

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL****REPORT TO COMMISSIONERS****FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR****REGARDING** Rental Assistance Demonstration Project-  
Based Rental Assistance (RAD-PBRA);  
Operating Budget for the Fiscal Year Ending  
March 31, 2022**DATE** March 24, 2021

Staff recommends Board approval of the proposed Consolidated Operating Budget for Fiscal Year 2022 for the eight RAD-PBRA Projects (Rental Assistance Demonstration Project-Based Rental Assistance). The consolidated budget totals \$37,947,330 in revenue (column E), which is \$2,120,320 less than the FY 2021 revenue of \$40,067,650, as explained below; and total routine expenses of \$32,220,076 (line 50 column E), which is \$938,810 or 3.0% more than the approved operating expenses for those projects in the FY 2021 Operating Budget, including Budget Revision #1 approved by the Board on August 26, 2020. Staff worked hard to bring in a proposed budget that held the line in increased spending to 3%. While the proposed budget includes a net operating cash flow deficit of \$1,073,056, that “snapshot in time estimate” will be more than offset by a large projected positive net operating cash flow from the current year ending March 31, 2021. This is due to CARES Act funding received in FY 2021 and reduced FY 2021 expenses during the extended period of working at home and limited maintenance work. These factors affect the FY 2021 budget ending balance projections in a positive way. Specifically, staff’s most recent financial projections show a positive net operating cash flow of \$7,642,443 at the end of the current fiscal year. This is much better than the projected net operating cash flow of \$717,724 shown in the revised FY 2021 PBRA Operating Budget approved by the Board on August 26, 2020 and will be more than sufficient to offset the proposed cash flow deficit of \$1,073,056. Staff project the consolidated operating reserve for the

eight RAD-PBRA projects at the end of FY 2022 will be \$21,904,219, or 8.18 months of routine expenses. This is a far healthier reserve position than recent years' budgets, despite the projected cash flow deficit (which likely will not be realized, due to our always-conservative budgeting). Rather than letting too much money sit in reserves, staff are proposing healthy mission-related routine, capital and development planning expenses in the FY 2022 budget. Again, total routine expenses are proposed to increase only 3% from FY 2021 in these combined FY 2022 RAD-PBRA budgets.

### **RAD FINANCING PLAN OPERATING PRO-FORMAS**

As discussed during the RAD conversion planning and implementation, Pro-Forma Operating statements are used to present projected results of a financial transaction; and they can be used to compare actual results for evaluation purposes. Staff prepared a Pro-Forma Operating statement for each Project during the RAD conversion process. In order to realize the benefits of the RAD, staff will use these project-level Pro-Forma statements, in conjunction with internally prepared documents, to guide each year's RAD-PBRA budget presentations.

### **CONTRACT RENT**

Beginning January 1, 2021, each project became eligible for monthly HAP payments from HUD based on RAD contract rents. Initial contract rents were established at the time of RAD conversion based on tenant rent, operating subsidy, and per-unit CFP funding.<sup>1</sup> Each Project has its own contract rent schedule, broken down by bedroom sizes. Contract rents are modified each year by HUD's published OCAF (Operating Cost Adjustment Factor). The OCAF is applied to

---

<sup>1</sup> Contract rents at the time of closing were based on "Modified 2018 Appropriations" and included the 2019 Operating Cost Adjustment Factor (OCAF).

current contract rents on the contract anniversary date following the published effective date.

The PHA's anniversary date for all eight HAP contracts is January 1, so we will make an adjustment to contract rents on that date each year. Staff received Board approval to submit the 2020 OCAF adjustment on September 23, 2020.

### **PAYMENT VOUCHERS**

As staff explained at the March 17, 2021 Board meeting, each month staff are required to submit a "payment voucher" to HUD for each Project via HUD's online submission systems, TRACS (Tenant Rental Assistance Certification System). Once HUD staff have approved the submission, the monthly subsidy payment is transmitted directly to the Project bank account.<sup>2</sup> The voucher process is quite extensive and is reliant on staff accuracy and timeliness in order to ensure that monthly payments and related "cash flow" are received on a regular schedule.

### **CAPITAL IMPROVEMENTS**

Capital improvements are a significant component of the FY 2022 RAD-PBRA Operating Budget comprising approximately 25% of total expenditures. Staff are budgeting capital improvements from three funding sources: current year funding, replacement reserve funds, and other funding sources (shown on Lines #53, #55, and #56 on the attached budgets).

Capital expenditures from current year funding are proposed by Maintenance staff based on their internal evaluation of property improvement needs as well as recommendations from independent contractors who have been procured to evaluate major structural and mechanical systems. These projects are necessary to allow the PHA to maintain the buildings and grounds to

---

<sup>2</sup> During the RAD conversion process, individual bank accounts were established for each project to facilitate the subsidy payment process.

the high standards the residents and public have come to expect; but the timing is usually somewhat discretionary, which allows staff to continually evaluate conditions at the properties and re-align priorities as needs arise. The Board will have the opportunity to provide guidance on establishing priorities for capital improvements that utilize current and future years' funding.

Capital expenditures from the Replacement Reserve are based on the RAD-PBRA 20-Year Capital Needs Assessment (CNA) performed by independent contractor EMG as part of the RAD conversion process. HUD staff have indicated they will monitor the PHA's Replacement Reserve activity to ensure the identified work in the 20-Year CNA is adequately addressed.

Capital expenditures from other funding sources are primarily larger rehabilitation projects on major mechanical or structural systems which the PHA has secured external funding to help defray the cost. As noted in the FY 2020 – 2021 Agency Goals, staff continue to seek grants and loans to maintain and improve the PHA's \$700 million physical plant. The FY 2022 budgeted project is the plumbing and boiler modernization at Front Hi-Rise.

#### **PROPOSED DEVELOPMENT RESERVE CONTRIBUTION**

As part of the fiscal discipline demonstrated in this budget, and to begin to realize the "RAD dividend" projected in the 20 Year Pro Forma, staff are proposing transfers totaling \$600,000 to a "Development Reserve" in the Business Activities Fund. The transfers are only proposed from those Projects that have positive net operating cash flow before the transfer and will maintain positive cash flow after the transfer. By building this transfer into the proposed budget, we are ensuring funds will be available for research and investigation of any affordable housing development opportunities that may be presented. Staff believe the Project's FY 2022 Operating

Budgets are healthy and will support this transfer without negatively impacting operating reserve levels.

**OVERVIEW: PROPOSED RAD-PBRA OPERATING BUDGET**

When the Board approves the consolidated RAD-PBRA Operating Budget it will also be approving the budgets (revenue and expense totals) for each of the eight RAD-PBRA projects (attached). The following is a summary of current year proposed revenue, expenses and net operating cash flow for each project:

PROJECT NAME	PROPOSED REVENUE	PROPOSED OPERATING EXPENSES (includes Annual Deposit to Replacement Reserve)	PROPOSED CURRENT YEAR CAPITAL EXPENSES	PROPOSED CONTRIBUTION TO DEVELOPMENT RESERVE	NET OPERATING CASH FLOW
Project 1 McDonough Homes	\$6,405,970	\$5,606,963	\$36,210	\$300,000	\$462,797
Project 2 Hamline Front Seal	\$4,363,810	\$3,898,358	\$2,244,730	\$0	(\$1,779,278)
Project 3 Edgerton Iowa Wilson	\$5,212,460	\$4,653,072	\$278,110	\$100,000	\$181,278
Project 4 Roosevelt Homes	\$3,270,010	\$3,060,513	\$187,070	\$0	\$22,427
Project 5 Mt Airy Valley	\$6,514,720	\$6,297,500	\$336,990	\$0	(\$119,770)
Project 6 Exchange Wabasha	\$2,510,810	\$2,236,385	\$159,490	\$100,000	\$14,935
Project 7 Ravoux Central Neill	\$4,003,000	\$3,964,856	\$379,470	\$0	(\$341,326)
Project 8 Dunedin Montreal Cleveland	\$5,666,550	\$4,811,589	\$269,180	\$100,000	\$485,781
<b>TOTAL</b>	<b>\$37,947,330</b>	<b>\$34,529,236</b>	<b>\$3,891,250</b>	<b>\$600,000</b>	<b>(\$1,073,156)</b>

In addition to current year capital improvement expenses, proposed capital improvement expenditures utilizing other funding sources are also included in this year's proposed budget.

These include items identified in the RAD Capital Needs Assessment (CNA) and items being fully or partially funded by external sources such as Minnesota Housing or Federal Home Loan Bank of Des Moines (FHLBDM) loans/grants. Here is a summary of the proposed capital expenditures from reserves, which will be in addition to the proposed current year capital expenses shown above:

CAPITAL EXPENDITURES BY PROJECT, TO BE PAID FROM RESERVES	RAD CNA REPLACEMENT RESERVE	OTHER FUNDING SOURCES	TOTALS
Project 1 McDonough Homes	\$150,000	\$0	\$150,000
Project 2 Hamline Front Seal	\$1,621,520	\$1,000,000	\$2,621,520
Project 3 Edgerton Iowa Wilson	\$0	\$0	\$0
Project 4 Roosevelt Homes	\$267,340	\$0	\$267,340
Project 5 Mt Airy Valley	\$354,350	\$0	\$354,350
Project 6 Exchange Wabasha	\$260,870	\$0	\$260,870
Project 7 Ravoux Central Neill	\$80,990	\$0	\$80,990
Project 8 Dunedin Montreal Cleveland	\$157,040	\$0	\$157,040
<b>TOTALS</b>	<b>\$2,892,110</b>	<b>\$1,000,000</b>	<b>\$3,892,110</b>
Proposed Current Year Capital Expenses			\$3,891,250
<b>TOTAL CAPITAL EXPENSES</b>			<b>\$7,783,360</b>

The proposed RAD-PBRA Operating Budgets are based on Housing Assistance Payment subsidy from HUD of \$21,483,543. That operating subsidy is \$1,468,977 less than the PHA budgeted in FY 2021, because the HUD subsidy is now fully based on RAD Contract Rents and the Housing Assistance Payments provided for in the HAP Contract.

