



Boards of Commissioners Update

April 2024

Boards of Commissioners Update – April 2024

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BOARD UPDATE

TO: Boards of Commissioners
FROM: Tyrone Roderick Williams, CEO
AUTHOR: Tammy Townsend
Deputy Executive Director
DEPARTMENT: Administration
MEMO DATE: 4/11/2024
SUBJECT: Information on the Upcoming Board Workshop

Executive Summary

The purpose of this board memo is to provide board of commissioners information on the upcoming Board workshop. The workshop will be held at Alegre Commons, one of Fresno Housing's newer properties. The address is 130 West Barstow Avenue, Fresno, California 93704 and it located close to Barstow and Blackstone avenues. The plan is that the program officially begins at 8:30am, but breakfast will be available as early as 8:15am.

We have two key objectives for the day. The first is to complete some required training around potential conflicts of interest. The second objective is present to you the information and insights received from the extensive community outreach done to help the Agency update our Strategic Plan.

Please feel free to dress comfortably. Included in this packet is an agenda that will help you to navigate our time together. If you have questions, require additional information or assistance with transportation or other needs, please do not hesitate to reach out to Hyasha (559) 246-7550 or Tammy (559) 514-4793.

BOARD WORKSHOP

Date: Saturday, April 20, 2024

Time: 8:15 – 12:30pm

Location: Alegre Commons - 130 West Barstow, Fresno, Ca 93704

- A. 8:15 – 8:30am – Get Breakfast
- B. 8:30am – Welcome from Tyrone
- C. 8:35am – Ken to lead Conflict of Interest Training
- D. 10:30 – 10:40am Break
- E. 10:40 – 10:45am Strategic Plan Grounding Activity with Tyrone
- F. 10:45 – 11:15am Presentation on Strategic Plan input from Stakeholders with Marc'
- G. 11:15 – 12:15pm Breakout Group – unpacking input
- H. 12:15 – 12:30pm Shareout and Next Steps (Tyrone)

BOARD MEMO

TO: Boards of Commissioners
FROM: Tyrone Roderick Williams, CEO
AUTHOR: Crystal Cox
Finance Manager
DEPARTMENT: Accounting & Finance
MEMO DATE: 04/10/2024
SUBJECT: Fresno Housing Operating Budget as of February 29, 2024

Executive Summary

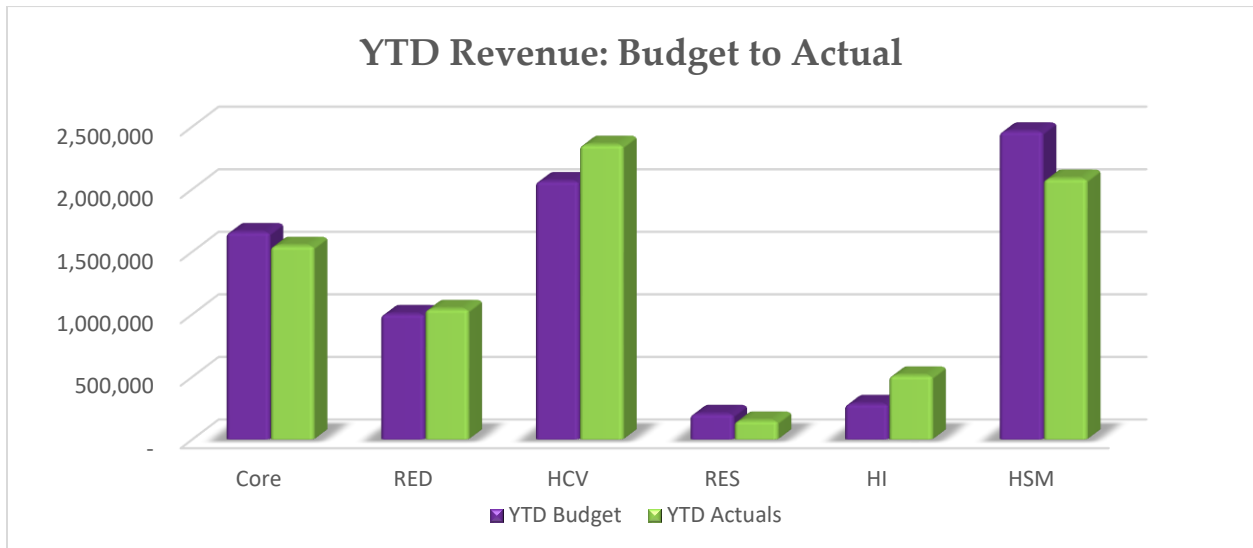
The purpose of this update is to present an overview of Fresno Housing’s financial operating results as of February 29, 2024. The attached financial report shows the consolidation of all Agency operational budgets combined into six divisions. Projections have been incorporated into the year-to-date budget 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 2024 Operating Budget was approved by the Boards of Commissioners in December 2023 with total revenues of \$46.8 million and total operating expenses of \$46 million. As of February, total revenues are \$7.7 million, which is \$18 thousand more than anticipated. Total operating expenses are \$6.6 million through February, which is \$743 thousand less than budgeted. This puts net operating income at \$1 million, which is \$761 thousand more than budgeted. As of February, unrestricted net income totals \$85 thousand, which is \$112 thousand more than budgeted at this point in the year. The variance in unrestricted net income is mainly due to the receipt of more grant reimbursements than anticipated for Homeless Programs and decreased staffing, and maintenance costs. Staff expects this variance to decrease as the year progresses.

