expenses will gradually increase during the year, specifically during the summer and winter months when expenses naturally rise.

Total income is primarily in line with the year-to-date budget, with the exception of the Housing Management (HSM) division, which has seen a slight decrease in HUD operating subsidy, admin fees for the Eligibility & Screening Department, and tenant rental revenue. Within the Instrumentalities (Inst.) division, the Housing Relinquished Fund Corp. has also seen a slight decrease in Interest Income under the Miscellaneous line item, due to the early payoff of construction loan interest for the Parc Grove Northwest and Mendota RAD projects.

Year-to-date expenditures have been lower than originally budgeted for the first three months of the year. Total expenses are almost a million dollars lower than projected due to a reduction in payroll-related costs, and administrative overhead expenses. These expenses will start to increase during the year as we backfill open positions and begin key initiatives around the Rental Assistance Demonstration and Asset Management.

Summary of Financial Operating Results

| | 2015 Approved Budget | Jan.- March Budget | Jan.- March Results | <i>Jan.-March Favorable (Unfav.) Variance</i> |
|---------------------------|-------------------------------------|--------------------------|---------------------------|---|
| Income | 35.36 | 8.31 | 8.04 | (0.27) |
| Expenses | 35.09 | 8.18 | 7.19 | 1.00 |
| Net Income | 0.27 | 0.13 | 0.86 | 0.72 |
| Unrestricted Funds | (0.66) | (0.39) | (0.18) | 0.22 |

* Dollars are shown in millions and rounded to the nearest ten thousand.

*Unrestricted Funds consist of Net Operating Income (NOI) from the Core, Planning & Development, and Affordable Housing divisions, and any negative NOI in the Assisted Housing Division.

*Restricted Funds consist of NOI from the Housing Management and Instrumentalities divisions and any positive NOI in the Assisted Housing Division.

* 1st Qtr. Budget does not equal 25% of the annual budget because it has been adjusted for the timing of certain income and expenses. Annual budget figures are unchanged.

Background Information

The 2015 Operating Budget was approved by the Boards of Commissioners on December 17, 2014, with year-end net income of approximately \$265 thousand, of which \$668 thousand was to be utilized from our unrestricted operating reserves. After accounting for the 2014 financial results, this utilization of unrestricted reserves would bring the balance of the reserve account to \$2.28 million dollars.