**EXPLANATION OF FY 2021 PROJECTED NET OPERATING CASH FLOW:**

As mentioned, staff’s most recent financial projections include a positive net operating cash flow of \$7,642,443 at the end of the current fiscal year, FY 2021. This is much better than the projected net operating cash flow of \$717,724 shown in the revised FY 2021 PBRA Operating Budget approved by the Board on August 26, 2020. The big increase in projected net operating cash can be attributed to decreased expenses in several categories as well as an infusion of funds from the CARES Act. An attached spreadsheet (“CARES Act Expenditures”) shows the \$1.8 million awarded, how it was spread across the Projects (AMPs), and how it was fully expended on salaries from July – October 2020 in accordance with HUD guidelines. This is a summary of the CARES Act LIPH-PBRA funding received and expended:

Project/AMP	Amount Awarded	Maintenance Salaries	Resident Services Salaries
Project 1 – McDonough Homes	\$278,062	\$193,721	\$84,341
Project 2 – Hamline	171,198	138,016	33,182
Project 3 – Edgerton	241,658	158,396	83,262
Project 4 – Roosevelt Homes	154,012	94,754	59,258
Project 5 – Mt Airy	320,682	215,178	105,504
Project 6 - Exchange	128,920	91,701	37,219
Project 7 - Ravoux	199,218	134,940	64,278
Project 8 – Dunedin Terrace	246,846	151,094	95,752
<b>SUBTOTALS</b>	<b>\$1,740,596</b>	<b>\$1,177,800</b>	<b>\$562,796</b>
AMP 9 – Scattered Sites	141,565	59,993	81,572
<b>TOTALS</b>	<b>\$1,882,161</b>	<b>\$1,237,793</b>	<b>\$644,368</b>

Overall RAD-PBRA routine operational expenses are projected to be lower than budgeted in FY 2021 by \$5,813,611. This decrease in expenses is a result of:

- **Administrative expenses:** \$1,332,751 less than budgeted (Lines #13-#23, Column D). Administrative salaries classified as COVID-related expenses account for most of this decrease, as well as lower “administrative sundry” costs which can be attributed to work from home and other work efficiency initiatives.

- **Tenant Services Expenses:** \$11,852 more than budgeted (Line #24-#26, Column D). This increase is due a budgeting error in FY 21 where the cost of the janitorial services contract distribution was miscalculated.
- **Utilities expenses:** \$152,186 less than budgeted (Lines #27-#33, Column D). Natural gas and water/sewer are the two primary areas that are projecting lower than budgeted expenses. Utility expenses such as natural gas can fluctuate based on seasonal conditions (i.e. a mild winter will result in lower than normal heating costs).
- **Maintenance expenses:** \$3,748,774 less than budgeted (Lines #34-#36, Column D). Maintenance salaries classified as COVID-related expenses were paid from the CARES Act funding, which accounts for approximately one-third of this decrease. Maintenance expenses are partly budgeted on anticipated repair needs which can result in budget variances if the repairs are not needed during the year. Due to public-health concerns, the Agency suspended non-emergency work orders for several months resulting in lower than budgeted materials costs, while contracted repair work was also reduced to accommodate contractor's safety protocols.
- **Protective Services:** \$248,901 less than budgeted (Line #37, Column D). Due to statewide stay at home orders, and civil unrest during FY 21, the use of off-duty officers was reduced and contracted security services, when needed, were less expensive.
- **General expenses:** \$342,851 less than budgeted (Lines #38-#45, Column D). Lower than anticipated terminal leave payments, insurance expenses, and collection loss expenses account for this decrease.

The combination of these projected lower than budgeted operational costs along with projected savings in current year capital expenditures results in projected net operating cash flow of \$7,642,443 for FY 2021.

As discussed in prior meetings, the Board will have the opportunity to make decisions about the use of any net operating cash flows, including transfers among projects or the Business Activity Fund, creating additional capital reserves within the projects, or building in reserves for debt service for future affordable housing development opportunities (see below). Once all

accounting is done for Fiscal Year 2021, staff will present a proposal for the Board's consideration on how to effectively utilize these funds.

### **REPLACEMENT RESERVE**

As required by Rental Assistance Demonstration (RAD) program rules, the PHA will maintain a Replacement Reserve for each RAD-PBRA project. This reserve is funded by an Annual Deposit to Replacement Reserve (ADRR), which is the amount required to fully fund the assessed project needs for the duration of the 20-year HAP contract. (Line #51 on the attached budget documents). The ADRR is a per-unit per-year amount and is subject to annual Operating Cost Adjustment Factor (OCAF) increases in order to ensure the PHA's annual contributions are sufficient over time to address the project's needs.

Shortly before the RAD closing date, staff received HUD approval to place the remaining 2019 CFP amount, less the amount authorized by the Board to be utilized for improvements on the PHA's scattered site properties, into Project 2 – Hamline Front Seal. Staff anticipate utilizing these funds in conjunction with other outside funds to complete the plumbing modernization project at Front Hi-Rise. A portion of that project was included in the FY 2021 Budget and the remainder is included in this year's budget.

### **PROPOSED REVENUE:**

The proposed FY 2022 budget projects RAD-PBRA operating revenues of \$37,947,330, a decrease of \$2,120,320 (-5.3%) from \$40,067,650 in the FY 2021 budget approved by the Board on March 25, 2020. Details of the revenue sources and amounts (Column E) are as follows:

1. Dwelling Rental Income (Line #1) for FY 2022 is projected to decrease from \$15,856,780 to \$15,120,917, or \$735,863 (-4.6%) below the FY 2021 budget. This decrease is based on actual tenant revenue projections for FY 2021.
2. Interest on General Fund Investments (Line #3) is budgeted at \$22,500 with no projected increase or decrease. Staff will continue to pursue the most beneficial investment opportunities to maximize each project's earning potential.
3. Cell-Site Revenue (Line #4) for FY 2022 is projected to increase from \$836,600 to \$921,120 (10.1%). This increase is based on actual amounts received with the yearly annual increase applied.
4. Other Income (Line #5) is budgeted at \$399,250 with no projected increase or decrease. Other income includes non-dwelling space rental agreements, rebates, revenue from laundry equipment, and sales and service charges to tenants.
5. HUD Subsidy (Line #12) is projected to decrease by \$1,468,977 (-6.4%), from \$22,952,520 to \$21,483,543. This reduction is due to fully converting to contract rent-based income calculations. Projected subsidy is determined by calculating net rental revenue for all PBRA units, based on contract rents for all units, and subtracting the budgeted tenant rent, resulting in the Housing Assistance Payment subsidy the PHA expects to receive.

**PROPOSED EXPENDITURES:**

The proposed FY 2022 RAD-PBRA Operating Budget shows total operating expenditures of \$32,220,076, which is an increase of \$938,810 (3.0%) from the FY 2021 budget of \$31,281,266.

The proposed increases/decreases are highlighted below:

1. Administrative costs are proposed to increase overall by \$394,760 (4.7%) from \$8,479,530 to \$8,874,290. Significant changes within this category are:
  - a. Administrative Salaries (Line #13) are projected to increase by \$629,600 from \$3,727,310 to \$4,356,910 (16.9%). This increase is generated primarily by re-allocations of Maintenance Contracts administrative staff that had previously been budgeted in the COCC and the addition of one FTE in Resident Services (explained below). Maintenance Contract administrative salaries were shifted to the RAD-

PBRA Project Operating budgets to more accurately represent the work being done by these staff. Details on administrative salaries are shown on an attachment to this report.

- b. Staff Training (Line #15) is projected to decrease by \$2,440 (-10.1%) from \$24,040 to \$21,600. Even with this minor decrease staff will be provided individual and team training opportunities for personal development and continued training and certification in Multifamily requirements.
- c. Staff Travel (Line #16) is projected to decrease by \$16,510 (-65.4%) from \$25,240 to \$8,730. Industry conferences and other training opportunities are now presented “virtually” so staff are able to attend either from home or the PHA’s offices. While instituted primarily for personal safety reasons, online training is the current industry standard and has generally proven to be as effective as in-person training. Travel costs such as airfare and hotel have been eliminated from the proposed FY 2022 operating budgets.
- d. Audit Fees (Line #17) are projected to increase by \$1,830 (4.3%) from \$42,300 to \$44,130. This increase is due to anticipated annual increases by audit service providers.
- e. Rent (Line #18) is projected to decrease by \$2,210 (-13.2%) from \$16,780 to \$14,570. Rent is paid to Project 5 Mt. Airy-Valley by the other seven RAD-PBRA Projects for space at Valley Hi-Rise occupied by the Re-Exam Technicians and the Hi-Rise Administrative Support Technicians (ASTs). Previously Hi-Rise ASTs and Re-Exam Techs occupied space at the Central Administrative Office (CAO) while those same positions for the family developments were located in the Management Offices at each site. Overall rent expense is decreasing due to a correction from last year’s budget where expenses for Project 5 were included in the total calculated rent expense. (Project 5 does not have to pay rent to itself.)
- f. Administrative Sundry Expenses (Line #19) are projected to decrease by \$124,500 (-17.8%) from \$697,880 to \$573,380. Administrative Sundry encompasses a broad category of expenses that are used for general administrative support for each project.

Examples include administrative contract services, office supplies, phones, printing, advertising, and office equipment. This projected reduction is due primarily to a reduction in expendable equipment, with minor increases and decreases in other sundry accounts.

2. Tenant Services costs are proposed to decrease by \$111,500 (-11.3%) as follows:
  - a. Salaries (Line #24) are projected to increase by \$21,090 from \$704,700 to \$725,790 (3.0%) due to annual salary increases.
  - b. Other Expenses (Line #25) are proposed to remain the same at \$94,586 with no increase or decrease. The RAD program provides for continued funding of Resident Participation Fees to the Resident Councils (capped at \$25 per unit per year). This budgeted amount will be distributed to Resident Councils at both the Hi-Rise and Family locations.
  - c. Contracts Expenses (Line #26) are proposed to decrease by \$132,590 from \$186,630 to \$54,040 (-71.0%). This decrease is due primarily to a reallocation of the expense associated with the janitorial and security training programs to the Building Fund, as well as a reduction in the anticipated expenses for contract services from other outside partners.
3. Utilities costs (Lines #27 - #33) are projected to decrease by \$161,530 (-3.4%) compared to the FY 2021 budget. This expense category was previously determined based on HUD formulas, but is now being budgeted based on historical data using standard expense projection methods.
  - a. Water and Sewer costs (Line #27) are projected to increase by \$191,600 from \$1,952,700 to \$2,144,300 (9.8%).
  - b. Electricity costs (Line #28) are projected to decrease by \$93,400 from \$1,498,050 to \$1,404,650 (-6.2%). The PBRA properties that are covered by the Community Solar Garden agreements (10 hi-rises) will continue to realize those savings.
  - c. Natural Gas costs (Line #29) are projected to decrease by \$221,650 from \$696,710 to \$475,060 (-31.8%).