	Fresno Housing Authority		
	Annual Budget	YTD Budget	YTD Actuals
OPERATING BUDGET			
TOTAL INCOME	46,838,399	7,671,923	7,690,092
TOTAL EXPENSES	46,036,930	7,388,433	6,645,331
NET OPERATING INCOME	801,469	283,489	1,044,760
TOTAL NON-OPERATING EXPENSES	799,063	133,177	102,812
NET INCOME	2,406	150,312	941,948
UNRESTRICTED NET INCOME	47,553	(27,452)	84,467

FRESNO HOUSING

Agency Revenue



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

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

HCV - Housing Choice Voucher programs

RES - Resident Empowerment Services: Resident Services

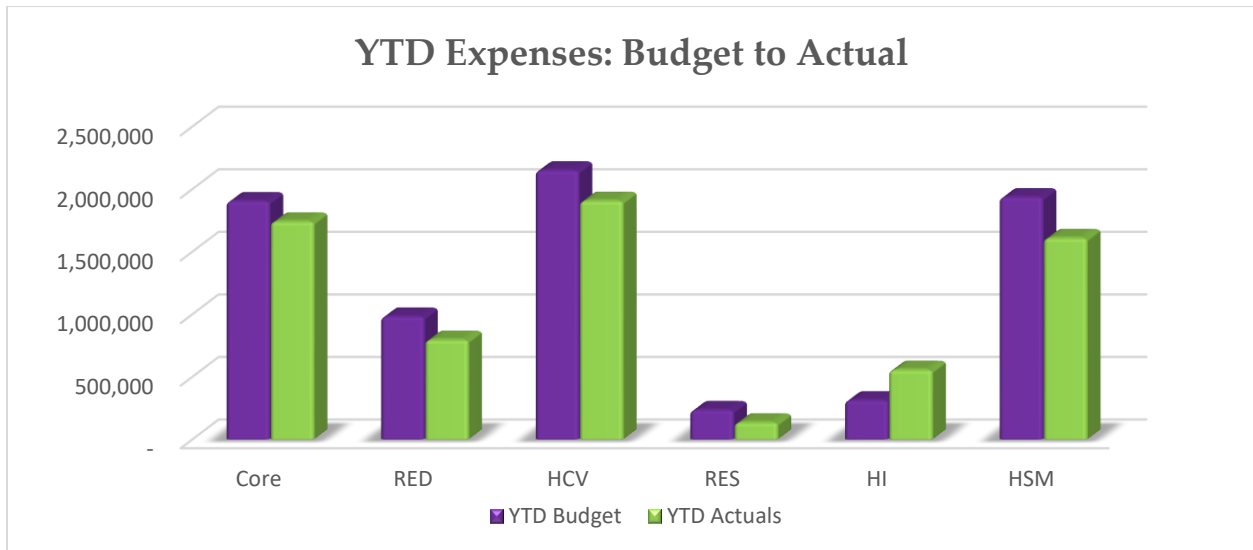
HI - Housing Initiatives or Homeless Programs

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

Overall, year-to-date revenue is \$7.7 million, which is closely in line with the year-to-date budget.

- **HCV:** HUD Grant Income is higher than budgeted due to an increase in HUD's proration for Administrative Fees.
- **RED:** Developer Fees for Solivita Commons were received in February. Developer Fees for Barstow Commons are expected to be received in the second quarter.
- **HI:** Other Grant Income is \$185 thousand higher than budgeted. This variance is primarily due to an increase in tenant rent payments within homeless service, and rental assistance payments, which are reimbursed through other government grants. It's important to note that both this revenue and the associated expenses do not necessarily indicate performance but are related to the demand for services. The increase in revenue is correlates with a higher than anticipated demand for these services, and also includes reimbursements for the previous year.