| | YTD Budget as of March 31, 2015 | | | | | | | 2015 Results as of March 31, 2015 | | | | | | | 1st Quarter Financial Results to 1st Quarter Budget | |
|---|---------------------------------|----------------|----------------|------------------|------------------|----------------|------------------|-----------------------------------|----------------|----------------|------------------|------------------|----------------|------------------|---|---------------|
| | Core | Inst | P&CD | AHD | HSM | Aff | Total | Core | Inst | P&CD | AHD | HSM | Aff | Total | | |
| HAP BUDGET | | | | | | | | | | | | | | | | |
| HAP RENTAL ASSISTANCE | - | - | - | 20,212,411 | - | - | 20,212,411 | - | - | - | 19,860,088 | - | - | 19,860,088 | 352,323 | 1.7% |
| HAP PAYMENTS | - | - | - | 19,906,814 | - | - | 19,906,814 | - | - | - | 19,792,218 | - | - | 19,792,218 | 114,596 | 0.6% |
| Restricted earnings: | - | - | - | 305,597 | - | - | 305,597 | - | - | - | 67,870 | - | - | 67,870 | 237,727 | 77.8% |
| OPERATING BUDGET | | | | | | | | | | | | | | | | |
| INCOME | | | | | | | | | | | | | | | | |
| ADMIN & MANAGEMENT FEES | 1,263,331 | - | - | 2,100,702 | 136,095 | - | 3,500,129 | 1,189,443 | - | - | 2,141,749 | 72,518 | - | 3,403,710 | (96,419) | -2.8% |
| RENTAL INCOME | - | - | - | - | 1,121,501 | 332,658 | 1,454,158 | - | - | - | - | 1,075,556 | 432,354 | 1,507,910 | 53,752 | 3.7% |
| HUD GRANTS | - | - | - | 91,152 | 1,237,729 | - | 1,328,881 | - | - | - | 94,971 | 1,196,294 | - | 1,291,265 | (37,616) | -2.8% |
| MISCELLANEOUS | 38,775 | 372,410 | 477,180 | 198,947 | 33,634 | 6,145 | 1,127,091 | 22,729 | 292,186 | 435,495 | 118,693 | 69,102 | 8,338 | 946,543 | (180,548) | -16.0% |
| GRANT FUNDING (Non-HUD) | - | - | - | 38,241 | 471,181 | - | 509,421 | - | - | - | 135,765 | 357,176 | - | 492,941 | (16,481) | -3.2% |
| SOFTWARE, EQUIP & OCCUPANCY | 393,287 | - | - | - | - | - | 393,287 | 399,267 | - | - | - | - | - | 399,267 | 5,981 | 1.5% |
| SALES OF INVESTMENTS/ASSETS | 1,250 | - | - | - | - | - | 1,250 | - | - | - | - | - | - | - | (1,250) | -100.0% |
| Total Income: | 1,696,643 | 372,410 | 477,180 | 2,429,041 | 3,000,140 | 338,803 | 8,314,217 | 1,611,439 | 292,186 | 435,495 | 2,491,178 | 2,770,645 | 440,692 | 8,041,637 | (272,580) | -3.3% |
| EXPENSES | | | | | | | | | | | | | | | | |
| SALARIES (inc temps) | 708,370 | 26,204 | 259,057 | 1,035,550 | 555,405 | 10,505 | 2,595,091 | 751,230 | 19,026 | 201,364 | 1,055,433 | 477,321 | 1,041 | 2,505,415 | 89,677 | 3% |
| BENEFITS & TAXES | 256,103 | 11,456 | 96,453 | 428,222 | 285,969 | 5,839 | 1,084,043 | 262,459 | 9,827 | 68,692 | 412,439 | 258,262 | 525 | 1,012,204 | 71,839 | 7% |
| Salaries & Benefits | 964,473 | 37,660 | 355,510 | 1,463,771 | 841,375 | 16,345 | 3,679,134 | 1,013,690 | 28,853 | 270,056 | 1,467,871 | 735,583 | 1,566 | 3,517,618 | 161,515 | 4% |
| ADMIN, ACCTG, MANAGEMENT, PILOT FEES | - | 102,750 | - | 723,753 | 495,240 | 1,190 | 1,322,933 | - | - | - | 752,126 | 377,806 | - | 1,129,932 | 193,001 | 15% |
| PROFESSIONAL/ADMINISTRATIVE FEES | 295,200 | (40,110) | 3,875 | 110,818 | 129,284 | 9,183 | 508,250 | 144,297 | 3,654 | 1,734 | 33,503 | 77,090 | 2,004 | 262,281 | 245,969 | 48% |
| SOFTWARE, EQUIPMENT & OCCUPANCY | 215,134 | - | 38,828 | 194,929 | 49,974 | 1,034 | 499,898 | 164,795 | 4,141 | 30,715 | 239,634 | 39,916 | 210 | 479,411 | 20,487 | 4% |
| OTHER | 372,500 | 137,071 | - | 20,625 | 221,918 | 9,615 | 761,728 | 414,747 | 94 | - | 55,829 | 146,772 | 837 | 618,279 | 143,450 | 19% |
| OFFICE SUPPLIES, ADVERT., SUBSCRIPTIONS | 40,013 | - | 4,775 | 36,375 | 26,320 | 1,715 | 109,197 | 65,611 | 627 | 5,393 | 28,597 | 14,158 | 764 | 115,150 | (5,953) | -5% |
| INSURANCE | 5,242 | 12,528 | 1,025 | 5,740 | 37,938 | 4,530 | 67,003 | 8,186 | (4,541) | 1,786 | 10,486 | 39,858 | 1,971 | 57,746 | 9,257 | 14% |
| PAYMENTS TO EXTERNAL PROP MGRS | - | - | - | - | - | 43,437 | 43,437 | - | - | - | - | - | 54,327 | 54,327 | (10,890) | -25% |
| Administrative Overhead | 928,088 | 212,239 | 48,503 | 1,092,240 | 960,673 | 70,704 | 3,312,448 | 797,636 | 3,974 | 39,628 | 1,120,175 | 695,600 | 60,113 | 2,717,126 | 595,322 | 18% |
| LANDSCAPING, REPAIRS, SECURITY, ETC. | 44,725 | - | - | - | 264,382 | 77,616 | 386,724 | 33,693 | - | - | - | 190,650 | 63,032 | 287,374 | 99,349 | 26% |
| UTILITIES, GARBAGE, SEWER, ETC. | 40,353 | - | - | - | 429,953 | 39,776 | 510,082 | 21,465 | - | - | - | 314,181 | 39,524 | 375,170 | 134,912 | 26% |
| AUTO COSTS | 7,575 | - | 5,700 | 15,438 | 30,724 | 279 | 59,716 | 14,276 | - | 2,760 | 10,227 | 24,889 | 232 | 52,384 | 7,332 | 12% |
| Fleet & Facilities | 92,653 | - | 5,700 | 15,438 | 725,060 | 117,671 | 956,521 | 69,433 | - | 2,760 | 10,227 | 529,720 | 102,788 | 714,928 | 241,593 | 25% |
| TRAVEL, TRAINING, STAFF DEVELOPMENT | 72,960 | - | 7,578 | 13,087 | 13,303 | 221 | 107,148 | 86,351 | 1,355 | 6,960 | 22,930 | 5,178 | 6 | 122,779 | (15,631) | -15% |
| DEBT RELATED COSTS | - | - | - | 5,000 | 61,422 | 63,063 | 129,485 | - | - | - | - | 30,726 | 82,440 | 113,166 | 16,319 | 13% |
| Other | - | - | - | 5,000 | 61,422 | 63,063 | 129,485 | - | - | - | - | 30,726 | 82,440 | 113,166 | 16,319 | 13% |
| Total Expenses: | 2,058,174 | 249,899 | 417,291 | 2,589,536 | 2,601,833 | 268,004 | 8,184,736 | 1,967,109 | 34,182 | 319,404 | 2,621,202 | 1,996,807 | 246,914 | 7,185,617 | 999,119 | 12.2% |
| Net Operating Income: | (361,530) | 122,511 | 59,889 | (160,494) | 398,307 | 70,799 | 129,481 | (355,670) | 258,004 | 116,092 | (130,024) | 773,839 | 193,779 | 856,020 | 726,538 | 561.1% |
| Unrestricted Funds | (361,530) | - | 59,889 | (160,494) | - | 70,799 | (391,336) | (355,670) | - | 116,092 | (130,024) | - | 193,779 | (175,823) | 215,513 | -55.1% |