- d. Fuel Oil costs (Line #30) are projected to decrease by \$1,520 from \$70,000 to \$68,480 (-2.2%).
  - e. Engineers Labor (Line #31) is included here for the first time, and budgeted at \$128,630. This expense line has been reallocated from the COCC to the individual RAD-PBRA Projects' Operating Budgets, to better reflect the services provided.
  - f. District Energy costs (Line #32) are projected to decrease by \$65,970 from \$530,000 to \$464,030 (-12.4%).
  - g. Other Utility costs (Line #33) are projected to decrease by \$15,000 from \$40,000 to \$25,000 (-37.5%). This line item is used for boiler chemicals, contractor monitoring, and testing.
4. Maintenance costs are proposed as follows:
- a. Maintenance Salaries (Line #34) are projected to increase by \$97,150 from \$4,713,760 to \$4,810,910 (2.1%). This is due primarily to budgeted annual increases. Details on maintenance salaries are shown on an attachment to this report.
  - b. Materials Costs (Line #35) are projected to decrease by \$82,570 from \$1,150,130 to \$1,067,560 (-7.2%). This is due to more closely aligning budgeted amounts with historical actual expenses.
  - c. Contract Costs (Line #36) are projected to increase by \$488,290 from \$4,206,720 to \$4,695,010 (11.6%). Most of this increase is due to reclassifying items previously expensed as capital items to more accurately classify them as operating expenses. The most significant increases are HVAC contracts (\$215,000), mechanical systems (\$124,000), janitorial contracts (\$135,000), and elevator maintenance (\$40,000).
5. Protective Services (Line #37) costs are proposed to decrease by \$6,290 from \$900,620 to \$894,330 (-0.7%). This small change is the net result of an increase in contracted security officers and a decrease in the budgeted amount for off-duty police officers. During times of civil unrest and other social emergencies, the City of St. Paul Police Officers must focus on supporting the City's safety efforts and are restricted from performing contracted off-duty work. Out of an abundance of caution, St. Paul Police leadership have advised staff that off-duty police service may have to be reduced.

6. General Expenses (Lines #38 - #45) are proposed to increase overall by \$254,320 (4.3%). These costs include insurance, benefits, collection loss, terminal leave payments, parental leave payments, Payment in Lieu of Taxes (PILOT), inspection fees, etc.
  - a. Insurance costs (Line #38) are projected to decrease by \$7,730 (-0.8%) from \$1,028,150 to \$1,020,420. Budgeted insurance costs are based on information received from the PHA's insurance providers for Workers Compensation, General Liability, Property, Boilers, Fiduciary, Commercial Crime, Auto and Director and Officers insurance.
  - b. PILOT expenses (Line #39) are projected to increase by \$77,930 (7.9%) from \$990,690 to \$1,068,620. This increase is based on a change in the method for calculating the PILOT (Payments In Lieu Of Taxes) amount. For the last several years staff based the PILOT amount on the amount stated in the LIPH subsidy calculation. In FY 2022 and future years staff will budget PILOT expenses based on the formula in the Cooperation Agreement between the City of St Paul and the PHA. That agreement states the PHA will pay the taxing district 10% of tenant rents minus utility expenses, instead of property taxes. Staff used historical tenant rental revenue and budgeted utility expense amounts to calculate the FY 2022 PILOT amount.
  - c. Terminal Leave Payments (Line #40) are projected to increase by \$34,980 (18.5%) from \$189,170 to \$224,150. Budgeted terminal leave payments are based on historical amounts paid to employees upon retirement.
  - d. Other Post-Employment Benefits (OPEB, Line #41) are projected to increase by \$8,160 (3.7%) from \$218,840 to \$227,000. OPEB expenses are calculated based on actuarial analysis and must be budgeted and accrued on a yearly basis. They are held in a designated account.
  - e. Employee Benefit Contributions (Line #43) are projected to increase by \$140,980 (4.1%) from \$3,449,840 to \$3,590,820. Budgeted benefit contributions are directly related to salary activity.
  - f. Collection Loss Expense (Line #44) is projected to remain stable at \$90,220. Collection loss expense projections are based on historical trends with correlations between increased tenant rental revenue, increases in service charges billed to tenants and increased amounts written off as collection loss. Even with the projected increase

in write-offs, the Agency's collection rate would still be well over 99%. As discussed at recent Board meetings, unpaid rent amounts have increased as the pandemic continues. Staff are monitoring this situation closely and taking proactive steps to manage any impact that may have on the collection loss amounts.

**STAFFING CHANGES:**

This budget proposes adding one full-time position (1.0 FTE) for a second Resident Services Program Coordinator. There is currently one Program Coordinator working with the Hi-Rise Senior Housing Manager to compile, adjust, validate and submit the monthly "payment vouchers" to HUD. As noted earlier in this report, the expectation is to have all eight vouchers submitted and approved by the tenth (10<sup>th</sup>) of each month. This proposed Program Coordinator would work together with the existing Program Coordinator on the RAD- PBRA voucher process thereby allowing the Hi-Rise Senior Housing Manager to focus solely on hi-rise management issues. The addition of another Program Coordinator would provide additional technical support to front-line staff while also providing back-up Program Coordinator support to ensure vouchers are submitted in a timely manner. Staff also proposed the addition of one Senior Housing Manager in the Business Activities Operating Budget reviewed by the Board at the March 17, 2021 meeting. The addition of the proposed Program Coordinator would enable the new Senior Housing Manager to focus on voucher review, regulatory compliance, and staff development.

**SUMMARY:**

The FY 2022 RAD-PBRA Operating Budget provides the spending blueprint to support the continued successful operation of PHA programs in the new, post-RAD environment. The headlines for Income, Expenses and Reserves this year include:

- a. **Income:** HUD subsidy is now fully based on RAD Contract Rents and the Housing Assistance Payments provided for in the HAP Contract. During this first full year of RAD – PBRA funding, subsidy is projected to decrease by \$1,468,977. However, that amount will be more than offset by a large positive net operating cash flow from the current year ending March 31, 2021 that is due to CARES Act funding and reduced expenses.
- b. **Expenses:** The FY 2022 budget proposes an increase in total operating expenses of \$938,810 (3.0%). In addition, this budget proposes \$7,783,360 in total capital improvements to the PHA’s existing properties, as well as designating funding for investigation and pursuit of future development opportunities. The combined operating and capital expenditures preserve and improve the physical assets while supporting activities consistent with the Agency’s established goals.
- c. **Net Operating Cash Flow:** The proposed FY 2022 budget projects a Net Operating Cash Flow deficit of \$1,073,156. This results in a planned draw on reserves.
- d. **Reserves:** Column E, Line #62 projects FY 2022 year end reserves (Restricted Net Position) at \$21,904,219, or approximately 8.18 months of routine expenses (Line #66) for the RAD-PBRA projects. Staff believes that achieving this level of reserves (above the PHA’s historical target reserve level) with a prudent and fiscally conservative budget is a significant accomplishment, and will allow us to effectively plan for future needs and opportunities

Staff believes this proposed RAD-PBRA Operating Budget will further the Agency’s mission by providing needed housing and services to residents, preserving the physical assets and maintaining the financial stability of the PHA.

JMG/LTS/AJH/FAH

Attachments:

1. FY 2022 Proposed RAD-PBRA Operating Budget: RAD-Project Based Rental Assistance Proposed Income and Expense Budgets; Consolidated and Projects 1 – 8
2. PHA Operating Budget Structure – RAB-PBRA
3. Staffing (FTE) History FY 1990 – FY 2022; Table and Bar Graph
4. Rental Income History and Bar Graph
5. Summary of Positions and Salaries for the RAD-PBRA Projects
6. FY 2022 Budget Reclassification Summary
7. Project Summary Narratives
8. CARES Act Expenditures

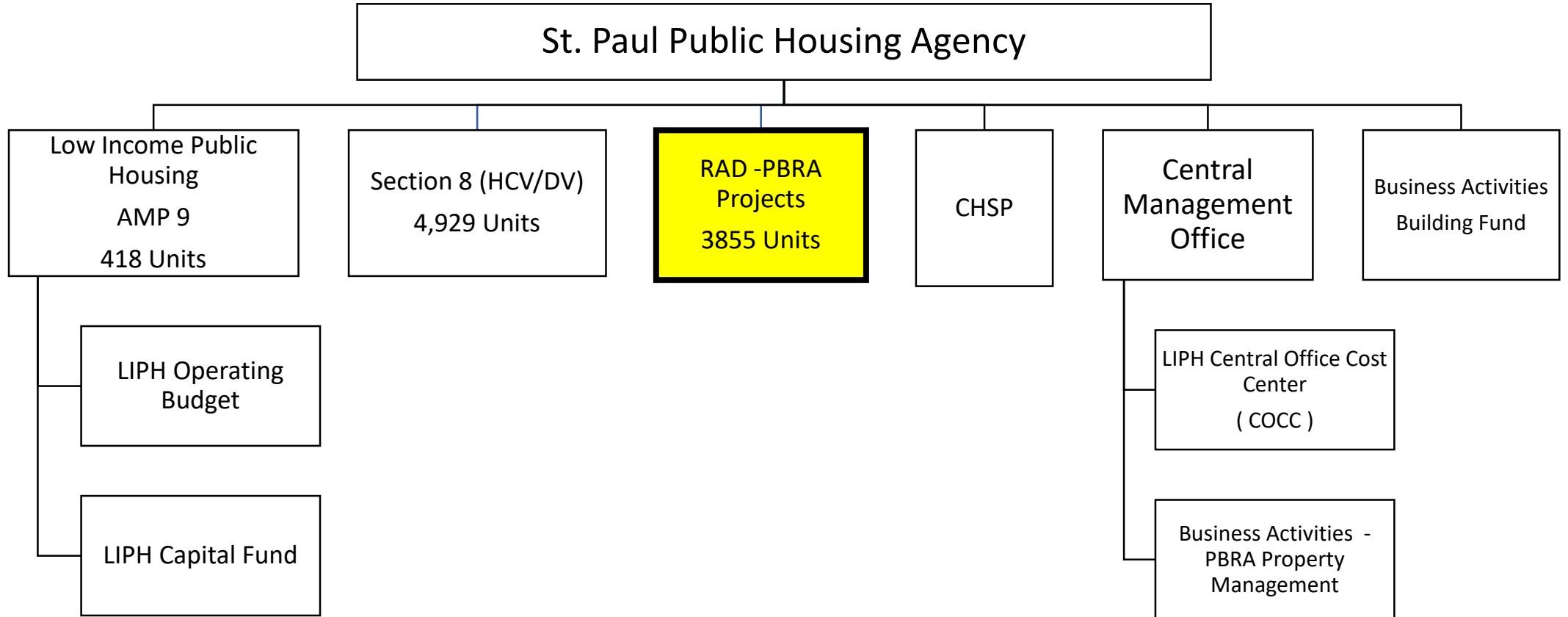
**RAD - Project Based Rental Assistance - Consolidated  
Proposed Income and Expense Budget (Comparative)  
For the Fiscal Year Ending March 31, 2022**