Agency Expenses

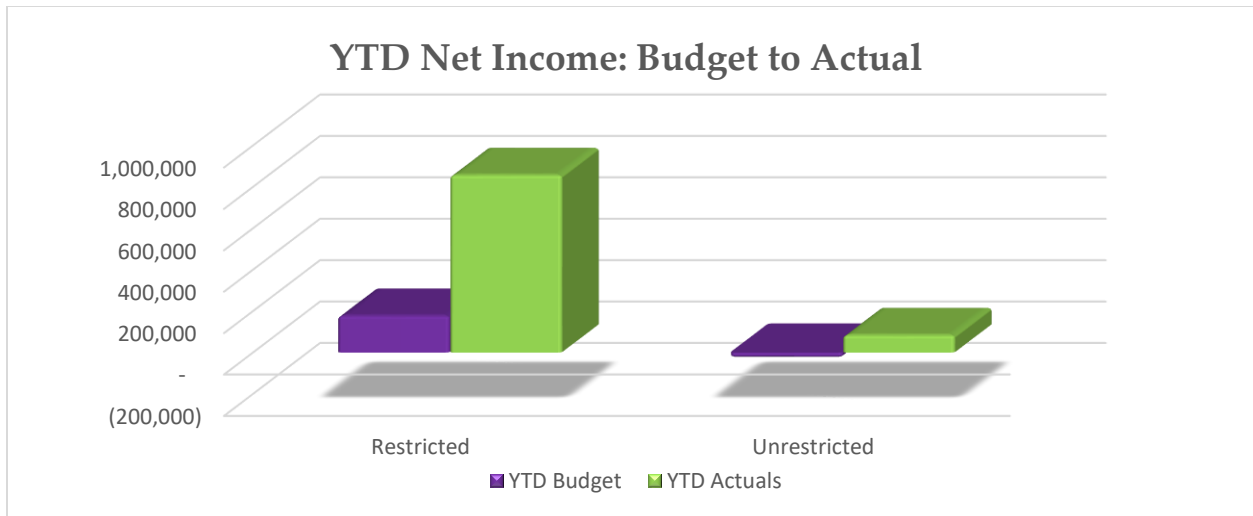


Overall, year-to-date operating expenses are \$6.6 million and non-operating expenses are \$103 thousand, which together are about 10.2% lower than budgeted.

- Agency-wide:** Payroll Expenses are approximately \$421 thousand (12%) lower than anticipated. Part of this variance is due to vacancies across the agency. As openings occur, Staff is evaluating the need for the position and filling as needed. Furthermore, a vacancy factor of 8.3% was applied to the payroll expense line item to account for turnover and attrition that will occur throughout the year. As the year progresses, the variance in this line item will decrease.
- Agency-wide:** Maintenance Expenses are \$288 thousand (17%) lower than budgeted across the Agency. Staff expects this variance to decrease as IT Services, Professional & Consulting Fees and Administrative Contracts projects begin and expenses are incurred during 2024.
- HI:** Tenant Services Expenses are \$207 thousand higher than budgeted at this point in the year, totaling \$530 thousand primarily due to higher tenant rent payments within homeless service and rental assistance grants. The increase reflects higher than anticipated demand for these services, as well as expenses and reimbursements from the prior year. It's important to note that these expenses do not necessarily indicate performance but rather demand for service.

FRESNO HOUSING

Agency Net Income



- As of February 2024, unrestricted net income is approximately \$112 thousand higher than budgeted. This is primarily due to lower staffing and maintenance costs agency-wide. As previously mentioned, a 8.3% vacancy factor was applied to the payroll expense line item to account for employee attrition throughout the year. As the year progresses, the variance in this line item will decrease.