BOARD UPDATE

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TO: Boards of Commissioners

Fresno Housing Authority

DATE: May 15, 2015

AUTHOR: Juan Lopez

FROM: Preston Prince, CEO/Executive Director

SUBJECT: 2016 Public Housing Agency (PHA) Annual Plans Timeline

Executive Summary

The purpose of this update is to provide the Boards of Commissioners with information on the Public Housing Agency (PHA) Annual Plans required by HUD and the timeline associated with the Annual Plan process.

In accordance with Section 511 of the Quality Housing and Work Responsibility Act of 1998, 24 CFR Part 903 and subsequent U.S. Department of Housing and Urban Development (HUD) notices, FH staff will prepare updates to the 2016 PHA Annual Plans for the Housing Authority of the City of Fresno and the Housing Authority of Fresno County. The purpose of the PHA plan is to notify HUD of any changes to the prior Five-Year and Annual Plan. PHA Five-Year plans were submitted in 2014 and will not require updates for another four years. The PHA Annual Plan also summarizes updates to the Admissions and Continued Occupancy Plan (ACOP) for the Public Housing Program and the Administrative Plan for the Housing Choice Voucher Program. The PHA Annual Plan must align with or state any significant deviation from the Five-Year Plan. The PHA must include any discretionary policies of the various plan components or elements and not the statutory or regulatory requirements that govern these plan components and that provide no discretion on the part of the PHA in implementation of the requirements. Among other plan elements, the Plan must include the following items:

- A statement of housing needs; must address the housing needs of the low-income and very low-income families who reside in the jurisdiction served by the PHA.
- A statement of the PHA's deconcentration and other policies that govern eligibility, selection, and admissions
- A statement of financial resources
- A statement of the PHA's rent determination policies
- A statement of the PHA's operation and management
- A statement of capital improvements needed

- A statement of the conversion of public housing to tenant-based assistance
- Civil rights certification; conformity to title VI of the Civil Rights act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973 and title II of the Americans with Disabilities Act of 1990.

This timeline is subject to change.

| TASK | Completion Date (Projected) |
|--|------------------------------------|
| <i>Meeting for HCV Managers with Annual Plan team to introduce new method of submitting proposed changes</i> | <i>Completed</i> |
| <i>First list of proposed changes to QA by management and necessary parties</i> | <i>Completed</i> |
| <i>Modification (if any) to changes submitted on 2/26 are due to QA</i> | <i>Completed</i> |
| <i>Final deadline for 2016 Admin Plan and ACOP</i> | <i>Completed</i> |
| Meet with Assisted Housing and Housing Management regarding ACOP and Admin Plan proposed changes | 5-25-15 |
| Discussion of Proposed ACOP & Admin Plan Changes with Preston and Tracewell | 5-28-15 |
| Present Summary of Changes to Resident Advisory Board (RAB), include request for Certificates of Consistency (with the Consolidated Plan) from a) the City Manager and b) Fresno County's Director of Public Works & Planning. | Week of 6-5-15 |
| Incorporate in the Annual Plan template and the HCV Admin Plan draft, any changes resulting from the RAB meetings | Week of 6-5-15 |
| June Board Memo – Present recommended changes to Annual Plan | 6-23-15 |
| 45-day public viewing period begins – post on website and in Fresno Bee beforehand | 6-29-15 |
| Incorporate public comments into PHA Annual Plans | Week of 8-17-15 |
| Board approval of PHA Annual Plans | 8-25-15 |
| Annual Plan Submissions (HUD-mandated deadline is 10-16-15) | 8-31-15 |

Recommendation

This item is informational only. No action is necessary.