	FY18 Actual Activity	FY19 Actual Activity	FY20 Actual Activity	(B) FY21 Budget Approved	FY 21 Budgeted PUM	(A) 11/30/2020 Activity	(A) FYE projected Activity	(A) Projection Adjustments	(C) FY 21 Activity Projected	(D) FY 21 Budget to Projected Variance (C - B)	(E) FY 22 Budget Proposed	FY 22 Proposed PUM	(F) FY21 Approved to FY22 Proposed Variance (E - B) \$	%
<b>INCOME</b>														
1) Tenant Rent	\$ 14,812,214	\$ 15,344,632	\$ 15,706,293	\$ 15,856,780	344.47	\$ 10,080,610	\$ 15,120,915	\$ -	\$ 15,120,915	\$ (735,865)	\$ 15,120,917	328.49	\$ (735,863)	-4.6%
2) Tenant Other	77,796	78,966	57,954	-	-	-	-	-	-	-	-	-	-	N/A
3) Investments	-	2,503	(9,060)	22,500	0.49	-	-	-	-	-	22,500	0.49	-	0.0%
4) Cell-site	664,382	606,979	785,154	836,600	18.17	621,636	832,903	-	932,903	96,303	921,120	20.01	84,520	10.1%
5) Other Income	402,176	404,914	510,742	399,250	8.67	158,650	237,974	-	237,974	(161,275)	399,250	8.67	-	0.0%
6) Capital Asset Disposition	37,366	22,914	16,003	-	-	-	-	-	-	-	-	-	-	N/A
7) Property Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
8) Bookkeeping Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
9) Asset Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
10) Recertification Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
11) CFP Transfer to Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
12) HUD Subsidy	11,034,432	11,766,948	11,482,923	22,952,520	498.62	17,586,196	23,461,594.44	-	23,461,594	509,074	21,483,543	466.71	(1,468,977)	-6.4%
12.1) Initial Deposit to Replacement Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
12.2) RAD Conversion Commitment Exhibit D	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
<b>TOTAL INCOME</b>	<b>\$ 27,028,366</b>	<b>\$ 28,319,856</b>	<b>\$ 28,551,019</b>	<b>\$ 40,067,650</b>	<b>870.42</b>	<b>\$ 28,457,391</b>	<b>\$ 39,753,368</b>	<b>\$ -</b>	<b>\$ 39,753,368</b>	<b>\$ (314,262)</b>	<b>\$ 37,947,330</b>	<b>\$ 824.37</b>	<b>\$ (2,120,320)</b>	<b>-5.3%</b>
<b>ADMINISTRATIVE</b>														
13) Salaries	2,954,156	3,086,610	3,671,906	3,727,310	80.97	1,846,145	2,769,218	-	2,769,218	(958,092)	4,356,910	94.65	\$ 629,600	16.9%
14) Legal	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
15) Staff Training	3,887	23,394	5,143	24,040	0.52	15,056	22,599	-	22,599	(1,441)	21,600	0.47	(2,440)	-10.1%
16) Staff Travel	28,319	29,004	30,009	25,240	0.55	5,591	14,386	-	14,386	(10,854)	8,730	0.19	(16,510)	-65.4%
17) Audit Fees	38,362	39,557	41,667	42,300	0.92	19,920	29,880	-	29,880	(12,420)	44,130	0.96	1,830	4.3%
18) Rent	-	-	3,641	16,780	0.36	3,641	5,462	5,085	11,547	(5,233)	14,570	0.32	(2,210)	-13.2%
19) Administrative Sundry	690,359	637,689	524,831	697,880	15.16	321,053	481,579	-	481,579	(216,301)	573,380	12.49	(124,500)	-17.6%
20) Property Management Fees	2,912,734	2,924,674	3,080,686	3,347,950	72.72	1,625,873	2,438,810	789,954	3,226,764	(118,796)	3,256,550	70.75	(91,010)	-2.7%
21) Bookkeeping Fees	349,313	346,913	376,800	460,320	10.00	230,160	345,240	-	460,320	-	460,320	10.00	-	0.0%
22) Asset Management Fees	489,680	469,630	350,910	-	-	-	-	-	-	-	-	-	-	N/A
23) Recertification Fees	-	-	34,524	138,100	3.00	69,048	103,572	24,914	128,486	(9,614)	138,100	3.00	-	0.0%
<b>TOTAL ADMINISTRATIVE</b>	<b>\$ 7,446,810</b>	<b>\$ 7,957,490</b>	<b>\$ 8,123,116</b>	<b>\$ 8,479,530</b>	<b>\$ 184.20</b>	<b>\$ 4,140,497</b>	<b>\$ 8,210,746</b>	<b>\$ 936,033</b>	<b>\$ 7,146,779</b>	<b>\$ (1,332,751)</b>	<b>\$ 8,674,290</b>	<b>192.80</b>	<b>\$ 394,760</b>	<b>4.7%</b>
<b>TENANT SERVICES</b>														
24) Salaries	515,847	516,370	675,117	704,700	124.24	444,380	666,570	-	666,570	(38,130)	725,790	15.77	\$ 21,090	3.0%
25) Other	111,574	121,261	121,020	94,586	16.53	31,514	47,271	47,361	94,532	46	94,586	2.05	-	0.0%
26) Contracts	232,712	233,671	263,582	186,630	34.25	167,710	236,565	-	236,565	49,935	54,040	1.17	(132,590)	-71.0%
<b>TOTAL TENANT SERVICES</b>	<b>\$ 860,132</b>	<b>\$ 871,603</b>	<b>\$ 1,059,719</b>	<b>\$ 985,916</b>	<b>175.02</b>	<b>\$ 633,605</b>	<b>\$ 950,407</b>	<b>\$ 47,361</b>	<b>\$ 997,768</b>	<b>\$ 11,852</b>	<b>\$ 874,416</b>	<b>18.99</b>	<b>\$ (111,500)</b>	<b>-11.3%</b>
<b>UTILITIES</b>														
27) Water & Sewer	2,016,658	1,928,606	2,008,222	1,952,700	330.48	1,237,614	1,856,421	50,000	1,906,421	(46,279)	2,144,300	46.58	\$ 191,600	9.8%
28) Electricity	1,299,409	1,511,524	1,248,965	1,498,050	264.08	969,287	1,453,931	70,000	1,523,931	25,881	1,404,650	30.51	(93,400)	-6.2%
29) Gas	591,607	711,985	501,111	696,710	114.30	65,149	97,723	450,000	547,723	(148,987)	475,060	10.32	(221,650)	-31.8%
30) Fuel Oil	111,333	33,129	70,000	70,000	11.18	84,190	126,285	-	126,285	56,285	68,480	1.49	(1,520)	-2.2%
31) Engineers Labor	-	-	-	-	-	-	-	-	-	-	128,630	2.79	128,630	N/A
32) District Energy	520,976	519,373	485,983	530,000	103.40	240,094	360,142	160,000	520,142	(9,858)	464,030	10.08	(65,970)	-12.4%
33) Other Utilities	31,643	49,947	44,968	40,000	6.76	7,181	10,772	-	10,772	(29,228)	25,000	0.54	(15,000)	-37.5%
<b>TOTAL UTILITIES</b>	<b>\$ 4,571,626</b>	<b>\$ 4,754,564</b>	<b>\$ 4,316,018</b>	<b>\$ 4,787,460</b>	<b>830.20</b>	<b>\$ 2,603,518</b>	<b>\$ 3,905,274</b>	<b>\$ 730,000</b>	<b>\$ 4,635,274</b>	<b>\$ (152,168)</b>	<b>\$ 4,710,150</b>	<b>102.31</b>	<b>\$ (77,310)</b>	<b>-1.6%</b>
<b>ORDINARY MAINTENANCE</b>														
34) Salaries	4,157,413	4,370,143	4,640,581	4,713,760	807.68	1,896,033	2,844,049.31	-	2,844,049	(1,869,711)	4,810,910	104.51	\$ 97,150	2.1%
35) Materials	840,155	868,161	1,020,187	1,150,130	200.77	458,347	687,520	-	687,520	(462,610)	1,067,560	23.19	(82,570)	-7.2%
36) Contracts	2,340,939	2,569,709	3,118,896	4,206,720	727.07	1,690,178	2,790,267	-	2,790,267	(1,416,453)	4,695,010	101.99	488,290	11.6%
<b>TOTAL ORDINARY MAINTENANCE</b>	<b>\$ 7,338,507</b>	<b>\$ 7,808,013</b>	<b>\$ 8,779,664</b>	<b>\$ 10,070,610</b>	<b>1,735.52</b>	<b>\$ 4,214,557</b>	<b>\$ 6,321,836</b>	<b>\$ -</b>	<b>\$ 6,321,836</b>	<b>\$ (3,748,774)</b>	<b>\$ 10,573,480</b>	<b>228.69</b>	<b>\$ 502,870</b>	<b>5.0%</b>
<b>PROTECTIVE SERVICES</b>														
37) Protective Services	752,284	812,085	808,747	900,620	160	434,479	651,719	-	651,719	(246,901)	894,330	19.43	\$ (6,280)	-0.7%
<b>TOTAL PROTECTIVE SERVICES</b>	<b>\$ 752,284</b>	<b>\$ 812,085</b>	<b>\$ 808,747</b>	<b>\$ 900,620</b>	<b>160.10</b>	<b>\$ 434,479</b>	<b>\$ 651,719</b>	<b>\$ -</b>	<b>\$ 651,719</b>	<b>\$ (246,901)</b>	<b>\$ 894,330</b>	<b>19.43</b>	<b>\$ (6,280)</b>	<b>-0.7%</b>
<b>GENERAL</b>														
38) Insurance	854,811	792,360	914,358	1,028,150	175.25	608,309	912,463	-	912,463	(115,687)	1,020,420	22.17	\$ (7,730)	-0.8%
39) PILOT	726,121	831,912	925,117	990,690	168.65	802,370	1,203,555	(217,438)	986,117	(4,573)	1,066,620	23.21	77,930	7.9%
40) Terminal Leave Payments	82,346	117,670	58,967	189,170	32.37	5,488	8,247	-	8,247	(180,923)	224,150	4.87	34,980	18.5%
41) Other Post Employment Benefits	60,591	578,593	(53,821)	218,840	37.51	-	-	218,840	218,840	-	227,000	4.93	8,160	3.7%
42) Parental Leave	-	-	5,596	-	-	-	3,275	-	4,913	-	4,913	-	-	N/A
43) Employee Benefits	2,999,354	3,052,639	3,642,582	3,449,840	596.17	2,289,741	3,434,612	-	3,434,612	(15,228)	3,590,820	78.01	140,980	4.1%
44) Collection Losses	89,015	66,644	200,296	90,220	15.67	39,245	58,868	-	58,868	(31,352)	90,220	1.86	-	0.0%
45) Other General Expenses	1,974	88	2,016	-	-	-	-	-	-	-	-	-	-	N/A
<b>TOTAL GENERAL</b>	<b>\$ 4,794,214</b>	<b>\$ 5,440,906</b>	<b>\$ 5,896,303</b>	<b>\$ 5,996,910</b>	<b>1,025.62</b>	<b>\$ 3,748,438</b>	<b>\$ 5,622,657</b>	<b>\$ 1,402</b>	<b>\$ 5,624,059</b>	<b>\$ (342,851)</b>	<b>\$ 6,221,230</b>	<b>135.15</b>	<b>\$ 254,320</b>	<b>4.3%</b>
46) <b>TOTAL ROUTINE EXPENSES</b>	<b>\$ 25,763,573</b>	<b>\$ 27,244,621</b>	<b>\$ 28,783,567</b>	<b>\$ 31,191,046</b>	<b>4,110.66</b>	<b>\$ 15,775,093</b>	<b>\$ 23,662,639</b>	<b>\$ 1,714,796</b>	<b>\$ 25,377,435</b>	<b>\$ (5,813,611)</b>	<b>\$ 32,147,696</b>	<b>\$ 698.37</b>	<b>\$ 956,850</b>	<b>3.1%</b>