Fresno Housing Authority
Financial Results as of February 29, 2024

	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	180,000	30,000	30,000	1,066,818	177,803	242,053	-	-	-	-	-	-	-	-	-	9,271,386	1,545,231	1,478,533	10,518,204	1,753,034	1,750,586	
INTEREST INCOME	88,278	14,713	7,961	140,000	23,333	70,411	-	-	1,479	-	-	-	-	-	-	-	-	-	228,278	38,046	80,175	
OTHER INCOME	24,800	4,133	6,671	304,800	50,800	1,968	-	-	223	873,000	145,500	139,696	97,742	16,290	11,657	44,040	7,340	6,362	1,344,382	224,064	166,576	
ADMIN & MANAGEMENT FEE INCOME	9,648,105	1,608,018	1,502,535	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,648,105	1,608,018	1,502,535	
DEVELOPER FEE INCOME	-	-	-	3,506,862	450,000	450,000	-	-	-	-	-	-	-	-	-	-	-	-	3,506,862	450,000	450,000	
HUD GRANT INCOME	-	-	-	-	-	-	11,850,875	1,975,146	2,276,279	-	-	10,728	1,155,492	192,582	239,395	3,773,168	628,861	517,727	16,779,535	2,796,589	3,044,128	
OTHER GRANT INCOME	-	-	-	1,799,821	299,970	277,972	533,333	88,889	76,984	350,000	58,333	-	447,772	74,629	260,088	1,682,106	280,351	81,047	4,813,032	802,172	696,091	
TOTAL INCOME	9,941,183	1,656,864	1,547,167	6,818,301	1,001,907	1,042,403	12,384,208	2,064,035	2,354,965	1,223,000	203,833	150,424	1,701,006	283,501	511,140	14,770,700	2,461,783	2,083,993	46,838,399	7,671,923	7,690,992	
EXPENSES																						
PAYROLL EXPENSES	7,958,901	1,224,446	1,141,773	2,378,697	365,953	248,740	7,705,571	1,185,472	986,619	951,688	146,414	118,898	505,799	77,815	83,357	2,681,624	412,558	411,816	22,182,280	3,412,658	2,991,204	
ADMINISTRATIVE EXPENSES	3,144,436	524,073	505,181	2,164,340	360,723	425,528	5,385,882	897,647	856,438	216,755	36,126	15,674	510,231	85,039	11,701	2,199,572	366,595	369,306	13,621,217	2,270,203	2,183,828	
TENANT SERVICES EXPENSES	500	83	-	444,048	74,008	616	336,668	56,111	61,770	23,000	3,833	1,111	899,682	149,947	461,256	229,005	38,168	5,208	1,932,903	322,151	529,961	
UTILITY EXPENSES	264,240	44,040	37,863	490,959	81,826	55,506	-	-	-	-	-	-	-	-	-	2,034,866	339,144	307,679	2,790,065	465,011	401,048	
MAINTENANCE EXPENSES	549,072	91,512	44,897	369,242	61,540	52,808	68,000	11,333	1,353	292,607	48,768	-	25	4	-	3,202,875	533,813	359,714	4,481,821	746,970	458,773	
TAXES & INSURANCE EXPENSES	32,031	5,338	5,749	57,282	9,547	396	-	-	1,229	-	-	-	-	-	23	939,332	156,555	72,838	1,028,644	171,441	80,518	
TOTAL EXPENSES	11,949,180	1,889,493	1,735,463	5,904,568	953,599	783,595	13,496,121	2,150,564	1,907,409	1,484,051	235,141	135,967	1,915,737	312,805	556,336	11,287,274	1,846,833	1,526,561	46,036,930	7,388,433	6,645,331	
NET OPERATING INCOME	(2,007,997)	(232,629)	(188,296)	913,733	48,308	258,809	(1,111,912)	(86,529)	447,556	(261,051)	(31,307)	14,457	(214,731)	(29,304)	(45,197)	3,483,426	614,951	557,432	801,469	283,489	1,044,760	
NON-OPERATING EXPENSES																						
TOTAL NON-OPERATING EXPENSES	90,000	15,000	39	-	-	11,299	-	-	-	-	-	-	-	-	-	536,535	89,423	83,171	626,535	104,423	94,508	
TOTAL FINANCING EXPENSES	-	-	6,506	172,528	28,755	1,799	-	-	-	-	-	-	-	-	-	-	-	-	172,528	28,755	8,304	
TOTAL ADJUSTMENTS & OPERATING TRANSFERS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL NON-OPERATING EXPENSES	90,000	15,000	6,544	172,528	28,755	13,097	-	-	-	-	-	-	-	-	-	536,535	89,423	83,171	799,063	133,177	102,812	
NET INCOME	(2,097,997)	(247,629)	(194,841)	741,204	19,553	245,711	(1,111,911)	(86,529)	447,556	(261,051)	(31,307)	14,457	(214,731)	(29,304)	(45,197)	2,946,891	525,528	474,262	2,406	150,312	941,948	
UNRESTRICTED NET INCOME	(2,097,997)	(247,629)	(194,841)	741,204	19,553	140,794	(111,912)	(86,529)	-	(261,051)	(31,307)	14,457	(214,731)	(29,304)	(45,197)	1,992,039	347,764	169,254	47,553	(27,452)	84,467	

BOARD UPDATE

TO: Boards of Commissioners
FROM: Tyrone Roderick Williams, CEO
AUTHOR: Nicole Diaz
Director of Finance & Accounting
DEPARTMENT: Accounting & Finance
MEMO DATE: 4/9/2024
SUBJECT: Clarification on Emergency Housing Voucher Program Obligation Deadline

Executive Summary

The purpose of this board memo is to provide board of commissioners clarification on the Emergency Housing Vouchers (EHV) program obligation deadline. According to the Notice PIH 2021-15 (HA), the funds appropriated for the EHV program are available for obligation by HUD until September 30, 2030 and will be cancelled as a matter of law on September 30, 2035.

HUD will conduct a final reconciliation of each Public Housing Authority's EHV funding and expenses when the program ends.