**RAD - Project Based Rental Assistance - Consolidated  
Proposed Income and Expense Budget (Comparative)  
For the Fiscal Year Ending March 31, 2022**

	FY18 Actual Activity	FY19 Actual Activity	FY20 Actual Activity	(B) FY21 Budget Approved	FY 21 Budgeted PUM	(A) 11/30/2020 Activity	(A) FYE projected Activity	(A) Projection Adjustments	(C) FY 21 Activity Projected	(D) FY 21 Budget to Projected Variance (C - B)	(E) FY 22 Budget Proposed	FY 22 Proposed PUM	(F) FY21 Approved to FY22 Proposed Variance (E - B) \$ %
<b>NON-CAPITAL NON-ROUTINE</b>													
47) Extraordinary Maintenance	818,982	1,313,240	787,863	-	-	-	\$ -	-	\$ -	\$ -	-	-	\$ - N/A
48) Casualty Losses	40,886	86,160	30,832	90,220	15,67	26,836	40,254	-	40,254	(49,966)	72,180	1.57	(18,040) -20.0%
49) Project Cash Transfer (In)/Out	(790,000)	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CAPITAL NON-ROUTINE</b>	<b>\$ 69,869</b>	<b>\$ 1,399,400</b>	<b>\$ 818,715</b>	<b>\$ 90,220</b>	<b>15,67</b>	<b>\$ 26,836</b>	<b>\$ 40,254</b>	<b>\$ -</b>	<b>\$ 40,254</b>	<b>\$ (49,966)</b>	<b>\$ 72,180.00</b>	<b>1.57</b>	<b>\$ (18,040) -20.0%</b>
50) <b>TOTAL OPERATING EXPENSES</b>	<b>\$ 25,833,442</b>	<b>\$ 28,644,021</b>	<b>\$ 29,602,282</b>	<b>\$ 31,281,266</b>	<b>4,126.33</b>	<b>\$ 15,801,929</b>	<b>\$ 23,702,894</b>	<b>\$ 1,714,796</b>	<b>\$ 25,417,690</b>	<b>\$ (5,863,576)</b>	<b>\$ 32,220,076</b>	<b>\$ 699.94</b>	<b>\$ 938,810 3.0%</b>
51) Annual Contribution to Replacement Reserves	-	-	563,178	2,263,900	344.19	398,640	-	1,665,940	2,263,900	-	2,309,160	50.16	-
Debt Service Reserve Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
51.1) Development Reserve Contribution	-	-	-	-	-	-	-	-	-	-	600,000	13.03	-
52) <b>NET INCOME (LOSS) FROM OPERATIONS</b>	<b>\$ 1,194,924</b>	<b>\$ (324,165)</b>	<b>\$ (1,051,263)</b>	<b>\$ 6,522,484</b>	<b>(3,255.91)</b>	<b>\$ 12,655,462</b>	<b>\$ 16,050,494</b>	<b>\$ (3,380,736)</b>	<b>\$ 12,071,798</b>	<b>\$ 5,549,314</b>	<b>\$ 2,818,094</b>	<b>636.75</b>	<b>\$ (3,059,130) -46.9%</b>
53) <b>CAPITAL EXPENDITURES - CURRENT YEAR FUNDING</b>													
Replacement of Equipment	-	-	161,360	315,000	6.84	217,395	326,092	(19,869)	306,223	(8,777)	156,000	3.39	(159,000) -50.5%
Betterments and Additions	-	-	1,321,033	5,100,060	110.79	1,882,957	2,824,435	908,987	3,733,432	(1,366,628)	3,331,040	72.36	(1,769,020) -34.7%
Capital Salaries	-	-	41,100	273,330	5.94	-	-	273,330	273,330	-	287,320	6.24	13,990 5.1%
Capital Benefits	-	-	16,436	116,370	2.53	-	-	116,370	116,370	-	116,890	2.54	520 0.4%
<b>TOTAL CURRENT YEAR CAPITAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>1,539,930</b>	<b>5,804,760</b>	<b>126.10</b>	<b>2,100,351</b>	<b>3,150,527</b>	<b>1,278,828</b>	<b>4,428,355</b>	<b>(1,375,405)</b>	<b>3,891,250</b>	<b>84.53</b>	<b>(1,813,510) -33.0%</b>
54) <b>NET OPERATING CASH FLOW</b>	<b>1,194,924</b>	<b>(324,165)</b>	<b>(2,591,193)</b>	<b>717,724</b>	<b>15.59</b>	<b>10,555,111</b>	<b>12,899,967</b>	<b>(4,659,564)</b>	<b>7,642,443</b>	<b>6,924,719</b>	<b>(1,073,158)</b>	<b>(23.31)</b>	<b>(1,790,880) -249.5%</b>
55) <b>CAPITAL EXPENDITURES - REPLACEMENT RESERVE</b>													
RAD Financing Plan	-	-	-	6,979,450	-	4,036,077	6,054,115	-	6,054,115	-	894,460	19.43	(6,084,990) -87.2%
Betterments and Additions (Other)	-	-	-	307,000	-	-	-	-	-	-	1,937,959	43.40	1,690,650 550.7%
<b>TOTAL REPLACEMENT RESERVE EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,286,450</b>	<b>158.29</b>	<b>4,036,077</b>	<b>6,054,115</b>	<b>-</b>	<b>6,054,115</b>	<b>-</b>	<b>2,892,110</b>	<b>62.83</b>	<b>(4,394,340) -69.3%</b>
56) <b>CAPITAL EXPENDITURES - OTHER FUNDING SOURCES</b>													
RAD Conversion Commitment - Exhibit D	-	-	-	1,519,410	72.11	-	-	81,657	81,657	-	-	-	-
Betterments and Additions	-	-	-	1,800,000	-	-	-	1,000,000	1,000,000	-	1,000,000	21.72	-
<b>TOTAL OTHER CAPITAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,319,410</b>	<b>72.11</b>	<b>-</b>	<b>-</b>	<b>1,081,657</b>	<b>1,081,657</b>	<b>-</b>	<b>1,000,000</b>	<b>21.72</b>	<b>(2,319,410) -69.9%</b>
<b>NET POSITION ACTIVITY</b>													
<b>PRIOR YEAR</b>													
NET INVESTMENT IN CAPITAL ASSETS (W/O WIP)	108,388,549	107,685,714	119,756,313	\$ 121,011,793					\$ 121,011,793		\$ 123,854,749		
RESTRICTED NET POSITION	11,686,301	12,756,982	11,189,304	10,648,953					10,648,953		20,668,215		
REPLACEMENT RESERVE	-	-	-	11,546,417					11,546,417		8,088,577		
<b>TOTAL PRIOR YEAR NET POSITION ACTUAL / PROPOSED</b>	<b>\$ 120,074,850</b>	<b>\$ 120,442,696</b>	<b>\$ 130,945,617</b>	<b>\$ 143,207,163</b>					<b>\$ 143,207,163</b>		<b>\$ 152,611,541</b>		
57) CFP CAPITAL ASSET CONTRIBUTION ACTUAL / ESTIMATE	5,430,530	18,916,984	15,860,546	-					-		-		
58) NON-CFP CAPITAL ASSET ACTIVITY ESTIMATED	664,243	1,243,513	4,051,946	9,124,170					6,116,437		4,891,250		
59) REPLACEMENT RESERVE ACTIVITY	-	-	-	7,286,450					5,721,740		2,892,110		
60) DEPRECIATION EXPENSE	6,778,858	7,108,332	7,741,628	6,240,000					7,195,220		7,383,400		
<b>CURRENT YEAR PROPOSED</b>													
61) NET INVESTMENT IN CAPITAL ASSETS <small>(Includes Depreciation, RE, BA, CFP contribution less WIP &amp; capital loans)</small>	\$ 107,164,464	\$ 120,737,879	121,011,793	\$ 122,095,963					\$ 123,854,749		\$ 123,254,709		
62) RESTRICTED NET POSITION	12,756,982	11,189,304	10,648,953	12,111,167					20,668,215		21,904,219		
63) REPLACEMENT RESERVE	-	-	-	11,546,417					8,088,577		7,505,627		
64) <b>TOTAL CURRENT YEAR NET POSITION ACTUAL / PROPOSED</b>	<b>\$ 119,921,446</b>	<b>\$ 131,927,183</b>	<b>\$ 143,207,163</b>	<b>\$ 140,730,997</b>					<b>\$ 152,611,541</b>		<b>\$ 152,664,555</b>		
65) PAYABLE CAPITAL LOANS (MHFA)	\$ 540,000												
65) FORGIVABLE CAPITAL LOANS (MHFA)				1,000,000					1,000,000		1,000,000		
65) CAPITAL LOANS (FHLBDM)				800,000					800,000				
65) Operating Subsidy for CFP Activities													
RESTRICTED NET POSITION	\$ 12,756,982	\$ 11,189,304	\$ 10,648,953	\$ 12,111,167					\$ 20,668,215		\$ 21,904,219		
<b>TOTAL ROUTINE EXPENSES</b> <small>(No Extra-Ordinary Maintenance or Betterment &amp; Additions)</small>	<b>\$ 25,763,573</b>	<b>\$ 27,244,621</b>	<b>\$ 28,783,567</b>	<b>\$ 31,191,046</b>					<b>\$ 25,377,435</b>		<b>\$ 32,147,896</b>		
66) MONTHS ROUTINE EXPENSES <small>(restricted net position compared to total routine expenses)</small>	5.94	4.93	4.44	4.66					9.77		8.18		

# St. Paul Public Housing – Major Operating Budgets



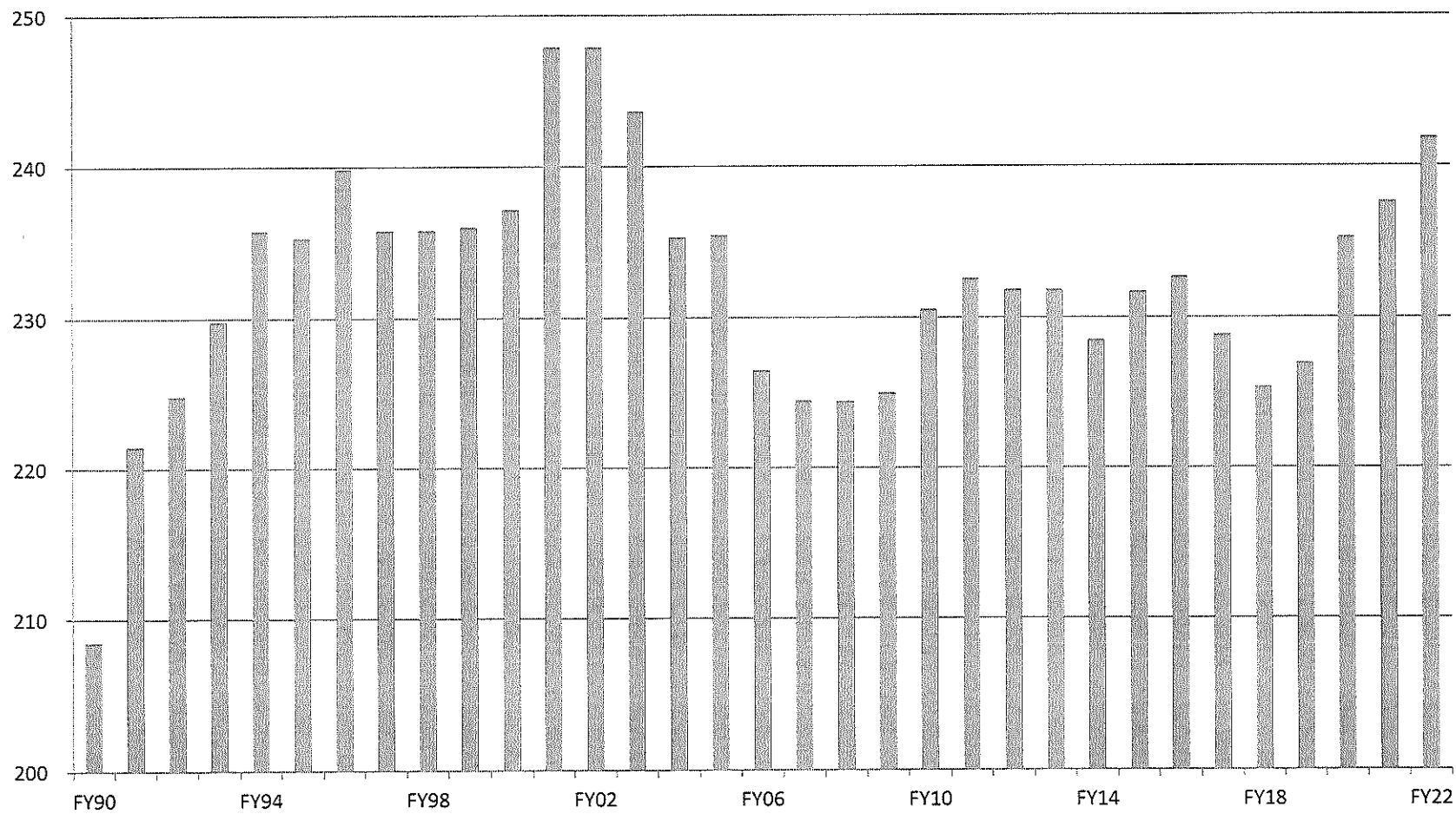
## FTE HISTORY

Department	FY 2015	Rev 2 FY 2015	FY 2016	Rev 2 FY 2016	FY 2017	FY 2018	FY 2019	Rev 1 FY2019	FY 2020	FY 2021	Proposed FY22		
Executive	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00		
HR	4.00	4.00	4.25	4.25	3.50	3.50	3.00	3.00	3.00	3.50	3.50		
Section 8	22.00	22.00	22.00	22.00	22.00	22.00	22.00	21.00	23.00	24.00	26.00		
HP	1.00	1.00	1.00	1.00	1.00	1.00	0.80	5.10	5.95	0.50	0.50		
EOD	0.75	1.00	1.00	1.00	1.00	-	-	-	-	-	-		
Finance	16.00	16.00	16.00	16.00	13.75	14.00	13.00	13.00	13.00	13.00	12.00		
Budget	-	-	-	-	-	-	-	-	-	-	1.00		
Tech Svcs													
Maintenance	99.00	99.00	99.00	99.00	98.00	98.00	99.00	99.00	101.00	100.00	100.00		
Res Svcs	83.48	84.23	84.23	84.98	84.61	81.88	82.18	80.88	82.63	89.63	91.63		
Res Init	1.50	1.50	1.50	1.50	2.00	2.00	2.00	2.00	2.75	3.00	3.25		
<b>TOTAL</b>	<b>230.73</b>	<b>231.73</b>	<b>231.98</b>	<b>232.73</b>	<b>228.86</b>	<b>225.38</b>	<b>224.98</b>	<b>226.98</b>	<b>235.33</b>	<b>237.63</b>	<b>241.88</b>		

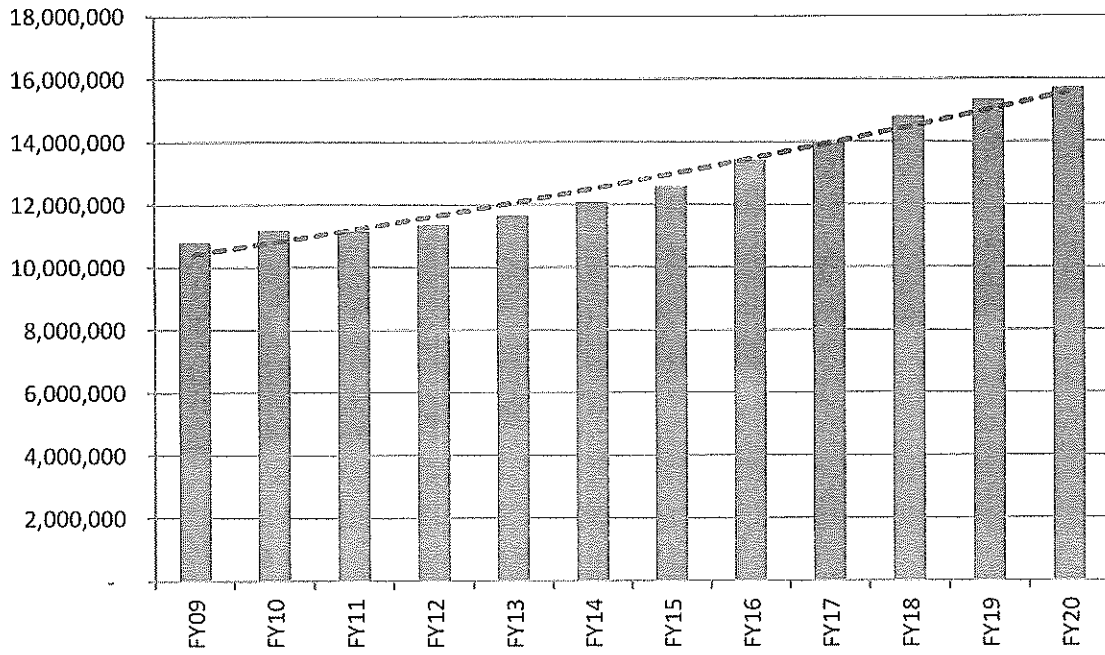
Department	Rev 1 FY 2004	Rev 1 FY 2005	FY 2006	Rev 1 FY 2007	FY 2008	FY 2009	FY 2010	Rev 1 FY 2010	FY 2011	Rev 1 FY 2011	FY 2012	Rev 1 FY 2012	FY 2013	FY 2014	Rev 1 FY 2014
Executive	4.00	3.00	3.00	3.50	3.00	3.25	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.00
HR	2.50	2.50	2.50	2.00	2.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Section 8	24.00	24.00	23.00	23.00	23.00	26.00	26.00	26.00	27.00	27.00	27.00	26.00	23.00	22.00	22.00
HP	3.50	3.00	3.00	1.50	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
EOD	3.00	2.50	2.50	1.80	1.80	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Finance	14.50	15.50	14.50	14.50	14.50	14.50	15.50	15.50	15.50	15.50	16.50	16.50	16.50	15.50	16.00
Tech Svcs	13.00	12.00	6.00	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance	87.00	88.00	91.00	98.00	98.00	99.00	100.00	100.00	100.00	100.00	100.00	99.00	99.00	97.80	97.80
Res Svcs	83.85	85.00	81.00	80.19	80.14	77.49	80.24	81.04	81.29	81.86	81.86	82.11	85.11	83.48	83.48
Res Init														1.25	1.50
<b>TOTAL</b>	<b>235.35</b>	<b>235.50</b>	<b>226.50</b>	<b>224.49</b>	<b>224.44</b>	<b>224.99</b>	<b>229.74</b>	<b>230.54</b>	<b>232.04</b>	<b>232.61</b>	<b>233.61</b>	<b>231.86</b>	<b>231.86</b>	<b>228.28</b>	<b>228.53</b>

Department	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Rev 1 FY 2003
Executive	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	6.00	6.00	6.00	6.00	6.00
HR											3.50	3.50	3.50	4.00	4.00
Section 8											20.00	23.00	23.00	24.00	24.00
HP															
EOD															
Finance	25.00	27.00	27.33	27.30	27.30	21.33	23.33	17.33	18.33	18.33	14.33	14.33	14.33	15.50	14.50
Tech Svcs	14.50	14.50	16.50	16.50	18.50	25.00	21.50	18.00	16.00	17.00	17.00	17.00	15.00	15.00	14.00
Maintenance	92.00	95.00	95.00	95.00	96.00	95.00	92.00	89.00	89.00	89.00	89.00	93.00	95.00	93.00	92.00
Res Svcs	74.00	82.00	83.00	88.00	91.00	91.00	100.00	108.50	108.50	107.70	87.35	91.08	91.08	89.90	89.16
<b>TOTAL</b>	<b>208.50</b>	<b>221.50</b>	<b>224.83</b>	<b>229.80</b>	<b>235.80</b>	<b>235.33</b>	<b>239.83</b>	<b>235.83</b>	<b>235.83</b>	<b>236.03</b>	<b>237.18</b>	<b>247.91</b>	<b>247.91</b>	<b>247.40</b>	<b>243.66</b>

### Budgeted FTEs



## Tenant Dwelling Rental Income Hi-Rise and Family Sites







Department	Position Title	FTE	Allocation of PHA Owned Property Salaries by Project							
			PBRA 1	PBRA 2	PBRA 3	PBRA 4	PBRA 5	PBRA 6	PBRA 7	PBRA 8
Resident Services	Asst Resident Service Manager Hi Rise	1.00	-	-	65,720	-	-	-	-	-
Resident Services	Asst Resident Service Manager Hi Rise	1.00	-	65,720	-	-	-	-	-	-
Resident Services	Asst Resident Service Manager Hi Rise	1.00	-	-	-	-	-	85,860	-	-
Resident Services	Asst Resident Service Manager Hi Rise	1.00	-	-	-	-	-	-	28,060	38,850
Resident Services	Asst Resident Service Manager Hi Rise	1.00	-	-	65,480	-	-	-	-	-
Resident Services	Asst Resident Service Manager Hi Rise	1.00	-	66,910	-	-	-	-	-	-
Resident Services	Asst Resident Service Manager Hi Rise	1.00	-	33,460	-	-	-	-	33,450	-
Resident Services	Asst Resident Service Manager Hi Rise	1.00	-	-	-	-	75,770	-	-	-
Resident Services	Asst Resident Service Manager	0.50	37,890	-	-	-	-	-	-	-
Resident Services	Asst Resident Service Manager	1.00	84,350	-	-	-	-	-	-	-
Resident Services	Asst Resident Service Manager	1.00	65,720	-	-	-	-	-	-	-
Resident Services	Asst Resident Service Manager	1.00	-	-	-	90,070	-	-	-	-
Resident Services	Asst Resident Service Manager	1.00	-	-	-	90,070	-	-	-	-
Resident Services	Asst Resident Service Manager	1.00	-	-	-	-	77,140	-	-	-
Resident Services	Asst Resident Service Manager	1.00	-	-	-	-	75,770	-	-	-
Resident Services	Asst Resident Service Manager	1.00	-	-	-	-	69,330	-	-	-
Resident Services	Asst Resident Service Manager	1.00	-	-	-	-	-	-	-	77,140
Resident Services	Asst Resident Service Manager	1.00	-	-	-	-	-	-	-	65,720
Resident Services	Human Services Coordinator	1.00	-	-	-	44,000	-	-	-	31,770
Resident Services	Human Services Coordinator	1.00	-	-	-	-	77,140	-	-	-
Resident Services	Human Services Coordinator	1.00	71,840	-	-	-	-	-	-	-
Resident Services	Human Services Coordinator	0.75	-	28,850	29,010	-	-	-	-	-
Resident Services	Human Services Coordinator	0.75	-	18,250	-	-	-	-	-	41,710
Resident Services	Human Services Coordinator	1.00	-	-	35,080	-	-	42,060	-	-
Resident Services	Human Services Coordinator	1.00	-	-	-	-	23,550	-	48,290	-
Resident Services	Human Services Coordinator	1.00	-	24,050	23,580	-	-	-	22,940	-
Resident Services	Program Coordinator	1.00	10,460	8,500	9,820	5,650	10,830	4,680	8,270	9,890
Resident Services	Program Coordinator	1.00	10,460	8,500	9,820	5,650	10,830	4,680	8,270	9,890
Resident Services	Resident Services Technician	1.00	10,530	8,560	9,890	5,690	10,900	4,710	8,330	9,970
Resident Services	Resident Services Technician	1.00	9,630	7,820	9,040	5,200	9,970	4,310	7,610	9,100
Resident Services	Resident Services Technician	1.00	9,630	7,820	9,040	5,200	9,970	4,310	7,610	9,100
Resident Services	Resident Services Technician	1.00	9,460	7,680	8,880	5,110	9,790	4,230	7,470	8,950
Resident Services	Resident Services Technician	1.00	9,980	8,110	9,370	5,390	10,330	4,460	7,890	9,440
Resident Services	Resident Services Technician	1.00	9,800	7,960	9,200	5,300	10,150	4,380	7,750	9,270
Resident Services	Resident Services Technician	1.00	9,980	8,110	9,370	5,390	10,330	4,460	7,890	9,440
Resident Services	Administrative Support Technician	1.00	43,760	-	-	-	-	-	-	-
Resident Services	Administrative Support Technician	1.00	-	10,890	12,590	-	3,580	6,000	10,600	7,460
Resident Services	Administrative Support Technician	0.75	-	-	-	-	-	-	-	32,240
Resident Services	Administrative Support Technician	1.00	-	9,160	10,590	-	3,010	5,050	8,910	6,260
Resident Services	Administrative Support Technician	1.00	-	-	-	-	43,760	-	-	-
Resident Services	Administrative Support Technician	1.00	-	-	-	44,550	-	-	-	-
Resident Services	Administrative Support Technician	1.00	-	-	-	-	42,980	-	-	-
Resident Services	Administrative Support Technician	1.00	-	9,160	10,590	-	3,010	5,050	8,910	6,260
Resident Services	Administrative Support Technician	1.00	42,980	-	-	-	-	-	-	-
Resident Services	Administrative Support Technician	1.00	46,990	-	-	-	-	-	-	-
Resident Services	Administrative Support Technician	0.75	-	-	-	34,640	-	-	-	-
Resident Services	Administrative Support Assistant	1.00	-	-	-	42,940	-	-	-	-
Resident Services	Overtime/67 Day Temps		12,160	52,310	12,290	11,170	15,160	5,860	10,350	18,120

**FY 2022 Budget Reclassification Summary**

<b>Expense Item</b>	<b>Amount</b>	<b>FY 21 Budget</b>	<b>FY 22 Budget</b>
Hi-Rise Picnic Funding	\$ 7,500.00	Building Fund	Business Activities
National Night Out	\$ 500.00	Building Fund	Business Activities
CAO Janitorial Services	\$ 57,000.00	LIPH/PBRA Operating Budgets	Building Fund
CAO Security Services	\$ 45,000.00	LIPH/PBRA Operating Budgets	Building Fund
Operating Engineer	\$ 141,390.00	Central Office Cost Center	LIPH/PBRA Operating Budgets
Maintenance Salaries	\$ 38,220.00	Central Office Cost Center	LIPH/PBRA Operating Budgets

This list does not include items that were either split or reclassified from the COCC to Business Activities

Expense items are moved between budgets to more accurately represent the benefit being provided, or to comply with program expense eligibility guidelines

### **Project 1 – McDonough Budget Summary**

The proposed FY 22 budget for McDonough Homes is projecting revenues of \$6,405,970 and total operating expenses of \$5,606,963. Project revenues are comprised primarily of tenant rent and Housing Assistance Payments from HUD, and operating expenses include those things needed to successfully maintain and manage the property as well as the required yearly contribution to the replacement reserve of \$364,120.

The proposed capital budget includes:

- \$36,210 from current year funding for capitalized salaries and benefits
- \$150,000 for items identified in “Year 2” of the Project’s RAD Capital Needs Assessment replacement schedule

In addition to current year operating activities, staff are proposing transferring \$300,000 from this Project to a “Development Reserve” account in the Business Activities Fund.

The net result of these proposed current year activities is positive net operating cash flow of \$462,797.

### **Project 2 - Hamline Hi-Rise Budget Summary**

The proposed FY 22 budget for Hamline Hi-Rise is projecting revenues of \$4,363,810 and total operating expenses of \$3,898,358, resulting in a negative net operating cash flow of \$1,779,278. Project revenues are comprised primarily of tenant rent, cell-site rental revenue, and Housing Assistance Payments from HUD, and operating expenses include those things needed to successfully maintain and manage the property as well as the required yearly contribution to the replacement reserve of \$248,800.

The proposed capital budget includes:

- \$4,700,000 for completion of the plumbing modernization at Front Hi-Rise
- \$108,000 for other capital projects
- \$38,970 for capitalized salaries and benefits, and
- \$19,280 for items identified in “Year 2” of the Project’s RAD Capital Needs Assessment replacement schedule

The Front plumbing modernization project costs are proposed to be covered by:

- Current year funding: \$2,097,760
- Federal Home Loan Bank of Des Moines (FHLBDM) loan: \$1,000,000
- Project Replacement Reserve: \$1,602,240
  - These funds were set aside during the RAD Conversion expressly for this purpose.

The net result of these proposed current year activities is negative net operating cash flow of \$1,779,278.

### **Project 3 - Edgerton Hi-Rise Budget Summary**

The proposed FY 22 budget for Edgerton Hi-Rise is projecting revenues of \$5,212,460 and total operating expenses of \$4,653,072. Project revenues are comprised primarily of tenant rent, cell-site rental revenue, and Housing Assistance Payments from HUD, and operating expenses include those things needed to successfully maintain and manage the property as well as the required yearly contribution to the replacement reserve of \$538,600.

The proposed capital budget for includes:

- \$35,000 for capital equipment purchases
- \$215,000 for other capital projects
- \$28,110 for capitalized salaries and benefits

The RAD Capital Needs Assessment for Project 3 did not have any repair or replacement items indicated for "Year 2". Contributions will still be made to the Replacement Reserve in FY 2022 in anticipation of future years' identified replacement needs.

In addition to current year operating activities, staff are proposing \$100,000 from this Project be transferred to a "Development Reserve" account in the Business Activities Fund.

The net result of these proposed current year activities is positive net operating cash flow of \$181,278.

### **Project 4 – Roosevelt Homes Budget Summary**

The proposed FY 22 budget for Roosevelt Homes is projecting revenues of \$3,270,010 and total operating expenses of \$3,060,513. Project revenues are comprised primarily of tenant rent and Housing Assistance Payments from HUD, and operating expenses include those things needed to successfully maintain and manage the property as well as the required yearly contribution to the replacement reserve of \$213,220.

The proposed capital budget includes:

- \$43,000 for capital equipment purchases
- \$128,660 for other capital projects
- \$15,410 for capitalized salaries and benefits
- \$267,340 for items identified in "Year 2" of the Project's RAD Capital Needs Assessment replacement schedule

The net result of these proposed current year activities is positive net operating cash flow of \$22,427.

### **Project 5 – Mt Airy Budget Summary**

The proposed FY 22 budget for Mt Airy is projecting revenues of \$6,514,720 and total operating expenses of \$6,297,500. Project revenues are comprised primarily of tenant rent and Housing Assistance Payments from HUD, and operating expenses include those things needed to successfully maintain and manage the property as well as the required yearly contribution to the replacement reserve of \$343,950.

The proposed capital budget includes:

- \$8,000 for capital equipment purchases
- \$182,650 for other capital projects
- \$146,340 for capitalized salaries and benefits
- \$354,350 for items identified in "Year 2" of the Project's RAD Capital Needs Assessment replacement schedule

The net result of these proposed current year activities is negative net operating cash flow of \$119,770.

#### **Project 6 – Exchange Hi-Rise Budget Summary**

The proposed FY 22 budget for Exchange is projecting revenues of \$2,510,810 and total operating expenses of \$2,236,385. Project revenues are comprised primarily of tenant rent, cell site rental revenue, and Housing Assistance Payments from HUD, and operating expenses include those things needed to successfully maintain and manage the property as well as the required yearly contribution to the replacement reserve of \$148,220.

The proposed capital budget includes:

- \$35,000 for capital equipment purchases
- \$112,000 for other capital projects
- \$12,490 for capitalized salaries and benefits
- \$260,870 for items identified in "Year 2" of the Project's RAD Capital Needs Assessment replacement schedule

In addition to current year operating activities, staff are proposing \$100,000 from this Project be transferred to a "Development Reserve" account in the Business Activities Fund.

The net result of these proposed current year activities is positive net operating cash flow of \$14,935.

#### **Project 7 - Ravoux Hi-Rise Budget Summary**

The proposed FY 22 budget for Ravoux is projecting revenues of \$4,003,000 and total operating expenses of \$3,964,856. Project revenues are comprised primarily of tenant rent, cell site rental revenue, rental revenue from LIPH AMP 9, and Housing Assistance Payments from HUD, and operating

expenses include those things needed to successfully maintain and manage the property as well as the required yearly contribution to the replacement reserve of \$166,790.

The proposed capital budget includes:

- \$35,000 for capital equipment purchases
- \$294,010 for other capital projects
- \$50,460 for capitalized salaries and benefits
- \$80,990 for items identified in "Year 2" of the Project's RAD Capital Needs Assessment replacement schedule

The net result of these proposed current year activities is negative net operating cash flow of \$341,326.

### **Project 8 – Dunedin Terrace Budget Summary**

The proposed FY 22 budget for Dunedin Terrace is projecting revenues of \$5,666,550 and total operating expenses of \$4,811,589. Project revenues are comprised primarily of tenant rent, cell site rental revenue, and Housing Assistance Payments from HUD, and operating expenses include those things needed to successfully maintain and manage the property as well as the required yearly contribution to the replacement reserve of \$285,460.

The proposed capital budget includes:

- \$192,960 for other capital projects
- \$76,220 for capitalized salaries and benefits
- \$157,040 for items identified in "Year 2" of the Project's RAD Capital Needs Assessment replacement schedule

In addition to current year operating activities, staff are proposing \$100,000 from this Project be transferred to a "Development Reserve" account in the Business Activities Fund.

The net result of these proposed current year activities is positive net operating cash flow of \$485,781.

FY 2022 Capital Improvement Budget

	RAD C.N.A. Items	Other Replacement Reserve uses	Other Funding	Capital Equipment	Salaries/Benefits	Current Year Projects	Total FY 22 Capital Expenses
McDonough	129,590.00	20,410.00	-	-	36,210.00	-	186,210.00
Hamline	19,280.00	1,602,240.00	1,000,000.00	-	38,970.00	2,205,760.00	4,866,250.00
Edgerton	-	-	-	35,000.00	28,110.00	215,000.00	278,110.00
Roosevelt	267,340.00	-	-	43,000.00	15,410.00	128,660.00	454,410.00
Mt Airy	14,350.00	340,000.00	-	8,000.00	146,340.00	182,650.00	691,340.00
Exchange	260,870.00	-	-	35,000.00	12,490.00	112,000.00	420,360.00
Ravoux	80,990.00	-	-	35,000.00	50,460.00	294,010.00	460,460.00
Dunedin	157,040.00	-	-	-	76,220.00	192,960.00	426,220.00
<b>TOTAL</b>	<b>929,460.00</b>	<b>1,962,650.00</b>	<b>1,000,000.00</b>	<b>156,000.00</b>	<b>404,210.00</b>	<b>3,331,040.00</b>	<b>7,783,360.00</b>

CARES Act Expenditures		transfer to												Totals
		RAD 1	RAD 2	RAD 3	RAD 4	RAD 5	RAD 6	RAD 7	LIPH 9	RAD 8	LIPH 9	LIPH 9	RAD 1	
1,882,161.00		AMP 1	AMP 2	AMP 3	AMP 4	AMP 5	AMP 6	AMP 7	Central (42) AMP 7 LIPH	AMP 8	Neill (16) AMP 8 LIPH	AMP 9	AMP 13	
CARES Act Funds Awarded		273,933.00	171,198.00	241,658.00	154,012.00	320,682.00	128,920.00	199,218.00	17,994.00	246,846.00	7,091.00	116,480.00	4,129.00	1,882,161.00
<b>July Salaries</b>														
Maintenance	4410	122,372.76	62,585.22	58,278.18	48,589.71	120,317.72	37,285.65	62,750.40	2,219.32	56,932.72	845.46	19,022.74		591,199.88
Resident Services Management	4110	56,975.09	19,691.81	35,624.02	33,955.47	62,827.77	15,746.50	27,593.22	4,691.66	46,934.60	1,787.30	40,214.24		346,041.68
<b>totals</b>		179,347.85	82,277.03	93,902.20	82,545.18	183,145.49	53,032.15	90,343.62	6,910.98	103,867.32	2,632.76	59,236.98	-	937,241.56
<b>remaining balances</b>		94,585.15	88,920.97	147,755.80	71,466.82	137,536.51	75,887.85	108,874.38	11,083.02	142,978.68	4,458.24	57,243.02	4,129.00	944,919.44
<b>August Salaries</b>														
Maintenance	4410	71,348.14	55,595.71	37,966.84	39,494.55	72,554.24	17,581.58	34,831.11	2,004.98	48,895.38	763.80	17,185.51		398,221.84
Resident Services Management	4110	23,237.01	13,489.59	23,765.81	25,302.79	42,676.44	10,854.07	18,371.70	3,077.53	31,422.91	1,172.39	26,378.87	4,129.00	223,878.11
<b>totals</b>		94,585.15	69,085.30	61,732.65	64,797.34	115,230.68	28,435.65	53,202.81	5,082.51	80,318.29	1,936.19	43,564.38	4,129.00	622,099.95
<b>remaining balances</b>		-	19,835.67	86,023.15	6,669.48	22,305.83	47,452.20	55,671.57	6,000.51	62,660.39	2,522.05	13,678.64	-	322,819.49
<b>September Salaries</b>														
Maintenance	4410		19,835.67	32,191.91	6,669.48	22,305.83	23,037.72	34,444.73	2,547.00	45,265.60	970.00	13,678.64		200,946.58
Resident Services Management	4110			23,871.99			10,618.36	18,313.22	3,077.53	17,394.79	1,172.39			74,448.28
<b>totals</b>		-	19,835.67	56,063.90	6,669.48	22,305.83	33,656.08	52,757.95	5,624.53	62,660.39	2,142.39	13,678.64	-	275,394.86
<b>remaining balances</b>		-	-	29,959.25	0.00	(0.00)	13,796.12	2,913.62	375.98	-	379.66	-	-	47,424.63
<b>October Salaries</b>														
Maintenance	4410			29,959.25			13,796.12	2,913.62	375.98		379.66			47,424.63
Resident Services Management	4110													-
<b>totals</b>		-	-	29,959.25	-	-	13,796.12	2,913.62	375.98	-	379.66	-	-	47,424.63
<b>remaining balances</b>		-	-	-	0.00	(0.00)	-	0.00	(0.00)	-	(0.00)	-	-	(0.00)